

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:142

ANSWERED ON:18.07.2016

Reforms in Mining Sector

Kachhadia Shri Naranbhai;Khaire Shri Chandrakant Bhaurao

Will the Minister of MINES be pleased to state:

- a) whether the Government proposes to bring in certain regulatory reforms in the mining sector in the country;
- b) if so, the details thereof; and
- c) the time by which such reforms are likely to be implemented?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (SHRI PIYUSH GOYAL)

(a) to (c): Reforms in the mining sector were brought about by amending the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 through the MMDR Amendment Ordinance, 2015, which was promulgated on the 12th January, 2015. The MMDR Amendment Bill, 2015 to replace the MMDR Amendment Ordinance, 2015 was passed by the Parliament and has come into force with effect from 12th January, 2015.

The most important provision of the MMDR Amendment Act, 2015 is the grant of mineral concessions, for major minerals, through auction by competitive bidding which is a transparent and non-discriminatory method and which will also obtain for the State Government its fair share of value of the mineral resources. The other important provisions of the MMDR Amendment Act, 2015 are:

- (i) Transition provisions for extension of existing leases to obviate disruptions in supply of ore and to ensure regular supply of raw material to the industry;
- (ii) Establishment of District Mineral Foundation (DMF) for the interest and benefit of persons, and areas affected by mining related operations;
- (iii) Assured tenure and easy transferability of mineral concessions granted through auction;
- (iv) Establishment of National Mineral Exploration Trust (NMET) for regional and detailed exploration; and
- (v) Stricter penalty provisions to deter illegal mining.

The rules to give effect to the amendments have been framed. Some State Governments have already conducted auctions for grant of mineral concessions and most of the mineral rich States have established DMFs and have notified rules in this regard. The NMET has been set up and a new National Mineral Exploration Policy has been formulated. The implementation of reforms is an ongoing and continuous process.