

MINERAL POLICY AND LEGISLATION



Indian Minerals Yearbook 2018

(Part- I : GENERAL REVIEWS)

57th Edition

MINERAL POLICY & LEGISLATION

(FINAL RELEASE)

**GOVERNMENT OF INDIA
MINISTRY OF MINES
INDIAN BUREAU OF MINES**

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POLICY

National Mineral Policy

The Hon'ble Supreme Court in its judgement dated 2.08.2017 in the Writ Petition (Civil) No.114 of 2014 inter alia directed the Union of India to revisit the National Mineral Policy, 2008 (NMP, 2008) and announce a fresh and more effective and meaningful policy.

In compliance with the directions of the Hon'ble Supreme Court, Ministry of Mines (MoM) vide its Order No. 15/1/2017-MV dated 14.08.2017 had constituted a Committee.

The Committee included representatives from Central Ministries, State Governments, Industry Associates, Professional Bodies and it also consulted NGOs and many other Stakeholders by co-opting them. The Committee went about the consultative process with problem-solving approach and held four meetings wherein exhaustive discussions on the issues raised by the stakeholders were deliberated.

The Committee submitted its report to the Ministry on 31.12.2017. Based on the report submitted by the committee on 31.12.2017, the Ministry of Mines prepared a draft National Mineral Policy (NMP) 2018 and uploaded it on the official website of the Ministry on 10.01.2018 for seeking comments/suggestions from the stake holders.

After suitably incorporating the comments/suggestions received from the concerned, a draft Cabinet Note on NMP 2018 was prepared and circulated on 17.07.2018 to concerned Ministries/Departments for their comments/views as part of the Inter Ministerial Consultation. Comments/ suggestions received from the Ministries/Departments were suitably incorporated in the draft Cabinet Note and advance copies of the revised draft Cabinet Note were circulated to PMO and Cabinet Secretariat for their observations/comments in the last week of November, 2018.

The Union Cabinet has subsequently accorded approval to the New National Mineral Policy, 2019.

NATIONAL MINERAL POLICY, 2019

(For non-fuel and non-coal minerals)

1. VISION

Minerals are a valuable natural resource being the vital raw material for the core sectors of the economy. Exploration, extraction and management of minerals have to be guided by national goals and perspectives, to be integrated into the overall strategy of the country's economic development. Endeavour shall be to promote domestic industry, reduce import dependency, and feed into Make in India initiative.

Natural resources, including minerals, are a shared inheritance where the State is a trustee on behalf of the people and therefore it is imperative that allocation of mineral resources is done in a fair and transparent manner to ensure equitable distribution of mineral wealth to sub-serve the common good. Mining needs to be carried out in an environmentally sustainable manner keeping stakeholders' participation, and devolution of benefits to the mining affected persons with the overall objective of maintaining high level of trust between all stakeholders.

It shall also be ensured that the regulatory environment is conducive to ease of doing business with simpler, transparent and time-bound procedures for obtaining clearances. Since mining contributes significantly to state revenues, there is a need for an efficient regulatory mechanism with high penetration of e-governance systems to prevent illegal mining and value leakages. Mining contributes significantly to employment generation, thus, there shall be a keen focus on gender sensitivity in the mining sector at all levels. Endeavour shall be made to set up a unified authority at national level for mineral development and co-ordination to fulfill objectives of this policy.

2. REGULATION OF MINERALS

2.1 Management of mineral resources is the responsibility of both the central and state governments in terms of entry 54 of the Union List (List I) and entry 23 of the State List (List II) of the Seventh Schedule of the Constitution of India.

MINERAL POLICY AND LEGISLATION

2.2 In order to make the regulatory environment conducive to ease of doing business, the procedures for grant of mineral concessions shall be transparent and seamless with an assured security of tenure alongwith transferability of concessions playing a key role in mineral sector development.

2.3 To ensure enforcement of mining plans, the Indian Bureau of Mines (IBM) and the State Directorates of Mining & Geology will be strengthened with adequate man power, equipment and skill sets upgraded to state-of-the-art levels.

2.4 There will be an emphasis on strengthening the regulatory mechanism by incorporating e-Governance, including satellite and remote sensing applications. Provisions shall be made for end-to-end accounting of mineral/ore in the supply chain with use of IT enabled systems. Efforts shall also be made to devise appropriate mechanism(s) for awareness and information campaigns and also for involvement of local populations to supplement the law enforcement capabilities in preventing illegal mining.

3. ROLE OF STATE IN MINERAL DEVELOPMENT

3.1 The core functions of state in mining will be facilitation and regulation of exploration and mining activities, making provision for development of infrastructure and tax collection. An Annual Business Plan/Road map for the development of mineral sector shall be brought out by the respective states. There shall be transparency and fair play while reserving areas for State agencies unless security considerations or specific public interests are involved. Grant of clearances for commencement of mining operations shall be streamlined with simpler and time bound procedures facilitated through an on-line public portal with provision for generating triggers at higher level in the event of delay. As part of Initiative for ease of doing business the states shall make an endeavour to auction mineral blocks with pre-embedded statutory clearances. Mineral bearing area/zone shall be earmarked as Mining Land in the land record by the states. Endeavour shall be made to rationalize those areas that were reserved but remained unused by PSUs, for speedy development.

3.2 Trust is vital to the ability of our country to achieve sustained growth in Mining Sector. State will endeavor continuously to increase trust level between government, miners, local communities and other stakeholders through openness, fairness, better regulation, responsiveness, inclusive policy making.

4. PROSPECTING AND EXPLORATION

4.1 The country is blessed with ample resources of a number of minerals and has the geological environment for occurrence of many others. To explore the country's entire geological potential, it shall be ensured that regional and detailed exploration is carried out systematically, scientifically and intensively over the entire geologically conducive mineral bearing area of the country, using state-of-the-art technologies, including seismic 2D/3D interpretative systems, in a time bound manner.

4.2 While the Government agencies will continue to perform the tasks assigned to them for survey and exploration, the private sector would be encouraged to take up exploration activities. The Government agencies will expend public funds particularly in areas where private sector investments are not forthcoming due to reasons such as high uncertainties. States may be mandated to create dedicated funding for boosting exploration activities without additional burden on miners.

4.3 Particular attention will be given to the prospecting and exploration of minerals in which the country has a poor resource-cum-reserve base despite having the geological potential for large resources. Special attention will be given towards exploration of energy critical minerals, fertilizer minerals, precious metals and stones, strategic minerals and other deep seated minerals which are otherwise difficult to access and for which the country is mainly dependent on imports.

4.4 Exploration shall be incentivised to attract private investments as well as state-of-the-art technology, within the ambit of auction regime, through Right of First Refusal at the time of auction or seamless transition from Reconnaissance permit to Prospecting Licence to Mining Leases or auctioning of composite Reconnaissance permit cum Prospecting License cum Mining Lease in

virgin areas on revenue sharing basis or any other appropriate incentive as per international practice.

