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## Minerals Concession (Fourth Amendment) Rules, 2021

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### Why in News

Recently, the **Ministry of Mines** has notified the **Minerals (other than Atomic and Hydro Carbons Energy Mineral) Concession (Fourth Amendment) Rules, 2021**.

It will amend the **Minerals (other than Atomic and Hydro Carbons Energy Mineral) Concession Rules, 2016 [MCR, 2016]**.

### Minerals Concession Rules, 2021

Amend the MCR 2016 and pave the way for:



### Key Points

- **Amendments:**
  - **Sale from Captive Leases:**
    - New rules inserted to provide a **manner of sale of 50% of minerals** produced from the captive leases.
    - With this amendment, the **way for releasing of additional minerals** in the market by greater utilization of mining capacities of captive mines has been paved.
 

**Captive mines** are those that **produce coal or mineral for exclusive use by the company** that owns the mines, while **non-captive ones** are those that produce as well as sell the fuel.
  - **Disposal of Overburden (OB):**
    - Provision added to **allow disposal of overburden/ waste rock/ mineral below the threshold value**, which is generated during the course of mining or beneficiation of the mineral.
    - This will enable **ease of doing business** for the miners.
  - **Area for Grant of Mining Lease:**

Minimum area for grant of mining lease **has been revised from 5 ha. to 4 ha.** For certain specific deposits, minimum 2 ha. is provided.
  - **Part Surrender for all Cases:**
    - Part surrender of mining lease area allowed in all cases.
    - Earlier, part surrender was allowed **only in case of non-grant of forest clearance.**
  - **Transfer of Composite Licence:**

Rules amended to **allow transfer of composite licence** or mining lease of all types of mine.
- **Objective:**

To **increase employment and investment in the mining sector**, increasing revenue to the States, increasing the production and time bound operationalisation of mines, increasing the pace of exploration and auction of mineral resources, etc.

## Mining Sector in India

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- **About:**

- India holds a **fair advantage in production and conversion costs** in steel and alumina. Its strategic location enables export opportunities to develop as well as fast-developing Asian markets.
- India is the **world's second-largest coal producer** as of 2021.
- India is the **world's second-largest crude steel** producer, as of 2020.
- India has the **same mineral potential as South Africa and Australia**. It produces 95 types of minerals but despite this huge mineral potential, the mining sector of India **still remains underexplored**.
- The mining sector contributes around 7 to 7.5% of the GDP of countries like South Africa and Australia whereas it is **only 1.75% in India**.
- **11 states account for 90% of the total number of operational mines** (Andhra Pradesh, Odisha, Chhattisgarh, Jharkhand, West Bengal, Maharashtra, Tamil Nadu, Gujarat, Madhya Pradesh, Rajasthan, and Karnataka).

- **Constitutional Provision Related to Mining:**

- The entry at serial No. 23 of List II (State List) to the Constitution of India mandates the **state government to own the minerals located** within their boundaries.
- The entry at serial No. 54 of List I (Central List) **mandates the central government to own the minerals** within the **Exclusive Economic Zone of India (EEZ)**.
- The **central government has the ownership over all offshore minerals** (ie, minerals extracted from the sea or ocean floor in the Indian maritime zones such as the territorial waters, continental shelf and exclusive economic zones).

- **Related Schemes:**

- **The National Mineral Policy 2019**.
- Initiatives are being taken to ensure early operationalisation of auctioned greenfield mineral blocks.
- **Rationalisation of taxes** in the mining sector is also being considered.
- Under the **Atmanirbhar Bharat scheme**, enhancing private investments in the mineral sector and bringing in other reforms has been announced.
- **District Mineral Foundation Funds**.

**Source: PIB**