

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:3272  
ANSWERED ON:10.08.2015  
Mining Leases to Private Companies  
Muddahanumegowda Shri S.P.

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

- (a) the details of land allotted by the Government to private parties for mining purposes and whether such land is given to the highest bidder so that the Government gets maximum income from the mines;
- (b) whether there have been violations of such open bidding in recent times and whether Government has made any assessment of losses incurred in this connection and if so, the details thereof and the action taken by the Government thereon; and
- (c) the criteria adopted by the Government to compensate and rehabilitate tribal people residing and having their livelihood in forest land allotted for mining?

**Answer**

(a): Prior to the amendment to the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 through the MMDR Amendment Act, 2015, which came into effect from 12.1.2015, mining leases of minerals covered under the Mineral Conservation and Development Rules, 1988 could not be granted by the State Governments to the highest bidder through auction by competitive bidding. No auctions have yet taken place after the coming into force of the MMDR Amendment Act, 2015.

(b): Does not arise in view of the answer to (a) above.

(c): As per clause (p) of sub-rule (1) of rule 27 of the Mineral Concession Rules, (MCR) 1960, one of the conditions subject to which a mining lease is granted is that the lessee shall, in the matter of employment, give preference to the tribals and to the persons who become displaced because of the taking up of mining operations. Further, Section 9B of the MMDR (Amendment Act), 2015 provides for setting up of District Mineral Foundation (DMF) in every district affected by mining which will be funded by an additional levy on royalty. The object of the DMF shall be to work for the interest and benefit of persons, and areas, affected by mining related operations. The State Governments while making rules for DMF shall be guided by the provisions contained in article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas.

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