4.5 Clearances shall be streamlined with simpler, transparent, accountable and time bound procedures to facilitate exploration in order to conform to the statutory requirements especially for geologically complex deposits.

4.6 In the offshore areas, it is necessary to ensure that India's Exclusive Economic Zone is explored and extracted to the maximum possible extent. Cooperation between Ministry of Earth Sciences (MoES) and Geological Survey of India (GSI) needs to be further institutionalised so as to achieve this objective within a time bound framework.

5. DATABASE OF MINERAL RESOURCES AND TENEMENTS

5.1 National inventory of mineral resources will be based on comprehensive and up to date review of exploration data which will be maintained in digitised form comprising both a resource inventory and a tenement registry. The resource inventory will be maintained in accordance with a globally accepted public reporting standard for ensuring reliability of reporting and acceptability to financial institutions and stock exchanges showing reserves and remaining resources as well in the traditional methodology in vogue. The registry shall be a web-based system for public viewing integrated with GIS, such that information could be shown spatially in the form of map based service.

5.2 Efforts shall be made by the Government to establish a Mining Tenement System (MTS) which would primarily involve automating the entire concession life-cycle using state-of-the-art IT systems.

5.3 Baseline and mineral exploration data generated by various central & state government agencies as well as mineral concession holders will be collated and maintained for open dissemination as a public good. Collaboration between national and international scientific and research bodies, universities, professional bodies and industry will be encouraged for scientific and technological research to address the mineral exploration challenges in the country.

6. MINING AND MINERAL DEVELOPMENT

6.1 General Strategy

Minerals are a major resource for the core sectors of the economy. There is a huge demand for minerals in view of the rapid urbanisation and the projected growth in the manufacturing sector. With the thrust on Make in India initiative the demand for minerals is likely to grow at a rapid pace. Extraction and management of minerals has to be guided by long-term national goals and perspectives and integrated into the overall strategy of the country's economic development. Mining technology will be upgraded to ensure extraction and utilisation of the entire Run-of-Mines (RoM).

A thrust will be given to extraction of mineral resources in which the country is well endowed so that the needs of domestic industry are fully met keeping in mind both present and future needs, while at the same time fulfilling the demand of external markets for such minerals, so as to enhance domestic economic and social well-being.

Though primary minerals will remain the principal source for fulfilling demand, efforts shall be made to augment supply by developing processes for recovery of metal through recycling. The reusable nature of metals contributes to conservation of natural resources and includes other benefits in terms of energy conservation, environmental and economic benefits.

Considering that a large number of merchant mining leases are going to expire in the year 2020, and for captive mines in 2030, efforts shall be made to ensure uninterrupted supply of minerals/ore to the downstream industry.

Merger and acquisitions of mining entities and transfer of mining leases granted transparently will be encouraged by introducing appropriate incentives in existing laws.

6.2 Conservation and Mineral Development

Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve/resource base. There shall be an adequate and effective legal and institutional

framework promoting zero-waste mining as the ultimate goal and a commitment to prevent sub-optimal and unscientific mining. The concept of collaborative mining amongst mining concessionaires located in large mining belt shall be encouraged to ensure optimum extraction of mineral. Value addition and general customisation of product will be encouraged by providing fiscal and/ or non-fiscal incentives.

6.3 Scientific Methods of Mining

Mine development and mineral conservation as governed by the rules and regulations will be on sound scientific basis, with the regulatory agencies, viz. IBM and the State Directorates, closely interacting with R&D organisations and scientific and professional bodies, to ensure preparation of optimal Mining plan. Conditions of mining leases regarding extent of area/size, shape, disposition with reference to geological boundaries and other mining conditions shall be such as to favourably predispose the leased areas to systematic, scientific, optimum, and complete extraction of minerals. The regulatory agencies will be suitably strengthened through capacity building measures in terms of adequate manpower, technology, equipment and skill-set.

6.4 Mining Machinery and Mineral Beneficiation Equipment

Use of equipment and machinery which will improve the efficiency, productivity and economics of mining operations as well as mineral beneficiation process, safety and health of persons working in the mines/beneficiation plant and surrounding areas shall be encouraged. Availability of such equipment and machinery shall be incentivized and freely allowed. At the same time capacities shall be developed for indigenous industry for manufacture of mining machinery and mineral beneficiation equipment and machinery for which induction of modern technology and participation shall be encouraged.

6.5 Human Resource Development

Development of human resources shall be the mainstay to improve the competitive edge of the national mining industry with a focus on improving gender balance in Mining Industry. Emphasis shall be laid on mechanisation, computerisation, automation and adoption of state

of the art technology of the existing and new mining units. The human resource development strategy shall be suitably reoriented for the purpose. Facilities for basic and specialised training shall be constantly reviewed and upgraded from time to time, to ensure that adequately trained manpower at all levels is available for the development of mines and minerals. As the mining sector takes off, the country will need more and more mining engineers, Environment engineers, geo-scientists and IT professionals. The functionaries of central and state governments shall be trained in international practices to strengthen the mining sector regulation as per international standards.

6.6 Infrastructure Development

Mining infrastructure requires a special thrust as the economic efficiency of evacuation of minerals from pit mouth to user point or port or rail head is closely linked to the end-use value of the mineral and of the viability of the industry producing and using the mineral.

While local evacuation networks will be encouraged to be built in an integrated manner along with developing the mineral blocks, dedicated mineral corridors shall be planned to facilitate transport of minerals from mining areas in hinterland. Development and installation of innovative, eco-friendly and efficient modes of evacuation like slurry pipelines and close loop conveyors shall be promoted and encouraged. An enabling environment will be created to allow mining companies to undertake construction of such infrastructure including construction of conventional transportation networks like rail and road for their own usage in coordination of State/Central agencies. Use of coastal water ways and inland shipping shall also be promoted. To promote investment in the mining sector special incentives or priority movement by railways/port/coastal shipping must be encouraged.

The contribution of mineral development to regional and more specifically peripheral development, commensurate with the huge investment in large mining projects is substantial. An integrated approach shall be encouraged encompassing mineral development, regional development and the social and economic well-being of the local, and particularly, tribal

population.

6.7 Financial Support for Mining

Mining is an eligible activity for obtaining financial support from financial institutions. However, at present only those mining projects which have a substantial component of mining machinery, equipment and buildings are being financed. Steps shall be taken to facilitate financing of prospecting, exploration and mine development. Efforts shall be made to grant mining the status of industry.

