

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:618
ANSWERED ON:18.05.2012
GRANT OF MINERAL CONCESSIONS
Sivasami Shri C.

Will the Minister of MINES be pleased to state:

- (a) whether the Government had granted mining lease under `First-cum-first-serve` policy for various minerals;
- (b) if so, the details thereof;
- (c) the number of beneficiaries/licence holders who were granted lease/mineral concessions on the basis of the said policy during the Eleventh Plan period, mineral-wise and State-wise;
- (d) whether the policy has served its laid down objectives in respect of various minerals; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) FOR MINES (SHRI DINSHA PATEL)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 618 FOR 18TH MAY, 2012 BY SHRI SIVASAMI C. REGARDING GRANT OF MINERAL CONCESSIONS.

(a) & (b): State Governments are empowered to grant mineral concession for all minerals located within the boundary of the State under the provisions of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, and the Mineral Concession Rules (MCR), 1960. For the minerals specified in the first schedule to the MMDR Act, approval of the Central Government is necessary before granting the mineral concession. Section 11(2) of the MMDR Act provides that where the State Government has not notified in the Official Gazette the area for grant of reconnaissance permit or prospecting licence or mining lease, as the case may be, and two or more persons have applied for a reconnaissance permit, prospecting licence or a mining lease in respect of any land in such area, the applicant whose application was received earlier, shall have the preferential right to be considered for grant of reconnaissance permit, prospecting licence or mining lease, as the case may be, over the applicant whose application was received later.

(c): As per the information maintained by the Indian Bureau of Mines (IBM), the State-wise number of mineral concessions granted by the State Governments including those on the basis of the provisions of Section 11(2) of the MMDR Act during the 11th Five Year Plan i.e. from 2007-08 to 2011-12, is at Annexure-I. Mineral-wise number of mineral concessions granted during the said period are given at Annexure-II.

(d) & (e): Allocations of mineral concessions under the provisions of the MMDR Act, 1957 and the Rules framed thereunder were largely granted with the objective of promoting mineral development and increasing self-sufficiency in the country. However, with a view to streamline the process of allocation of mineral concessions, the Government has approved a draft Mines and Minerals (Development and Regulation) Bill, 2011, introduced in Parliament on 12th December, 2011 and referred to the Standing Committee on Coal and Steel on 5th January, 2012. The Bill proposes to introduce allocation of prospecting licence and mining lease by competitive bidding in areas where mineralization is known to State Governments, and in other areas where mineralization is not known, exploration licences on first-in-time basis can be granted by the State Governments.