

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:3101

ANSWERED ON:16.03.2010

MINING CONCESSIONS

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**Will the Minister of MINES be pleased to state:**

- (a) the details of activities related to extraction in respect of which mineral concession is granted;
- (b) the reasons for granting prior approval of mineral concession by the Union Government;
- (c) whether there are reports of corruption in the mining sector in the allotment of mining rights;
- (d) if so, the details thereof during each of the last three years and the current year, State-wise;
- (e) the reasons therefor and the reaction of the Government thereto;
- (f) whether any action has been taken by the Government against the persons found guilty in this regard; and
- (g) if so, the details thereof, State-wise and the corrective measures taken by Government to curb such menace?

**Answer**

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE)

(a): The activities/actions required on the part of the grantee company/individual in extraction of a mineral for which a mineral concession has been granted are: execution of lease deed, commencement of mining operations within two years of the date of execution of lease, informing the State Government and the Indian Bureau of Mines (IBM) about employment of qualified persons and commencement of the operation; carrying out operation in a proper and skillful manner; building infrastructure and creating site services including establishment of workshop, erection of machinery, construction of roads, opening of mine office, establishment of magazines for storage of explosives, if applicable, development of the area etc.

(b): Grant of prior approval of the Central Government is required for the minerals specified in Parts B and C of the First Schedule to the Mines and Minerals (Development and Regulation) Act, 1957.

(c to g): A complaint dated 20-05-2008 was received in the Ministry of Mines through the Central Vigilance Commission (CVC) against Shri Madhu Koda, the then Chief Minister of Jharkhand for recommending grant of Mining Lease (ML) for iron ore in favour of M/s M/s Maa Ispat Auto Cast (P) LTd., Jamshedpur. On verification, it was found that no such proposal had been received in the Ministry from the Government of Jharkhand. The CVC was accordingly informed on 01-01-2009.

The State Governments are the owners of the minerals located within their respective boundaries. They grant the mineral concessions [Reconnaissance Permit (RP), Prospecting Licence (PL) and Mining Lease (ML)] under the provisions of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957. Prior approval of the Central Government is required under Section 5 (1) of the Act for grant of RP, PL and ML in respect of the minerals specified in Parts 'B' and 'C' of the First Schedule to the Act. Subsequent to the prior approval of the Central Government, mining leases etc. are executed by the State Governments with the mining agencies after they obtain all statutory clearances and approvals.

The Ministry of Mines is conscious of the need to have a transparent and efficient system for processing the mineral concession cases. In pursuance of the National Mineral Policy, 2008, which inter alia enunciates adoption of quick and transparent procedures for grant of mineral concessions, the Ministry has taken several steps in this direction, including constitution of Central Coordination-cum-Empowered Committee in the Ministry of Mines to monitor and minimize delays in grant of approvals for mineral concessions. The Committee consists of the Central Ministries/Departments concerned and the Secretaries in charge of Mining & Geology in the States. Several meetings of the Committee have been held since its constitution in March 2009.

All instances of corruption and illegal mining practices which come to the notice of this Ministry are taken up with State Governments and followed up expeditiously.