6.8 Small Deposits

Small and isolated deposits of minerals are scattered all over the country. These often lend themselves to economic extraction through small scale mining. With modest demand on capital expenditure and short lead-time, they provide employment opportunities for the local population. However, due to lack of economies of scale they can also lead to sub-optimal mining and ecological disturbance. Efforts will be made for promotion of small mineral deposits in a scientific and efficient manner while safeguarding vital environmental and ecological imperatives.

Where small deposits are not susceptible to viable mining, a cluster approach will be adopted by granting the deposits together as a single lease within a geographically defined boundary. Similarly in case of small deposits of precious metals and base metals the establishment of common smelting and refining facilities shall be encouraged.

In grant of mineral concessions for small deposits in Scheduled Areas, endeavour will be made to accommodate Scheduled Tribes while extending enabling environment to carry-out mining operations in a systematic and efficient manner.

6.9 Beach Sand Minerals

Efforts will be made to encourage extraction of the replenishable deposits of beach sand minerals for improved economic growth by ensuring coordination between the different agencies viz., State Governments, Ministry of Environment, Forests & Climate Change, Indian Bureau of Mines, Department of Atomic Energy, Atomic Minerals Directorate for Exploration and Research, and Department of Customs and Excise etc. so that regulation of mining of beach sand

minerals is in conformity with the mining and other related laws, while also conforming to national security requirements and established international protocols.

6.10 Protection of Environment

Extraction of minerals impacts other natural resources like land, water, air and forest. It is necessary to take a comprehensive view to facilitate the choice or order of land use keeping in view the needs of development as well as needs of protecting the forests, environment and ecology and to conserve biodiversity of areas to be mined.

Prevention and mitigation of adverse environmental effects due to mining in accordance with the latest scientific norms and modern afforestation practices shall form integral part of mine development strategy in every instance. All mining shall be undertaken within the parameters of a comprehensive Sustainable Development Framework which will ensure that environmental, economic and social considerations are integrated effectively in all decisions on mines and minerals issues. The guiding principle shall be that a miner shall leave the mining area in an ecological shape which is as good as it was before the commencement of mining or better with least impact on flora and fauna of the area.

Mining operations shall not ordinarily be taken up in identified ecologically fragile and biologically rich areas. The Government shall identify such areas that are critically fragile in terms of ecology and declare as 'in-violate areas' or 'no-go areas' out of bounds for mining. In order to achieve a better semblance between mineral based development and environment, there shall be an endeavour to create Exclusive Mining Zone (EMZ) with prior in-principle statutory clearances demarcated for the mineralized belt/zone to avoid conflict of interest and to curtail delay in commencement of mining operation.

With a view to reduce pollution, carbon footprint and operational costs, use of renewable sources of energy at mining sites will be encouraged through appropriate incentives. Appropriate sensitization training about environmental issues will be provided to all workers involved in mining operations.

6.11 Sustainable Development in Mining Sector

Environmental, economic and social

considerations must be taken into account as early as possible in the decision-making process, to ensure sustainable development in the mining sector which envisions mining as financially viable; socially responsible; environmentally, technically and scientifically sound; with a long term view of development; uses mineral resources optimally; and, ensures sustainable post-closure land uses.

The Government shall set a benchmark against which all mining operations may be evaluated in terms of their comparative performance on sustainable development framework and enforce commitment on part of the mining companies to adopt sustainable development practices for achieving environmental and social goals.

6.12 Welfare of Project Affected Persons

6.12 (a) Relief & Rehabilitation of Displaced and Affected Persons

Mining operations can involve acquisition of land held by individuals including those belonging to the tribals and weaker sections. In all such cases a careful assessment of the economic, cultural, environmental, and social impact on the affected persons need to be undertaken to ensure that suitable, appropriate, relief and rehabilitation packages are evolved.

In areas in which minerals occur and which are inhabited by tribal communities and weaker sections, it is imperative to recognize resettlement and rehabilitation issues as intrinsic to the development process of the affected zone. A mechanism will be evolved which would actually improve the living standards of the affected population and ensure them a sustainable income. For this purpose, all the provisions of rehabilitation and resettlement given in the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 as amended from time to time will be followed.

6.12 (b) Devolution of Mining Benefits to Project Affected Persons

The mining legislation has been amended to provide for the establishment of District Mineral Foundation (“DMF”) with the objective of working for the interest and benefit of persons, and areas, affected by mining related operations. The objectives for devolution of mining benefits under

DMF for inclusive and equitable development of project affected persons and areas are to be guided by the provisions of the Pradhan Mantri Khanij Kshetra Kalyan Yojana (“PMKKKY”).

It shall be the endeavour of the Government to monitor and review the implementation of schemes under DMF for giving effect to PMKKKY for a national web portal shall be developed with free access to the public.

6.12 (c) Welfare of Tribal Communities

Existence of minerals in tribal areas with rich biodiversity requires a comprehensive assessment. Land acquisition and displacement of tribal communities due to mining projects may lead to distress in tribal communities living in Scheduled Areas.

Grant of mineral concessions in Scheduled Areas shall be guided by the provisions contained in Article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 or any other relevant statutory acts protecting the interests of tribals. All Relevant Acts/Rules related to rehabilitation and resettlement like The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, subsequent amendments or any other relevant acts/rules shall be strictly implemented.

6.13 Mine Closures

Once the reserves in mine are completely exhausted there is need for scientific mine closure which will not only restore ecology and regenerate bio diversity but also take into account the socio-economic aspects of such closure. Where mining activities have been spread over a few decades, mining communities get established and closure of the mine means not only loss of jobs for them but also disruption of community life. Mine closure should be done in an orderly and systematic manner.

Government has a role in ensuring that post-production mine decommissioning and land reclamation are an integral part of the mine development process; that financial provisions for

the costs incurred in mine closure are accorded a high level of priority by the industry; and that consistent approaches are adopted for efficient and effective mine reclamation and rehabilitation.

6.14 Safety of mines and mine-workers

Mining operations at times are hazardous in nature. Accidents happen and often result in occupational health problems, serious bodily injury or even loss of life. Efforts must be directed towards the development and adoption of mining methods which would increase the safety of workers and reduce accidents. Towards this end, participation and cooperation of mine workers shall be secured. Steps will also be taken to minimise the adverse impact of mining on the health and safety of workers and the surrounding population. DGMS should be further strengthened through adequate manpower, equipments, and skill sets in order to carry out the regulatory role for ensuring miners' health and mine safety effectively.

6.15 Mineral Security

Mineral resources security is an important issue with strategic as well as economic significance. Securing access to sufficient, reliable, affordable, and sustainable supplies of minerals is increasingly becoming an important factor for functioning of downstream industries and the overall economy. Hence, ensuring long-term mineral security for nation shall be taken up with utmost priority. To ensure adequate supply of minerals which are not available locally, downstream regulations shall be aligned for their exploration and development and for facilitating acquisition of mineral assets in other countries by public as well private Indian business entities.

