

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2351
ANSWERED ON:23.08.2013
LINKAGE OF MINES TO MINERAL BASED INDUSTRIES
Tanwar Shri Ashok

Will the Minister of MINES be pleased to state:

- (a) whether the Government has taken steps to link the mines to mineral based industries;
- (b) if so, the details thereof;
- (c) the total budgetary allocation for the purpose during the last three years; and
- (d) the details of projects completed in this regard?

Answer

THE MINISTER OF MINES (SHRI DINSHA PATEL)

(a) to (d): Mineral Concessions in notified areas are granted by the State Governments after examining the applications in terms of the criterion set in Section 11 (3) of Mines and Minerals (Development and Regulation) Act, 1957 wherein one of the criteria, inter alia, is the investment which the applicant proposes to make in the mines and in the industry based on the minerals. Further, in cases where the State Government invites applications for grant of mineral concessions in virgin areas, as per Rule 35 of Mineral Concession Rules 1960, one of the criteria, inter-alia, is the end use of the mineral by the applicant.

The National Mineral Policy, 2008 enunciates that in order to be assured of uninterrupted supply of the minerals from domestic sources the user industry will be encouraged to develop long-term linkages with the mineral producing units including equity participation in such mining companies, so that the mineral processing units not only get an assured supply of the minerals but should also have close links with the production and marketing agencies of the mineral based end products.

Accordingly, the Mines and Minerals (Development and Regulation) Bill, 2011 has been introduced in the Parliament on 12.12.2011 wherein as per Clause 13 (6), provisions have been incorporated to examine the bids received at the time of competitive bidding for award of mineral concessions with reference to, inter alia, the following criteria:

- (i) investments in value addition such as mineral processing and beneficiation;
- (ii) having industrial capacity based on the mineral or having set up industry based on the mineral, and achieved financial closure for such project;
- (iii) providing ore-linkage through long-term agreements with domestic industry;
- (iv) in the case of iron ore, bauxite and limestone, having finished products production capacity at the time of commencement of this Act and captive ore resources which are likely to be exhausted in the near future.

The Central Government administers the MMDR Act, 1957 through which mining regulation and mineral development is governed in the country which, inter alia, has the provisions mentioned above.

The Central Government does not provide any budgetary allocation for the purpose.