

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:100
ANSWERED ON:27.07.2015
Extension to Old Mines
Joshi Shri Pralhad Venkatesh

Will the Minister of MINES be pleased to state:

- (a) the salient features of the Mineral Concession Rules;
- (b) whether the amendment to the Mineral Concession Rules limit extensions without licence renewals and if so, the details thereof;
- (c) whether the Government allows mines more than 40 years old to function;
- (d) whether the notification has caused any fall in steel production particularly in Odisha and Jharkhand thus affecting the supply of India's iron-ore production and if so, the details thereof; and
- (e) the number of mines in the country operating under "deemed extension"?

Answer

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

STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO.100 FOR REPLY ON 27.7.2015 REGARDING 'EXTENSION TO OLD MINES' ASKED BY SHRI PRALHAD JOSHI

(a): The Mineral Concession Rules (MCR), 1960 have been framed under section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 for regulating the grant of reconnaissance permits, prospecting licences and mining leases in respect of minerals and for purposes connected therewith. The MCR, 1960, inter-alia, provides for the following matters, namely:-

- i. the procedure for obtaining a reconnaissance permit, a prospecting licence or a mining lease and the terms on which, and the conditions subject to which, such a permit, licence or lease may be granted or renewed;
- ii. the manner of computation of royalty separately in respect of land in which the minerals vest with the Government and land in which the minerals vest in a person other than the Government;
- iii. the fixing and collection of fees for reconnaissance permits, prospecting licences or mining leases, surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty shall be payable;
- iv. the reports and statements to be submitted by holders of reconnaissance permits or prospecting licences or owners of mines and the authority to which such reports and statements shall be submitted; and
- v. the period within which applications for revision of any order passed by a State Government or other authority in exercise of any power conferred by or under this Act, may be made, the fees to be paid therefor and the documents which shall accompany such applications and the manner in which such applications shall be disposed of.

(b) to (d): Prior to 12th January 2015, State Governments were empowered to grant renewals for mining leases except coal, lignite and atomic minerals. In compliance to the judgment of the Supreme Court delivered on 21.04.2014 in WP (Civil) 435/2012 [in the matter of Goa Foundation Vs UOI & Ors], the MCR, 1960 was amended on 18.07.2014 to prohibit deemed extensions for second and subsequent renewals. However, this provision is no longer in force since 12.01.2015 with the amendment of the MMDR Act, 1957 through the MMDR Amendment Act, 2015. Through the MMDR Amendment Act, 2015 the provisions for renewal of mining lease has been done away with for minerals except coal and lignite.

The newly inserted section 8A has provisions which provide that period of mining leases granted before 12th January, 2015 will be deemed to be extended till the following period, whichever is later:

- (i) 31st March, 2030 in case mineral is used for captive purpose, or 31st March, 2020 in case mineral is used for other than captive purpose;
- (ii) completion of renewal period;
- (iii) fifty years from date of grant of mining lease.

The transition provisions for extension of period of mining leases have been provided to ensure regular supply of raw material to the industry.

(e): Prior to 12.01.2015, the power to renew leases was vested with the State Governments. Hence, data in this regard was not maintained centrally.