7. FOREIGN TRADE AND FOREIGN INVESTMENT

General:

Attracting foreign investment in the mining sector will be encouraged by appropriate mechanism. Efforts shall be made to export minerals in value added form as far as possible. The indigenous mineral industry shall be attuned to the international economic situation in order to derive maximum advantage from foreign trade by carefully anticipating technology and demand changes in the international market for minerals.

Long term Import Export policy and FDI:

Minerals continue to be an important source of foreign exchange earnings. For exports, the policy shall keep in view the dynamics of mineral inventories as well as the short, medium and long term needs of the country. On the other hand, the import of minerals shall be coordinated as far as possible with the indigenous development of mineral based industries. Areas of cooperation with other countries having complementary resource base shall be developed for mutual advantage. The approach shall be to make mineral based materials available to domestic users at reasonable prices as determined by market forces.

To develop mining as a modern stand-alone industry substantial investment is required. A long term export-import policy for the mineral sector would provide stability and prove to be an incentive for investing in large scale commercial mining activity. Assurances, through such a policy for minerals, will be a key factor for investment decisions, particularly Foreign Direct Investment (FDI) decisions in the sector.

8. FISCAL ASPECTS

It will be the endeavour of government to design fiscal measures, within the context of the budget, conducive to the promotion of mineral exploration and development including beneficiation and other forms of product refinement. In the context of the changing mineral scenario and the economies of mineral development and products, both at the national and international level, fiscal changes will be examined from time to time consistent with the general tax structure and through the normal budgetary process. Efforts shall be made to benchmark and harmonize royalty and all other levies and taxes with mining jurisdictions across the world to make India an attractive destination for exploration and mining.

9. RESEARCH AND DEVELOPMENT

9.1 General Approach

Research and development in the mineral sector has to cover the entire gamut of activities from geological survey, exploration, mining, beneficiation, concentration of minerals to development of materials. Efforts will be directed towards the development of new technologies

for conversion of existing mineral resources into viable economic resources. Appropriate technologies shall be developed to enable indigenous industries to utilise the mineral resources with which the country is abundantly endowed. R&D efforts shall be directed to find new and alternative uses for minerals whose traditional demand is on the wane. Indigenous technology has to be upgraded through research and appropriate absorption and adoption of technological innovations. Research and development efforts shall be made to improve efficiency in process, operations and also the recovery of by-products and reduction in specification and consumption norms. Efforts will also be directed to evolve low capital and energy saving processing systems.

9.2 Research in Mining Methods

Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrust shall be directed specially in the areas of rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, energy conservation, environmental protection, safety of operations and human engineering.

9.3 Mineral Processing and Beneficiation

Attention will be given to beneficiation and agglomeration techniques to bring lower grades and finer size material into use. Research organisations, including the National Mineral Processing Laboratories of the Indian Bureau of Mines will be strengthened for development of processes for beneficiation and mineral and elemental analysis of ores and ore dressing products. There shall be cooperation between and coordination among all organisations in public and private sector engaged in this task. Research and development shall be oriented to ensure maximum economic recovery of the associated minerals and valuable metals including incentivization and promotion of state-of-the-art technology.

9.4 Development of Automated Equipment

To meet the objective of safety and economic production, attention will be given to the development of robotics, automated equipment for mining, especially for deep mining and transportation to surface. While efforts shall be made for indigenous development, Government shall also consider an appropriate fiscal measure to facilitate import of automated equipments, machinery and mining robots etc. which are not available in the country, which can be used for exploration, mineral development and value addition in the downstream industry.

9.5 Deep Sea Mining

Deep ocean resources represent an exceptionally large and potentially important mineral resource. Integrated systems for prospecting, exploration, extraction, mining and processing of these resources shall be expedited with the development/acquisition of necessary technologies. Appropriate mechanism for coordinating as well as funding of the survey and exploration of Deep Sea Bed Area will be established with the Ministry of Earth Sciences.

9.6 Production of Materials of High Purity

Research will be directed towards raw materials required for production of materials of high purity for use in advanced technology applications such as semi-conductors, photo-voltaic, lasers, special sensors, high temperature new ceramics, hard and high temperature materials, superconductors, insulators, very thin films, glasses and liquid crystals and metal and mineral fibres.

9.7 Coordination of Research Organisations

Research and development activities in the mineral sector are carried out in the national laboratories, educational institutions and R&D units of public and private sector enterprises. Pooling of resources, efforts and expertise available in various R&D Organisations is imperative to meet the challenges and to fulfil the tasks ahead in the mineral sector. Coordination, synergy and convergence among the various institutions engaged in R&D in the mineral sector shall be strengthened to derive the maximum benefit. Interchange of scientists between institutions shall be encouraged to accelerate the pace of interaction. It shall also be

ensured that the research findings are made available to users expeditiously. There shall be cooperation between and coordination among all organisations in the public and private sectors engaged in this task.

10. INTER GENERATIONAL EQUITY

There is a need to understand that natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State. However, for assessment of inter generational equity in respect of each mineral, a disaggregated approach shall be adopted considering aspects like reserves/ resources and potential for reuse through recycling, which are relevant and suitable in the Indian context.

11. INTER MINISTERIAL MECHANISM FOR SUSTAINABLE DEVELOPMENT

A unified authority in the form of an inter-ministerial body under Ministry of Mines, with members like Ministry of Coal, MoEarth Sciences, MoEFCC, Ministry of Tribal Affairs, Ministry of Rural Development, Ministry of Panchayati Raj, Ministry of Steel, including State Governments, shall be constituted to institutionalise a mechanism for ensuring sustainable mining with adequate concerns for environment and socio-economic issues in the mining areas, and to advise the Government on rates of royalty, dead rent etc.

This proposed mechanism shall also decide the limits on the extent of mining activities that should be permitted which would, inter alia, involve undertaking a detailed study for assessing what should be the state-wise/region-wise ceiling of annual excavation of minerals, considering the availability of mineral resources, the carrying capacity of the region, and the macro environmental impact on the region while also keeping in mind the principles of sustainable development and intergenerational equity and all other relevant factors.

12. OUTCOMES AND CONCLUSION

Under the 'Make in India' initiative, the Government of India aims to increase the share of the manufacturing sector in the economy. This national initiative requires a holistic development of the mineral sector on a sustainable basis in order to fulfil the demand of downstream industries dependent on mineral/ore supply.

The outcomes expected from these policy proposals are, an increase in the production of MCDR (Mineral Conservation and Development Rules, 2017) minerals (in value terms) by 200 % in 7 years; and on the other hand reduce the trade deficit in minerals sector by 50% in 7 years.

The success of this national mineral policy will be critical in propelling India on to a loftier development trajectory. Successful implementation of this policy and shall be ensured by achieving a national consensus among various key stakeholders and their commitments to fulfil its underlying principles and objectives.

