

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:5600
ANSWERED ON:29.04.2010
GRANT OF ORE LEASE TO COMPANIES
Sule Supriya

Will the Minister of STEEL be pleased to state:

- (a) whether Steel Ministry has sought powers to grant ore lease to companies in a bid to fast track upcoming steel projects;
- (b) whether the proposal may likely to assure long term raw material supplies and attract foreign investment;
- (c) if so, the reaction of the Government thereto;
- (d) whether the Government has agreed to the proposal; and
- (e) if so, the time by which it is likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a)to(e): As per the provisions of Mines and Minerals (Development & Regulation) Act, 1957, while the mining leases are granted by the concerned State Government, prior approval of the Central Government is required to be taken by the concerned State Government for allocation of mineral concessions in respect of minerals specified in the First Schedule to the MMDR Act. Ministry of Mines, Government of India exercises the power of grant of prior approval on behalf of the Central Government and Ministry of Steel has no say in the matter. Ministry of Steel had sought the powers of the Central Government in this regard in respect of iron ore, manganese ore and chrome ore, which are important raw materials for the steel industry.

It has, however been decided that the current system is sufficient to facilitate higher investment in the steel sector through more effective coordination between the Ministries of the Central Government and the concerned State Governments.