

# [The initiated a proposal for amendment revision of the](https://assignbuster.com/the-initiated-a-proposal-for-amendmentrevision-of-the/)

The Mining policy also seeks to develop a sustainable framework for optimum utilisation of the country’s natural mineral resources for industrial growth in the country alongwith the backward and tribal regions of the country.

Based on the policy initiatives in the National Mineral Policy, 2008 and the recommendations of the Hoda Committee, the Government has initiated a proposal for amendment/revision of the Mines and Minerals (Development and Regulation) Act, 1957 and the Rules framed thereunder, which after consultation with the concerned Ministries/Departments of the Central Government and the State Governments shall be taken to the Parliament for approval. The Ministry has also initiated several non-legislative actions based on the National Mineral Policy including strengthening of the Geologi­cal Survey of India (GSI) and Indian Bureau of Mines (IBM), reassessment of threshold value of important minerals, increasing the spread of United Nations Framework Classification for mineral, revamping of the Central Programming Board of the GSI. 1.

3 The New Policy lays down that in order to protect the legitimate fiscal interests of mineral rich states, the revenues from minerals will be rationalised to ensure that the mineral bearing States get a fair share of the value of the minerals extracted from their grounds. In this direction, the Ministry of Mines had set up a Study Group to consider the revision of rates of royalty and dead rent of all non-fuel and non-coal major minerals. In terms of the recommendations of the Study Group, and after obtaining the concurrence of the con­cerned Ministries/Departments of the Central Government, a proposal for revision of royalty rates and dead rent is under the consideration of the Government.

#### National Inventory of Mineral Resources:

The national inventory of mineral resources including those of ocean bed will be based on a comprehensive review of exploration data. These along with the relevant geological data and mineral maps shall be maintained and updated from time to time by the Indian Bureau of Mines as per the uses and specifications in industrial and other applications.

The Indian Bureau of Mines shall continue to compile and provide access to the latest information in respect of mineral resources in the country available for exploitation and endeavour to convert the physical inventory of mineral resources into resource inventory. A periodical review of the system of classification of inventory of mineral resources shall be carried out incorporating the changes in their industrial and other applications. The grades of various minerals shall be standardised with reference to end use applications and periodically reviewed.

#### New Exploration Licensing Policy:

The Government of India had been inviting for private investment in exploration of oil and gas in the country since 1980s. However, initial efforts to attract private investments were limited to offshore areas only. Since 1991, Government offered exploration blocks almost on a regular basis for both onshore and offshore areas and announced six bidding rounds till 1995. In 1996-97, Government of India reviewed the policy paving the way for New Exploration Licensing Policy (NELP) in 1997-98 which provides a level playing field to the private investors by giving the same fiscal and contract terms as applicable to National Oil Companies (NOCs) for the offered exploration acreage. Under NELP, Production Sharing Contracts (PSCs) for 70 exploration blocks have already been signed in three years as compared to signing of PSCs for 24 blocks in the previous 10 years. Now, a total of about 0.

70 million sq. km area which is about 68 per cent of the total area under exploration is covered by NELP. Bids under first round of NELP were invited in January 1999 and 24 Production Sharing Contracts (PSCs)—7 in deep water, 16 in shallow water and 1 in on land area of Uttar Pradesh were signed in April 2000.

Till March 2003, an investment of about US$ 326 million has been made in NELP-I blocks. Bids under second round of NELP were invited in December 2000 and 23 Production Sharing Contracts (PSCs): 8 in deep water, 8 in shallow water and 7 in on land areas of Assam, Gujarat, Rajasthan, Orissa, Uttar Pradesh and West Bengal were signed in July 2001. Till March 2003, an investment of about US$ 106 million has been made in NELP-II blocks. Bids under third round of NELP were invited in March 2002 and 23 Production Sharing Contracts (PSCs)-9 in deep water, 6 in shallow water and 8 in on land areas of Tripura, Mizoram, Assam, Nagaland. Himachal Pradesh, Rajasthan, Gujarat and Andhra Pradesh were signed in February 2003. The fourth round of NELP was announced in May 2003 under which 24 exploration blocks comprising of 12 deep water blocks, 1 shallow water block and 11 onland blocks falling in the states of Assam, Nagaland, Manipur.

Tripura, Uttar Pradesh, Rajasthan, Gujarat, and Tamil Nadu were offered. 12 deep water blocks were offered during this round which also includes 2 deep water blocks in offshore Andamans that have been offered for the first time for international competitive bidding. Hydrocarbon discoveries have been made in two of the water blocks and one onland block signed under NELP. With a view of accelerate the pace of exploration further in the eighth round of NELP (NELP-VIII) 70 exploration blocks were offered, against which 76 bids were received for 36 exploration blocks.

In NELP- VIII expected investment commitment on exploration is about US$ 511. 3 billion.