



PHD Research Bureau
PHD Chamber of Commerce and Industry



The Mineral Conservation and Development (Amendment) Rules, 2021 Notified

Ministry of Mines has notified the Mineral Conservation and Development (Amendment) Rules, 2021 on 3rd November, 2021 to amend the Mineral Conservation and Development Rules, 2017 [MCDR].

The MCDR have been framed under section 18 of the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act] to provide rules regarding conservation of minerals, systematic and scientific mining, development of the mineral in the country and for the protection of environment.

The amendment rules have been framed after extensive consultations with the State Governments, industry associations, miners, other stakeholders and general public. The highlights of amendments in the Rules are as follows:

(i) Rules prescribed that that all plans and sections related to mine shall be prepared by combination of Digital Global Positioning System (DGPS) or Total Station or by drone survey in relation to certain or all leases as may be specified by Indian Bureau of Mines (IBM).

(ii) New Rule inserted to provide for submission of digital images of mining area by lessees and Letter of Intent holders. Lessees having annual excavation plan of 1 million tonne or more or having leased area of 50 hectare or more are required to submit drone survey images of leased area and up to 100 meters outside the lease boundary every year. Other lessees to submit high resolution satellite images. This step will not only improve mine planning practices, security and safety in the mines but also ensure better supervision of mining operations.

(iii) Requirement of submitting satellite images obtained from CARTOSAT-2 satellite LISS-IV sensor on the scale of cadastral map deleted in view of the insertion of provision for submission of high resolution Georeferenced Ortho-rectified Multispectral satellite and use of drone survey as per Rule 34A.

(iv) Provision of daily return omitted to reduce compliance burden. Power of taking action against incomplete or wrong or false information in monthly or annual returns given to IBM, in addition to State Govt.

(v) Allowed engagement of a part-time mining engineer or a part-time geologist for category 'A' mines having leased area below 25 hectares. This will ease compliance burden for small miners.

(vi) In order to increase employment opportunity, diploma in mining and mine surveying granted by duly recognized institute along with a second class certificate of competency

issued by the Director General of Mines Safety is added in qualification for full time Mining Engineer. Also, qualification for part time Mining Engineer added.

(vii) Penalty provisions in the rules have been rationalized. Previously, the rules provided for penalty of imprisonment upto 2 years or fine upto 5 lakh rupees or both for violation of each and every rule irrespective of the severity of the violation. Amendment in the rules categorized the violations of the rules under the following major heads:

- a. Major Violations: Penalty of imprisonment, fine or both.
- b. Minor Violations: Penalty reduced. Penalty of only fine for such violations prescribed.
- c. Violation of other rules has been decriminalized. These rules did not cast any significant obligation on the concession holder or any other person. Thus, violation of 24 rules has been decriminalized.

(viii) Provision of forfeiture of financial assurance or performance security of the lease holder added in case of non-submission of final mine closure plan within the period specified.

(ix) Amount of financial assurance increased to five lakh rupees for Category 'A' mines and three lakh rupees for Category 'B' mines from existing three and two lakh rupees, respectively.

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Warm Regards,

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