

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:3320
ANSWERED ON:19.03.2001
NATIONAL MINING POLICY
VILAS BABURAO MUTTEMWAR

Will the Minister of MINES be pleased to state:

- (a) whether the Government have reviewed the operations and policy relating to mining sector in the wake of globalisation and liberalisation;
- (b) if so, the details thereof alongwith the major policy decisions taken to facilitate opening of mining sector for private investment;
- (c) the details of new National Mining Policy formulated and redeeming features thereof alongwith thrust areas, projection of fresh investment and targets for next five years for minerals; and
- (d) the policy of the Government regarding public sector undertakings(PSUs) in mining sector and fresh initiatives of the Government/Private investment proposed in mining sector for Maharashtra?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI JAYSINGRAO GAIKWAD PATIL)

(a) to (d): The National Mineral Policy, 1993 announced in tune with the economic liberalisation policy, opened up the mineral sector fully for private initiatives, both domestic and foreign and envisages induction of foreign technology and foreign participation in exploration and mining for high value and scarce minerals. Foreign equity investment in joint ventures in mining promoted by Indian Companies has also been encouraged.

Reviewing the operations of National Mineral Policy (NMP) announced in 1993 is a continuous process which involves interaction with the State Governments, private including foreign investors, public sector undertakings etc.

The Government has been reviewing the operations of the National Mineral Policy and streamlining the same through amendments in the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 and the Rules framed thereunder and the policy towards private sector investment in the mining and mineral sector including the foreign direct investment. The MMDR Act was accordingly amended in 1994 and 1999. The Rules framed under the MMDR Act have also been amended. Recently, the Government has approved a policy of foreign equity holding upto 100% on the automatic route for all minerals (except diamond and precious stones). This covers exploration, mining, mineral processing and metallurgy. In the case of diamond and precious stones, foreign equity upto 74% will be allowed on the automatic route for both explorations and mining operations. For proposals seeking higher than 74% foreign equity for diamond and precious stones, the cases are decided by the Foreign Investment Promotion Board (FIPB) on a case to case basis.

Projection of investments are not made for mineral sector as such. Targets for minerals are also not fixed as such.

Under the MMDR Act, any Indian National or a company as defined in sub-section(1) of Section 3 of the Companies Act, 1956 is free to explore and exploit the mineral reserves after getting a reconnaissance permit, prospecting licence or mining lease. The Act and Rules provide for reservation of mineral bearing areas for exploitation by the public sector undertakings(PSUs). Information on proposed investment in the mining sector is not maintained centrally.