

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:6050
ANSWERED ON:06.05.2002
AMENDMENT IN MINES AND MINERALS ACT
SULTAN SALAHUDDIN OWASI;THAAWAR CHAND GEHLOT

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether the Mines and Minerals (Development and Regulation) Act, 1957 was amended in 1994 and 1999 to make the mining sector more investor friendly and progressive;
- (b) if so, whether any progress has been made since 1999 in the mining sector in regard to Foreign Direct Investment;
- (c) if so, the details thereof;
- (d) the present requirement of different minerals in country and their availability;
- (e) the steps taken/being taken by the Government to meet the demand of minerals in the country;
- (f) the details of survey undertaken by the Government for different minerals in the country and their reserve found alongwith variety and quantum during the Ninth Five Year Plan, State-wise; and
- (g) the quantum of various types of substances extracted from the said reserves till date alongwith the varieties thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

(a) to (c): Yes, Sir. Mines and Minerals (Development and Regulation) Act 1957 has been amended in 1994 and 1999 for encouraging private investment including foreign direct investment in the mineral sector. The amendments inter-alia included removal of restriction on foreign equity holding in the mining sector enabling any company registered in India irrespective of foreign equity holding to apply for mineral concessions, simplification of the procedure for grant of mineral concessions and delegation of powers to State Government in order to make the mining sector more investor friendly.

At present, in line with the policy of the Government to encourage private investment in the mining sector, including foreign investment, all proposals for foreign direct investment in the mining sector are eligible for automatic approval, except for precious stones and diamonds, for which automatic approval for foreign direct investment is permissible upto 74%. The Government has so far approved 70 proposals of foreign direct investment in the mining sector involving likely investment of Rs. 3963 crores. During 2000-2001, 7 such proposal of foreign direct investment involving likely investment of Rs. 248 crores have been approved.

For fuel and atomic minerals, a separate foreign direct investment policy applies.

(d) Estimates of requirement of minerals and availability are made as part of Five Year Plan exercises. However recoverable reserves of selected important minerals in the country is given at Annexure-I.

(e) In order to meet the demand of minerals in the country, exploration for and exploitation of minerals have been fully liberalised. Also minerals can be imported under open general licence to augment domestic availability of the same.

(f) & (g) Details of the State-wise survey conducted by Geological Survey of India (GSI), additional mineral resources established during the first four years of the ninth five year plan are given at Annexure-II.

There is a time lag between identification of the resources by survey and final extraction of mineral from such resources. Mining leases are not given separately for new resources identified by surveys and as such one to one data of new resources identified and minerals produced is not separately maintained.

ANNEXURE-I

ANNEXURE REFERRED TO IN PART (d) OF SQ.NO.6050 FOR REPLY ON 6.5.2002 ASKED BY SHRI SULTAN SALAHUDDIN OWASI AND SHRI THAAWAR CHAND GEHLOT REGARDING AMENDMENT IN MINES AND MINERALS ACT.

Recoverable Reserves of selected minerals/metals.

(In thousand tonnes)

Mineral/Ore Recoverable Reserves (As on 1.4.2000)

Coal	234114280+
Iron Ore	13460000@
Bauxite	2462431@
Chromite	97076
Copper Metal	5297
Dolomite	4386855@
Kaolin(all forms)	1042468@
Lead	2381
Limestone	75678890@
Manganese Ore	167309@
Zinc Metal	9707

@ Relate to recoverable reserves as on 1.4.1995.

+ Relate to recoverable reserves as on 1.1.2002.

ANNEXURE-II

ANNEXURE REFERRED TO IN PART (f)&(g) OF S.O.NO.6050 FOR REPLY ON 6.5.2002 ASKED BY SHRI SULTA SALAHUDDIN OWAISI AND SHRI THAWAR CHAND GEHLOT REGARDING AMENDMENT IN MINES AND MINERALS ACT.

ADDITIONAL MINERAL RESOURCES ESTABLISHED BY GEOLOGICAL SURVEY OF INDIA DURING THE FIRST FOUR YEARS OF THE NINTH PLAN PERIOD.

(Resources in million tonnes unless otherwise stated)

Sl.No.	State	Ore/Mineral	Augmentation of Mineral Resources during the first four years of IX Plan
1.	West Bengal, Jharkhand, Orissa, Chhattisgarh, Madhya Pradesh, Maharashtra, Andhra Pradesh,	Coal	6103
2.	Tamil Nadu, Gujarat, Rajasthan	Lignite	111
3.	Rajasthan, Madhya Pradesh	Base Metal	
		a) Lead- Zinc ore	a) 21.47
		b) Zinc-Copper	b) 3.15
4.	Rajasthan, Karnataka, Madhya Pradesh, Maharashtra, Andhra Pradesh, Kerala	Gold Ore	20.56
5.	Orissa	Platinum Group of Elements	14.20
6.	Orissa, Madhya Pradesh	Manganese Ore	2.77
7.	Tamil Nadu	Molybdenum Ore	0.484
8.	West Bengal	Rare Metal & Rare	

Earth Elements 79,589 tonnes of
rare metal bearing
pegmatites with 0.5% Cs.

9. Meghalya , Gujarat,
Arunachal Pradesh. Limestone 5891
10. Bihar Dolomite 30.50
11. Kerala Clay 510