

Sectoral

Mining

1. Who executes the lease agreement of Prospecting License/Mining Lease?

District Collector of concerned district.

2. How can Mineral Concession (PL/ML) in Forest Land be obtained?

No concessions can be granted without prior approval under Forest Conservation Act, 1980. After obtaining in principle consent from State Government and prior approval by Central Government as per the provision of Mines and Minerals (Development & Regulation) Act 1957. The applicant has to take necessary steps to obtain permission under Forest Conservation Act, 1980. After getting clearances, the grant of concession is done by State Government.

3. Who is empowered to sanction Prospecting License/Mining Lease?

Mineral Resources Department, State Government is empowered to sanction Prospecting License/Mining Lease.

4. After filing application for Prospecting License/Mining Lease at District Collector Office, what are the steps taken to process applications under mining sector?

1) After ensuring correctness of application, internal reports from different departments are sought: a) Revenue Department. b) Forest Department. c) Gram Panchayat Report. d) If applied area falls near by the restricted land as per provision of Mineral Concession Rule 1960 then report is sought from concerning State/Central authority. 2) After scrutiny of application it is forwarded to State Government for further action.

5. What are the precautions to be taken for filing applications for obtaining Mineral Concessions?

The application must be filed within prescribed format of Mineral Concession Rule 1960, available in GOI, Ministry of Mines website link. Entries must be complete in all respect and should be supported with documentary evidences as per provisions of rule 9, 22 of Mineral Concession Rule 1960. In absence of all documents, disposal of application may be delayed. Further, incomplete applications are liable to be cancelled.

6. What is the ownership structure for mines in India?

The State Governments are the owners of minerals located within their respective boundaries. The Central Government is the owner of the minerals underlying the ocean within the territorial waters or the Exclusive Economic Zone of India.

7. What are the types of mining projects in which foreign investors/companies can invest in India?

a) 100% FDI allowed under automatic route in Mining and Exploration of metal and non-metal ores including diamond, gold, silver and precious ores but excluding titanium bearing minerals and its ores; subject to the Mines and Minerals (Development & Regulation) Act, 1957. b) For Coal & Lignite: 1) 100% FDI allowed under automatic route in Coal & Lignite mining for captive consumption by power projects, iron & steel and cement units and other eligible activities permitted under and subject to the provisions of Coal Mines (Nationalization) Act, 1973 2) 100% FDI allowed under automatic route in setting up coal processing plants like washeries subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing. c) 100% FDI allowed under government route in Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities

8. What is the GST rate for minerals and ores in Composition Scheme?

In a case where the process amounts to manufacture, the rate of tax will be 1% (CGST) and 1% (SGST/UTGST). In any other case, the rate will be 0.5% (CGST) and 0.5% (SGST/UTGST).

9. Will the basic exemption limit from GST be applicable to the tiny and micro segment in mining?

Yes, the basic exemption limit of \$ 15,385 (\$ 7693 in the case of special category States) is applicable to the tiny and micro segment even in mining. However, a person engaged in making taxable supply and having aggregate annual turnover (more than \$ 15,385 in any State other than the special category States) would be liable to obtain registration under GST. The return has to be filed on monthly basis by regular taxable persons and on quarterly basis by the taxable persons registered under the composition scheme.

10. What are the Existing Legislative Provisions regarding safety, health and welfare of mine workers?

Under the Constitution of India, safety, welfare and health of workers employed in mines are the concern of the Central Government (Entry 55- Union List- Article 246). The objective is regulated by the Mines Act, 1952 and the Rules and Regulations framed thereunder which are administered by the Directorate- General of Mines Safety (DGMS), under the Union Ministry of Labour and Employment. A list of the subordinate legislation under the Mines Act administered by DGMS are: 1) Coal Mines Regulations, 1957. 2) Metalliferous Mines Regulations, 1961. 3) Oil Mines Regulations, 1984. 4) Mines Rules, 1955. 5) Mines Vocational Training Rules, 1966. 6) Mines Rescue Rules, 1985. 7) Mines Creche Rules, 1966.

11. Will ITC be available on steel, timber and sometimes cement which are used in the underground mines to provide a protective device for security purpose?

Credit will not be available, if these goods are supplied for construction of an immovable property. But if these are temporarily placed for protective purposes, credit will be available.

12. What are the activities of ENVIS Centre, MINENVIS ?

Maintains a database management system to cater to the requirements of various users/ stakeholders of the mineral industry and regularly publishes Newsletters and Monographs.