FDI POLICY

(I) 100% FDI has been permitted via Automatic Route for mining and exploration of metal and non-metal ores including diamond, gold, silver and precious ores and the mining of coal and lignite for captive consumption for power projects, iron, steel and cement units.

(II) 100% FDI has been permitted through Government Route for mining of titanium-bearing minerals and its ores, its value addition and integrated activities.

FDI Equity Inflow

As per DIPP "fact sheet on Foreign Direct Investment (FDI) from April 2000 to March 2018 Report" the FDI equity Inflow in the Mining Sector from April 2000 to March 2018 was R 12,636.98 crore.

NATIONAL MINERAL EXPLORATION POLICY (NMEP, 2016)

The National Mineral Exploration Policy of the Government was notified in July, 2016. After presenting a detailed analyses of the status of mineral exploration in the country, it encapsulates number of measures for comprehensive and accelerated mineral

exploration in the country. It includes making available pre-competitive baseline geoscientific data free of charge in public domain; high resolution aerogeophysical survey of the prioritised mineral-potential areas of the country within three years; accelerated completion of geochemical and geophysical mapping of potential areas; launching of high-technology special initiatives by GSI to probe deep-seated/concealed mineral deposits in collaboration with national and international agencies; setting up of a national geoscience data repository for facilitating access by exploration agencies to the available exploration data with all private and public exploration agencies; establishment of a National Centre for Mineral Targeting in collaboration with the central and state government agencies, industry and the academia etc. The recommendations of the NMEP are under various stages of implementation. NMEP, 2016 encourages Private-Sector participation through its revenue sharing model. It also emphasises on generation and dissemination of baseline geoscientific data of World Standards in the public domain and creation of National Geoscience Data Repository to promote exploration activities.

HYDROCARBON EXPLORATION AND LICENCING POLICY (HELP)

The Government approved Hydrocarbon Exploration and Licensing Policy (HELP) in March, 2016 in order to attract desired level of investment in petroleum exploration. The Government is strategically moving away from cost-sharing model to revenue-sharing model with marketing and pricing freedom for crude oil and natural gas produced by contractors under HELP. The new policy regime is expected to attract more investment to boost exploration and production of oil and gas from conventional and unconventional sources. Further, the HELP is designed to improve bidding for designated areas throughout the year in a very transparent manner.

NOTIFICATIONS

Important Notifications notified/issued during the period under review are furnished below:

National Mineral Exploration Trust (Amendment) Rules, 2018

In the Notification issued by the Ministry of Mines, and published in the Gazette of India, Extraordinary, PART II-Section 3-Sub-section (i)G.S.R. 208(E), dated March 7, 2018, it reads-

In exercise of the powers conferred by sub-sections (2), (3) and (4) of section 9C of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules to amend the National Mineral Exploration Trust Rules, 2015, namely:-

1. (1) These rules may be called the National Mineral Exploration Trust (Amendment) Rules, 2018.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the National Mineral Exploration Trust Rules, 2015 (hereinafter referred to as the said rules), in rule 6, for sub rule (2), the following sub-rule shall be substituted, namely:-

“(2) The Fund shall be opened under the Public Account of India which shall be a non-lapsable and non-interest bearing account and shall be administered by the Central Government.

(3) The Fund shall comprise of payment of two percent equivalent of royalty payable by the holders of the mining lease or prospective licence-cum-mining lease under sub-section (4) of the section 9C of the Act.

(4) The Fund shall be utilised for carrying out the objects and functions as specified in Rule 9, including carrying out regional and detailed exploration for minerals under the scheme, namely, ‘Regional and detailed exploration and related activities under Fund’.

3. In the said rules, for Rule 7, the following rules shall be substituted, namely-

“7. **Contribution to Fund-** (1) The holder of mining lease or prospecting licence-cum-mining lease shall, while making payment of royalty to the State Government, pay to the Trust a sum equivalent to two percent of the royalty under sub-section (4) of section 9C of the Act by depositing the same in the Public Account of the State under the Head booked for this purpose.

(2) The State Governments shall transfer the amount so collected in the Public Account of the State under Sub-rule (1) to the Consolidated Fund of India.

(3) The accretions in the Consolidated Fund of India shall be periodically transferred to the Fund by the Central Government, after due appropriation made by Parliament by law, in the financial year.

(4) The responsibility of collecting and transferring the amount referred in Sub-rule (1) to Consolidated Fund of India and maintaining necessary accounts in this behalf shall be that of the State Government and it shall transfer such receipts to the Consolidated Fund of India as early as possible and in any case, not later than the tenth day of the succeeding month in respect of the amount collected in any particular month.

(5) The State Government shall provide information regarding the amount collected under Sub-rule (1) and the amount transferred to Consolidated Fund of India under Sub-rule (2) to the Indian Bureau of Mines on a monthly basis.

(6) The Indian Bureau of Mines shall maintain an updated record of the amount transferred to the Consolidated Fund of India along with a database of royalty payments and provide such information to the Trust on a periodic basis".

4. In the said rules, in Rule 8, for Sub-rule (2), the following sub-rule shall be substituted, namely—

(2) The bank account of the Trust shall be closed as soon as possible after the publication of this notification and till such closure, the bank account of the Trust shall continue to be operated through the Member-

Secretary or any other Member of the Executive Committee or any other officer of the Central Government as may be authorised by the Executive Committee.”

5. In the said rules, in Rule 19, in Sub-rule (1), for the words “at the beginning”, the words “before the beginning” shall be substituted.

6. In the said rules, for Rule 20, the following rule shall be substituted, namely—

“20. Annual Budget.- (1) The Member Secretary of the Executive Committee shall, before the beginning of each financial year, cause preparation of an annual budget containing the details of the proposed income and expenditure on activities covered in the annual plan for that particular financial year, including the legal, administrative and other costs and expenditure proposed to be incurred by the Trust together with details of funding requirements in this regard, to be referred as the Annual Budget.

(2) Annual Budget provision shall also be made in the Demands for Grants of Central

Government under appropriate Head for incurring expenditure under Fund and equivalent amount thereof shall be met from the Fund.

(3) After due appropriation of fund and receipt of sanction of the Competent Authority, the expenditure under the Fund shall be incurred from the relevant sub-major or minor heads and on the basis of the sanction issued by the Central Government, the Pay and Accounts Office of the Central Government shall make the payment as per the General Financial Rules, 2017.”

7. In the said rules, for Rule 21, the following rule shall be substituted, namely—

“21. Approval of the Annual Plan and the Annual Budget— (1) The annual plan and the annual budget shall be laid before the Governing Body for its approval thirty days before the beginning of each financial year.

(2) Any amendment in the annual plan or the annual budget subsequent to the approval of the Governing Body may be done with the approval of the Executive Committee and informed to the Governing Body in its next meeting.”.

