

National Mineral Policy 2019 & Mineral Concession Rules (India)

M.Sc. Geology Semester II



M. K. Yadav
Assistant Professor
Department of Geology
Lucknow University-226007
Email: mkyadav.geo@gmail.com

APPROVAL

- The Union Cabinet, chaired by the Prime Minister Narendra Modi had approved National Mineral Policy 2019 on 28th Feb, 2019.
- A bench comprising Justice Madan B Lokur and Justice Deepak Gupta observed: *“The National Mineral Policy, 2008), seems to be only on paper and is not being enforced perhaps due to the involvement of very powerful vested interests of a failure of nerve. We are of opinion that the National Mineral Policy, 2008, is almost a decade old and a variety of changes have been taken place since then, including (unfortunately) the advent of rapacious mining in several parts of the country”*

OBJECTIVE

- The aim of National Mineral Policy 2019 is to have a more **effective**, **meaningful** and **implementable** policy that brings in further **transparency**, **better regulation** and **enforcement**, **balanced social and economic growth** as well as **sustainable mining practices**.

BACKGROUND:

- The National Mineral Policy 2019 replaces the extant National Mineral Policy 2008 ("NMP 2008") which was announced in year 2008.
- The impetus to review NMP 2008 came about by way of a direction from the Supreme Court vide its judgment dated 02.08.2017 in Writ Petition (Civil) No. 114/2014 entitled Common Cause v/s Union of India & Others.
- NITI Aayog also suggested a number of steps to the Ministry of Mines.
- In compliance of the directions of the Supreme Court, the Ministry of Mines constituted a committee on 14.08.2017 under the chairmanship of Dr. K Rajeswara Rao, Additional Secretary, Ministry of Mines to review NMP 2008.
- The Committee had members from Central Ministries/ Departments, State Governments, Industry Associations and Subordinate offices of Ministry of Mines.
- The Committee also invited concerned NGOs and Institutional Bodies to take part in the deliberation of the Committee meetings. The Comments/suggestions from the stakeholders were also sought.

BACKGROUND:

- Based on the deliberations held at Committee meetings and stakeholders' comments/ suggestions, Committee Report was prepared and submitted to the Ministry of Mines.
- The Ministry of Mines accepted the committee Report and invited the comments/ suggestions of the stakeholders as part of the PLCP (Provisional Licenced Professional Counselor) process.
- Based on the received comments/ suggestions received in PLCP process and the comments/ suggestions from the Central Ministries/ Departments the Ministry of Mines finalized the National Mineral Policy 2019.

BENEFITS:

- The New National Mineral Policy will ensure more effective regulation.
- It will lead to sustainable mining sector development in future
- It will address the issues of project affected persons especially those residing in tribal areas.

KEY PROVISIONS:

- Industry status
- Right to first refusal
- Private Sector
- Transportation
- Fund
- Export-Import
- Inter-generational Equity
- Regulation

Let's first know about
MINERAL CONCESSIONS IN INDIA

- Three kinds of mineral concessions are recognized in Indian law, viz **Reconnaissance Permit (RP)**, **Prospecting License (PL)** and **Mining Lease (ML)**
- RP is granted for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping.
- PL is granted for undertaking operations for purpose of exploring, locating or proving mineral deposit.
- ML is granted for undertaking operations for winning any mineral.

PERIOD AND TENURE FOR WHICH A 'RECONNAISSANCE PERMIT' IS GRANTED

- RP for any mineral or prescribed group of associated minerals is granted for a maximum period of three years and for a maximum area of 5,000 square kilometer, to be relinquished progressively.
- After two years, the area should be reduced to 1,000 square kilometer or 50% of the area granted, whichever is less.
- At the end of three years, area held under a RP should be reduced to 25 square kilometer.
- RP cannot be renewed.
- A person can be granted a maximum area of 10,000 square kilometer in two or more RPs.
- The person who undertakes reconnaissance operations under RP enjoys preferential right for grant of prospecting license.

