

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:3303

ANSWERED ON:31.08.2012

ALLOTMENT OF MINING BLOCKS TO COMPANIES

Singh Shri Rajiv Ranjan (Lalan);Yadav Shri Dinesh Chandra

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

- (a) whether the Government allots the mine blocks to the mining companies of the State Governments with a view to dealing with the crisis of mineral production in the country;
- (b) if so, whether these institutions/ companies have set up joint ventures with private sector companies on the pretext of lack of resources and carry on production of minerals, thus causing loss of revenue to the Government;
- (c) if so, the facts thereof;
- (d) whether the Government has also received complaints of irregularities in mining activities;
- (e) if so, the details thereof and the action taken thereon; and
- (f) the reaction of the Government to set up an effective monitoring mechanism to keep a check on the activities of mining companies?

**Answer**

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

(a) : The State Governments are the owners of the minerals located within their respective boundaries. The State Governments grant mineral concessions (Reconnaissance Permit, Prospecting Licence and Mining Lease) for all minerals located within the boundary of a State, under the provisions of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, and the Mineral Concession Rules (MCR), 1960 framed thereunder. However, under the provisions of the MMDR Act, prior approval of the Central Government is required for granting mineral concessions in respect of the minerals specified in parts 'B' and 'C' of the First Schedule to the MMDR Act. The Government also reserves areas under Section 17A of the MMDR Act for undertaking prospecting and mining operations through a Government company or corporation.

(b) & (c) : The information regarding Government companies' joint venture with private sector companies is not centrally maintained. However, the Ministry has issued detailed guidelines dated 24.6.2009, which inter alia lay down that any joint venture of a Government company to whom a Prospecting Licence or Mining Lease is proposed to be given subsequently by transfer under Rule 37 of the MCR must conform to the principles of the reservation for a Government company, i.e. the ownership or control of the company conducting operations lies with the State Government. Moreover, just as selection of an applicant in grant of mineral concession where the State Government has notified an area, needs to be in terms of Section 11 (3) of the MMDR Act, in the case of areas reserved for a Government company, it is necessary that if a Government company seeks to enter into any joint venture with a private sector company in order to exploit a concession in a reserved area, the process of selection of such joint venture partner should also satisfy the norms set out in the Section 11(3) of the MMDR Act. Besides, while conveying prior approval in favour of a Government company, the Ministry also lays down, where necessary, appropriate special condition under the MCR in the interest of mineral development.

(d) to (f) : Yes, Madam. As per the delineation of powers in the Mines and Minerals (Development and Regulation) Act, 1957, the Indian Bureau of Mines (IBM) has powers to regulate the mining activities for major minerals (excluding fuel, coal and atomic minerals) in mining lease areas through Mineral Conservation and Development Rules, 1988 (MCDR), and the State Government concerned have powers to curb illegal mining activities for major minerals through Rules framed under Section 23 C of the said Act and also regulate mining of minor minerals in terms of Rules framed under Section 15 of the Act.

Accordingly, as per the delineation of powers and as per available information, details of violations of MCDR pointed out and action taken by the IBM in the last three years and the current year are given in Annexure - I, and details of cases of illegal mining of minerals reported and action taken by the State Governments in the last three years are given in Annexure - II. The steps taken by the Central Government to curb and check illegal mining in the country are as follows:

(i) State Governments were asked to frame rules to control illegal mining as per Section 23 C of MMDR Act (so far 18 States have framed Rules).

(ii) State Governments were requested to set up Task Forces at State and District level to control illegal mining since the year 2005

(so far 21 States have reported to have set up Task Forces).

(iii) State Governments were advised to set up State Coordination-cum-Empowered Committee (SCEC) to coordinate efforts to control illegal mining by including representatives of Railways, Customs and Port authorities (13 State Governments have set up such Committees).

(iv) All State Governments advised to adopt an Action Plan with specific measures to detect and control illegal mining including, use of remote sensing, control on traffic, gather market intelligence, registration of end-users and setting up of special cells etc.

(v) Ministry of Mines has so far held five meetings with the State Governments to specifically review the action taken by the State Governments on illegal mining on 3.8.2009, 27.11.2009, 22.2.2010, 16.4.2010 and 21.9.2010. This periodical review has been dovetailed in the meeting of Central Coordination-cum-Empowered Committee meetings.

(vi) A Central Coordination-cum-Empowered Committee set up under Secretary (Mines) on 4.3.2009 has held nine meetings on 24.7.2009, 22.12.2009, 18.6.2010, 22.12.2010, 3.5.2011, 20.9.2011, 16.1.2012, 27.3.2012 and 28.6.2012 to consider all mining related issues, including matters relating to coordination of activities to combat illegal mining.

(vii) Railways have instituted a mechanism to allow transportation of iron ore only against permits issued rake-wise and verified by State Government, apart from taking measures to fence and set up check post at the railway sidings.

(viii) Customs Department has issued instructions to all its field units to share information on ore export with State Governments.

(ix) Ministry of Shipping has issued a direction to all major Ports to streamline the verification procedures for movement of consignment by road and rail to Ports for exports.

(x) Government has notified amendment in Rule 45 of Mineral Conservation and Development Rules, 1988, on 9.2.2011 making it mandatory for all miners, traders, stockist, exporters and end-users to register with IBM and report their transaction in minerals on monthly basis for a proper end-to-end accounting of minerals. As on 11.6.2012, out of 9409 mining leases in the country, 8027 mining leases have registered online with the IBM. The IBM has suspended 1587 mines for non-compliance and initiated prosecution in 4 cases and recommended 21 cases to State Governments for termination. IBM has also requested the State Governments not to issue transit passes for movement of minerals to unregistered operators.

(xi) Indian Bureau Mines had constituted Special Task Forces for inspection of mines in endemic areas by taking the help of Satellite imageries. Special Task Force conducted inspections in a total of 454 mines in the States of Karnataka, Andhra Pradesh, Orissa, Jharkhand and Gujarat and suspended 155 mines under rule 13(2) of Mineral Conservation and Development Rules, 1988 due to serious violations. Further, the Indian Bureau of Mines have recommended for termination of eight leases.

(xii) In so far as the online approval of mining plans and display of approved mining plans in the public domain is concerned, it is submitted that the Ministry is developing 'Mining Tenement System (MTS)' to automate the various processes associated with the mineral concession regime with features also to reflect the information as desired above.

(xiii) The Central Government has also set up Shri Justice M. B. Shah Commission of Inquiry (COI) for illegal mining of iron ore and manganese vide gazette notification dated 22.11.2010. The COI submitted its First Interim Report on 14.7.2011, which has been tabled in the Parliament along with the Memorandum of Action Taken. The tenure of the COI has been extended till 16th July, 2013 by the Government. COI has so far visited Andhra Pradesh, Goa, Jharkhand, Karnataka and Odisha.