8. In the said rules, for Rule 24, the following rule shall be substituted, namely:—

“24. Maintenance and Audit of Accounts.— (1) The Pay and Accounts Office in the Central Government shall maintain a broadsheet of accretions to and payment from the Fund and effect reconciliation on monthly basis thereof with the concerned divisions and shall ensure that there are no adverse balances in the Fund at any point of time.

(2) The account of the Trust shall be subject to the audit by the Comptroller and Auditor General of India and also to audit by internal audit wing of the office of the Chief Controller of Accounts, in the Central Government.”

Mineral Conservation and Development (Amendment) Rules, 2018

In the Notification issued by the Ministry of Mines and published in the Gazette of India, Extraordinary, PART II-Section 3-Sub-section (i)G.S.R. 289(E), dated March 27, 2018, it reads —

In exercise of the powers conferred by section 18 of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules to amend the Mineral Conservation and Development Rules, 2017, namely-

1. (1) These rules may be called the Mineral Conservation and Development (Amendment) Rules, 2018.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Mineral Conservation and Development Rules, 2017, in Rule 12, after Sub-rule (4), the following sub-rule shall be inserted, namely-

“(4A) In case of mining leases covered under sub-section (6) of Section 8A of the Act where the date of expiry of the period of such lease is on 31st March, 2020, the holders of such mining lease shall carry out General Exploration (G2) over the entire mineralised area under the mining lease before the 1st day of April, 2019 and for this purpose,-

(a) submit to State Government and the Indian Bureau of Mines, within forty five days of issue of this notification, a modified mining plan in accordance with the provisions of the Minerals (Other than Atomic and Hydro- Carbons Energy Minerals) Concession Rules, 2016 for completion of General Exploration (G2) over the entire mineralised area under the mining lease as required under clause (a) of Rule 5 of the Minerals (Evidence of Mineral Contents) Rules, 2015, in such manner that the plan for exploration is completed before 1st April, 2019, and such plan shall be approved by the Indian Bureau of Mines within thirty days of its submission, with or without any modification;

(b) prepare and submit to the State Government and the Indian Bureau of Mines, a Geological Study Report as required under clause (b) of rule 5 of the Minerals (Evidence of Mineral Contents) Rules, 2015, within one month after completion of exploration work:

Provided that the depth of exploration to be proposed in the modified mining plan for open-cast mining shall be up to 300 meters or up to discontinuance of ore body, whichever is earlier, and in case of underground mines, the depth of exploration shall be decided by the Indian Bureau of Mines on case to case basis at the time of approval of such plan, depending upon the geological set up of the area.

Provided further that the State government shall conduct periodical technical audit of approved modified plan either by itself or through an agency nominated by it and in case lease holder fails to perform his duties as so specified, the State Government may,

after giving the lease holder an opportunity of being heard, take such action for enforcing compliance, as it deems fit.”

Threshold Value of Minerals

Indian Bureau of Mines is vested with the responsibility to review the threshold value of minerals periodically under Sub rule 7 of Rule 12 of Mineral Conservation and Development Rules, 2017. In order to take stock of the situation and assess the stakeholder’s views through deliberations, IBM invited comments and suggestions from the stakeholders and general public and also organised a series of five work shops on “Threshold Value of minerals at Goa, Bhubaneshwar, Naumundi, Gandhinagar and Nagpur during the year 2017. After examination of the suggestions and comments of the stakeholders through an expert committee constituted for the purpose and based on the recommendations of the committee, the threshold value of eleven minerals are notified vide Notification issued by the Ministry of Mines, and published in the Gazette of India, Extraordinary, PART I-Section 1 **No. C-284/3/CMG/2017** dated April 25, 2018, it reads-

1. Indian Bureau of Mines (herein after referred to as IBM) is vested with the responsibility to review the threshold value of minerals periodically under sub rule 7 of rule 12 of Mineral Conservation and Development Rules, 2017.

2. IBM, through notice published in the website of IBM on 24.3.2017, had invited comments and suggestions from the stakeholders and general public with regard to revision of the threshold value of minerals notified previously on 16th October 2009. In response to the notice, many suggestions and comments were received from the stake holders.

3. IBM also conducted five Regional Level technical workshops and a National Level workshop to discuss various issues and concerns raised by the stakeholders with regard to the revision of the threshold value of minerals.

4. After careful examination of the suggestions and comments of the stakeholders through an expert committee constituted for the purpose and based on the recommendations of the committee, the threshold value of following minerals are hereby notified under Sub rule 6 of Rule 12 of Mineral Conservation and Development Rules 2017. This notification supersedes the notification issued earlier vide file No.T-45031/CGBM/2007 (PF) dated 16th October 2009.

5. This notification shall be effective from the date of its notification in the gazette of India.

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6. Threshold Value of Minerals

Sr. No.	Mineral	Threshold Value
1.	Apatite & Rock Phosphate	P ₂ O ₅ -5% (Min)
2.	Bauxite	(i) For Aluminous laterite: Al ₂ O ₃ -20% (Min) (ii) For Bauxite: Al ₂ O ₃ - 30% (Min.) and SiO ₂ (Total)-7% (Max)
3.	Chromite	Cr ₂ O ₃ -10% (Min.)
4.	Fluorite	CaF ₂ - 5% (Min.)
5.	Graphite	(i) For flaky variety- 2% Fixed Carbon(F.C) (Min.) (ii) For amorphous variety - 10% Fixed Carbon(F.C)(Min.)
6.	Iron Ore	(i) #Hematitic Ore - 45% Fe(Min.) (ii) ^Hematitic Siliceous Ore - 35% Fe (Min.) (iii) *Magnetite Ore-15% Fe (Min.)
7.	Kyanite & Sillimanite	35% (Min) Kyanite/*Sillimanite content * Not applicable to sillimanite of beachsand
8.	Limestone	CaO- 34% (Min.) and MgO-5% (Max.)
9.	Magnesite	MgO- 35% (Min.), CaO- 3% (Max.), Fe ₂ O ₃ - 3% (Max.)
10.	Manganese Ore	Mn - 10% (Min.)
11.	Wollastonite	35%(Min.) Wollastonite content

7. For the purpose of this notification :

a. **“threshold value of minerals”** will have meaning as defined in Minerals (Evidence of Mineral Contents) Rule, 2015.

b. #**“hematitic ore”** means Fe content in the ore is contributed predominantly by presence of hematite.

c. ^**“hematitic siliceous ore”** means silica in the ore is contributed predominantly due to presence of quartz/chert in the gangue and Fe in the ore is contributed predominantly by presence of hematite and subordinate to minor amounts of martitised magnetite/maghemite.

d. ***“magnetite ore”** means Fe content in the ore is contributed predominantly by presence of magnetite and subordinate to minor amounts of martitised magnetite/ maghemite.

e. **“cut off grade”** means the minimum economic assay grade of the mineral for a deposit below which the mining operations become unviable in the present market dynamics or end use quality. It may vary from deposit to deposit depending upon the market conditions.