PERIOD AND TENURE FOR WHICH A 'PROSPECTING LICENSE' IS GRANTED

- PL for any mineral or prescribed group of associated minerals is granted for a maximum period of three years and for a maximum area of twenty five square kilometer.
- PL can be renewed in such a manner that the total period for which a PL is granted does not exceed five years.
- A person can be granted a maximum area of twenty five square kilometer in one or more PLs, but if the Central Government is of the opinion that in the interest of development of any mineral it is necessary to do so, the maximum area limit can be relaxed.
- The person who undertakes prospecting under PL enjoys preferential right for grant of mining lease.

PERIOD AND TENURE FOR WHICH A 'MINING LEASE' IS GRANTED

- ML for any mineral or prescribed group of associated minerals is granted for a minimum period of twenty years and a maximum period of thirty years and for a maximum area of ten square kilometer.
- ML can be renewed for periods not exceeding twenty years.
- A person can be granted a maximum area of 10 square kilometer in one or more MLs, but if the Central Government is of the opinion that in the interest of development of any mineral it is necessary to do so, the maximum area limit can be relaxed.

TIME LIMIT STIPULATED FOR DISPOSAL OF MINERAL CONCESSION

- As per Rule 63A of Mineral Concession Rules, 1960, the time limits stipulated for the disposal of mineral concessions is as follows:
 - Reconnaissance Permits : 6 months
 - Prospecting License : 9 months
 - Mining Lease : 12 months

SOME IMPORTANT POINTS

- The National Mineral Policy 2019 includes provisions which will give boost to mining sector. Some of the provisions are:
 - Introduction of Right of First Refusal for RP/PL holders.
 - Encouraging the private sector to take up exploration.
 - Encouragement of merger and acquisition of mining entities.
 - Creation of dedicated mineral corridors to boost private sector mining areas.
 - The 2019 Policy proposes to grant status of industry to mining activity to boost financing of mining for private sector and for acquisitions of mineral assets in other countries by private sector.

SOME IMPORTANT POINTS

- It also mentions that Long term import export policy for mineral will help private sector in better planning and stability in business.
- The Policy also mentions rationalize reserved areas given to PSUs which have not been used and to put these areas to auction, which will give more opportunity to private sector for participation.
- The Policy also mentions to make efforts to harmonize taxes, levies & royalty with world benchmarks to help private sector.
- The Policy also introduces the concept of Inter-Generational Equity that deals with the well-being not only of the present generation but also of the generations to come and also proposes to constitute an inter-ministerial body to institutionalize the mechanism for ensuring sustainable development in mining.

STEPS TAKEN

- Among the changes introduced in the National Mineral Policy, 2019 include the focus on Make in India initiative and Gender sensitivity in terms of the vision.
- In so far as the regulation in Minerals is concerned, E-Governance, IT enabled systems, awareness and Information campaigns have been incorporated.
- Regarding the role of state in mineral development online public portal with provision for generating triggers at higher level in the event of delay of clearances has been put in place.
- NMP 2019 aims to attract private investment through incentives while the efforts would be made to maintain a database of mineral resources and tenements under mining tenement systems.
- The new policy focusses on use coastal waterways and inland shipping for evacuation and transportation of minerals and encourages dedicated mineral corridors to facilitate the transportation of minerals.

STEPS TAKEN

- The utilization of the district mineral fund for equitable development of project affected persons and areas. NMP 2019 proposes a long term export import policy for the mineral sector to provide stability and as an incentive for investing in large scale commercial mining activity.
- The 2019 Policy also introduces the concept of Inter-Generational Equity that deals with the well-being not only of the present generation but also of the generations to come and also proposes to constitute an inter-ministerial body to institutionalize the mechanism for ensuring sustainable development in mining.

BRIEF

- Focus on Make In India and Gender sensitivity.
- E-Governance; ITES, awareness and information campaigns.
- Database of mineral resources and tenements.
- Use of coastal waterways and inland shipping.
- Dedicated mineral corridors.
- Long-term export and import policy for the mineral sector.
- The concept of Inter-Generational Equity.

Thank You

- Disclaimer:
- Many figures, and other contents in this lecture presentation have been taken from several reference books and text books, and e-contents available on the internet.
- The contents present in this lecture presentation is solely for the purpose of teaching.
- The copyright of the contents are with the original producers and the author doesn't claim for its originality and in any case would not be held responsible for any copyright violation.