8. All the lessees are here by directed to comply with the following:

a. All resources shall be assessed up to the threshold value and the resources between the threshold value and the cut-off grade shall be reported separately. There will however be no restrictions in estimating resources below the threshold value if there is a ready market of such mineral/ore either directly or after beneficiation.

b. The non-saleable/un-usable minerals/ ores above the limit prescribed in the threshold value and below the cut-off grade shall be stacked separately in an area earmarked for the purpose.

c. The inventory of mineral/ ore stock above the limit prescribed in the threshold values of minerals and below the cut off grade shall be maintained in a bound register indicating the quantity and quality of material stacked. The month wise inventory of such materials shall be updated.

d. The overburden and waste material obtained during mining operation shall not be allowed to be mixed with the materials above the threshold values of minerals stacked.

Reservation of area for M/s FCI Aravali Gypsum and Minerals India Limited (FAGMIL)

In the Notification issued by the Ministry of Mines, and published in the Gazette of India, Extraordinary, PART II-Section 3-Sub-section (i)G.S.R. 1220(E), dated December 19, 2018, it reads —In exercise of the powers conferred by sub-section (1A) of Section 17A of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government, after consultation with the Government of Rajasthan, reserves the area specified below except the area

already held under prospecting licence or mining lease for purposes of said sub-section so as to undertake prospecting or mining operations through the M/s FCI Aravali Gypsum and Minerals India Limited (FAGMIL), a Public Sector Undertaking under administrative control of the Central Government in the Department of Fertilizers, Ministry of Chemicals and Fertilizers in respect of Minerals- Rock Phosphate and Dolomite in Districts Banswara, Jaisalmer and Jodhpur, in the State of Rajasthan, for a period of ten years lying within the boundary (demarcated by latitude and longitude) for such reserve area specified below:

S.No.	Name of block	Location	Area	Pillar	Latitude	Longitude	
1.	Rock	Village : Sallopat	135.00	A	N23°11'3.85"	E74°08'31.28"	
	Phosphate	Tehsil : Bagidora	He.	B	N23°10'36.75"	E74°08'23.0"	
		District : Banswara			C	N23°10'22.34"	E74°09'13.30"
						D	N23°10'49.96"
2.	Rock	Village : Birmania	400.00	A	N26°13'47.95"	E70°56'5.83"	
	Phosphate	Tehsil : Fethagarh	He.	B	N26°14'20.58"	E70°55'3.66"	
		District : Jaisalmer			C	N26°15'16.66"	E70°55'39.84"
						D	N26°14'44.02"
3.	Dolomite	Village : Mahilo-ki	1100.00	A	N27°07'3.07"	E72°46'32.81"	
		Dhani,	He.	B	N27°04'4.37"	E72°46'32.79"	
		Tehsil: Phalodi		C	N27°04'4.38"	E72°45'20.20"	
		District: Jodhpur		D	N27°07'3.07"	E72°45'20.20"	

Meghalaya Minor Minerals Concession Rules

The Government of Meghalaya has notified Meghalaya Minor Minerals Concession (Third Amendment) Rules, 2018 vide their Notification No. MG.49/2011/pt-1/56 dated 24th January, 2019.

Gujarat Minor Mineral Concession Rules, 2017

The Government of Gujarat, Industries and Mines Department, has notified Gujarat Minor Mineral Concession (Amendment) Rules, 2018 vide its Notification No. GJ/2018/12/MCR-102018-325-chh:- dated 9th March, 2018.

Star Rating of Minor Minerals in Gujarat State

The Commissioner of Geology and Mining Gandhinagar issued circular on Star Rating of Minor Minerals in Gujarat State vide Notification No.CGM/Lease/Policy/StarRating/2018-19/4935 dated 6.11.2018. With reference to the Circular issued by Ministry of Mines, Government of India dated 30th January 2018, system of "Star Rating" of mines in respect of "minor minerals" is desired to be implemented. The rating will be given to mines of minor minerals for the efforts and initiatives taken for implementation of the Sustainable Development Framework (SDF). One to five (1 to 5) stars will be given to the mines, with five stars being allotted to the best performing mines on the basis of parameters provided in annexures attached. The Star Rating Scheme is designed to have a built-in compliance mechanism for environment and forest safeguards and will help in recognising good performer in the sector while encouraging all mining lease holders to strive for excellence.

Restrict Transportation of Mineral Felspar Outside the State of Rajasthan

The Government of Rajasthan, Mines (GR.II) Department issued notification vide F.14(25)Mines/Gr.II/2017 dated 10.03.2019 in exercise of the powers conferred by Rule 82 of the Rajasthan Minor Mineral Concession Rules, 2017, according to which the State Government, on the recommendations of Industry Department to protect the domestic industries and in public interest, restrict the transportation of mineral felspar in the form of grains, chips and gitti out of the State for a period up to 4th October, 2021.

LEGISLATIVE FRAMEWORK

The Mines and Minerals (Development and Regulation) (MMDR) (Amendment) Act, 2015

The MMDR Act, which governs the mineral sector, was overhauled by amendment in 2015, to bring in greater transparency, remove discretion and infuse greater ease of doing business. E-Auctions mandated for the grant of mineral concession to ensure bias-free allotments. Need of renewals and prior approvals removed for ease of doing business and removing discretions.

District Mineral Foundation (DMF) for welfare of mining affected areas, established by contributions from the mining companies, addressing the long-time grievance of the neglected civil society. Penal provisions made extremely stringent to deter illegal mining activities - Higher penalties up to 5 lacs per hectare of the area and jail term up to 5 years have been provided. Further, provision for constitution of special courts by the State Govt. for fast-track trial of cases of illegal mining. All requisite subordinate Rules for implementation of amendment formulated and notified by 2018 –

- a) The Minerals (Evidence of Mineral Contents) Rules, 2015
- b) The Mineral (Auction) Rules, 2015
- c) The Mineral (Non-exclusive Reconnaissance Permits) Rules, 2015
- d) The National Mineral Exploration Trust Rules, 2015
- e) The Mineral (Mining by Government Company) Rules, 2015
- f) The Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015
- g) The Atomic Minerals Concession Rules, 2016
- h) The Mineral Concession (other than Atomic and Hydrocarbon Energy Minerals) Rules, 2016
- i) The Mineral Conservation & Development Rules, 2017
- j) For further refinement of the legislation and to facilitate better applicability, the MMDR Act, 1957 was amended in May, 2016 and July, 2016. Minerals (other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 was amended in Dec., 2016; Mineral Auction Rules 2015, was amended in November 2017; The National Mineral Exploration Trust Rules, 2015 has been amended in March 2018; and Mineral Conservation & Development Rules 2017 was amended in March 2018.

Measures taken to control illegal mining

In order to bring a check on illegal mining, the MMDR Amendment Act, has made the penal provisions for illegal mining more stringent. Higher

penalties and jail terms have been provided. A provision has also been made for constitution of Special Courts by State Governments for speedy trial of cases related to illegal mining.

Space Technology for Checking Illegal Mining

Mining Surveillance System (MSS)

Mining Surveillance System (MSS) is a satellite-based monitoring system which aims to establish a regime of responsive mineral administration by curbing instances of illegal mining activity through automatic remote sensing detection technology.

Ministry of Mines and Indian Bureau of Mines (IBM) have developed the MSS, with assistance from Bhaskaracharya Institute for Space Applications and Geo-informatics (BISAG), Gandhinagar and Ministry of Electronics and Information Technology (MEITY).

The system works on the basic premise that most minerals occur in the continuity and their occurrence is not limited to the lease area but is likely to extend in the vicinity. The MSS checks a region of 500 meters around the existing mining lease boundary to search for any unusual activity which is likely to be illegal mining. Any discrepancy found is flagged-off as a trigger.

The MSS is a transparent & bias-free system, having a quicker response time and capability of effective follow-up. The deterrence effect of 'Eyes Watching from the Sky' would be extremely fruitful in curbing instances of illegal mining.

A user friendly mobile app for MSS was created and launched on 24th January, 2017 at Gandhinagar for enabling public participation in assisting the Governments endeavour to curb illegal mining. This has been effectively put to use by the inspecting officials who are required to submit compliance reports of their inspections.

Mineral Concession System

The State Governments used to grant the mineral concessions [Reconnaissance Permit (RP), Prospecting License (PL) and Mining Lease (ML)]

under the provisions of the pre-amended Mines and Minerals (Development and Regulation) (MMDR) Act, 1957. Prior approval of the Central Government was required under Section 5 (1) of the Act for grant of RP, PL and ML in respect of Atomic and Metallic & Non-metallic Minerals specified in Parts 'B' and 'C' of the First Schedule to the Act. Subsequent to the prior approval of the Central Government, mining leases etc. are executed by the State Governments in favours of the applicants with the mining agencies after they obtain all statutory clearances and approvals as specified in the principal/LoI as the case may be. The metallic minerals which figure in Part 'C' of the First Schedule to the Act in which prior approval is required are Asbestos, Bauxite, Chrome ore, Copper ore, Gold, Iron ore, Lead, Manganese ore, Zinc and precious stones. The Central Government amended the existing MMDR Act and brought the amended Act into force w.e.f. 12.1.2015. The State Government will continue to grant mineral concession but all these grants would be through auctions, thereby bringing in greater transparency and removing discretion. The tenure of the mineral concession has been increased from the existing 30 years to 50 years. Thereafter, the mining lease would be put up for auction (and not for renewal as followed in the earlier system).

District Mineral Foundation / PMKKKY

District Mineral Foundation (DMF) established by contributions from the mining companies, for the purpose of addressing the long-time grievance of the neglected civil society consisting of people affected by mining activities. Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKKY) was a scheme initiated for the welfare and development of the mining affected areas and people under DMF. About ` 23,606 crore have been collected till November, 2018. Under the PMKKKY, 26,201 Projects have been completed, 41,792 projects are ongoing and 23,773 Projects are being started shortly in the mining affected districts. Till November, 2018, funds to the tune of ` 5,726 crore have been utilized and about ` 18,189 crore have been allocated. A portal for monitoring of PMKKKY implementation has

been launched on 20.3.2018 in the 3rd National Conclave on Mines & Minerals. District-wise portal was made live on 27th August, 2018. Thus National PMKKKY portal will also function as DMF portal for each District. It captures the details from the collection and accrual of funds, to its utilisation and monitoring, for implementation of projects.

Sand Mining Framework

Centre stepped into resolve the endemic problems in regard to high prices, illegalities, ecological sustainability, availability of sand across the country. In this regard, a high-level committee under the chairmanship of Union Mines Secretary with officials from the States deliberated upon issues raised in the conference of Mining Ministers held in May, 2017. Consequently a 'Sand Mining Framework' was launched on 20.3.2018 in the 3rd National Conclave on Mines & Minerals. This framework has been developed by study of best practices across the States and will be very useful for assisting States to arrive at an appropriate policy and administrative system.

Sustainable Development Framework (SDF)

Star Rating System: A good governance initiative is designed as a tool for evaluation of the performance of lease operators on the various parameters encompassed by the Principles of the Sustainable Development Framework (SDF) approved by Ministry of Mines in 2011 in line with the National Mineral Policy 2008. Thus it can be viewed as a mapping of mining footprints from the view point of sustainability. The system has been developed primarily on the basis of self-assessment followed by validation by Indian Bureau of Mines along with provisions for third party auditing as may be considered fit by Ministry of Mines. The Star rating has been mandated by Rule 35 of newly notified MCDR 2017 and all the mine operators are mandated to achieve four or five star ratings within a stipulated time

period of two years from the date of commencement of mining operations or the date of notification of the rules (i.e. March, 2017) whichever is later. Failing which Mining operations are liable to be suspended. A system of third party auditing of the award of rating system and the process implementation has also been proposed.

Mining Tenement System (MTS)

MTS has been taken up by IBM during the programme year 2009-10. The objective of the Scheme is to develop an online National Mineral Information System for investors by linking Central and State organisations engaged in administration of mineral resources in the country. The Mining Tenement System would have graphical information database (GIS) as well as information in textual form. These two databases, i.e., non-spatial database and spatial database would be seamlessly integrated so as to retrieve graphical information as well as relevant textual information. The system will be thus web enabled and access to the system will be given online to prospective investors, government organisations, private and public organisations through Internet as per the policy of the Government.

Constitution of Study Group on Revision of Rates of Royalty and Dead Rent for Minerals (other than coal, lignite, sand for stowing and minor minerals)

The Ministry of Mines has constituted a Study Group for revision of rates of royalty and dead rent for minerals (other than coal, lignite, sand for stowing and minor minerals) under the chairmanship of Additional Secretary, Ministry of Mines, vide Order No. 9/1/2018-M.V dated 09.02.2018.

Terms of reference of the Study Group are as under:

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a) To review the existing rates of royalty for minerals (other than coal, lignite, sand for stowing and minor minerals) given in the Second Schedule to the MMDR Act, 1957 and to recommend the revision of rates of royalty;

b) To consider and recommend policies relevant to administration of royalty regime; and
c) To suggest appropriate revision in the existing rates of dead rent given in the Third Schedule to the MMDR Act, 1957.
