

LOK SABHA DEBATES

LOK SABHA

Statement

Tuesday, June 11, 1998/Jyaistha 21, 1920 (Saka)

(The Lok Sabha met at Eleven of the Clock)

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

International Mining Companies

222. SHRI V.V. RAGHAVAN: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Government have approved some proposals received from international mining companies for prospecting and exploration in the mineral sector; and

(b) if so, the details thereof?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK) (a) and (b): A statement is laid on the Table of the House.

(a) and (b): Prospecting and mining rights are granted by the concerned State Governments in accordance with the provisions of Mines and Minerals (Regulation & Development) Act, 1957 and the Rules framed thereunder. As per the Mines and Minerals (Regulation and Development) Act, 1957, prospecting and mining rights can be granted only to an Indian national or to a company registered in India under the Companies Act, 1956. The Mines and Minerals (Regulation and Development) Act, 1957 also provides that in respect of any mineral specified in the First Schedule of the Act, no prospecting licence or mining lease shall be granted except with the previous approval of the Central Government.

The Government of India had, on 30.10.1996, issued guidelines for grant of large areas for aerial prospecting under the provisions of Mines and Minerals (Regulation and Development) Act, 1957. In pursuance of these guidelines, the Government has approved 36 such proposals received from the State Governments of Rajasthan, Maharashtra, Gujarat and Bihar. These prospecting licences have been given to Indian subsidiaries/joint ventures of foreign mining companies and to Indian companies having technical collaboration with foreign companies, details of which are given in the enclosed Annexure.

ANNEXURE

DETAILS OF APPROVALS GIVEN FOR AREAL PROSPECTING OVER LARGE AREAS IN PURSUANCE OF GUIDELINES ISSUED BY THE GOVERNMENT OF INDIA ON 30TH OCT., 1996.

Sl.No.	Name of the Company	Minerals	Area/Distt./State	Date of Approval by the Central Govt.
1	2	3	4	5
1.	M/s BHP Mineral India (P) Ltd.	Copper, lead, zinc, gold & associated minerals	2532.14 Sq. Kms. Distts. Tonk, Ajmer, Bundi, Bhilwara (Rajasthan)	3.6.1997
2.	M/s BHP Minerals India (P) Ltd. Ltd.	Copper, lead, zinc, gold & associated minerals	2637.58 Sq. Kms. Distts. Tonk, Sawai Madhopur & Bundi (Rajasthan)	3 6.1997

1	2	3	4	5
3.	M/s. BHP Minerals India (P) Ltd.	Copper, lead, zinc, gold & associated Minerals	2305.64 Sq. Kms. Distts. Jaipur, Tonk, Sawai Madhopur (Rajasthan)	3.6.1997
4.	M/s. BHP Minerals India (P) Ltd.	Copper, lead, zinc, gold & associated minerals	903.84 Sq. Kms. Distt. Bhilwara, (Rajasthan)	3.6.1997
5.	M/s CRA Exploration India Ltd.	Copper, lead, zinc, gold & associated minerals	1915.52 Sq. Kms. Distt. Ajmer, (Rajasthan)	3.6.1997
6.	M/s Hindustan Zinc Ltd.	Copper, lead, Zinc, gold, silver & associated minerals	2777.30 Sq. Kms. Distt. Bhilwara (Rajasthan)	30.6.1997
7.	M/s Hindustan Zinc Ltd.	Copper, lead, zinc, gold, silver & associated minerals	2339.58 Sq. Kms. Distts. Ajmer & Tonk (Rajasthan)	30.6.1997
8.	M/s Hindustan Zinc Ltd.	Copper, lead, zinc, gold, silver & associated minerals	2329.31 Sq. Kms. Distts. Tonk & Jaipur (Rajasthan)	30.6.1997
9.	M/s Hindustan Zinc Ltd.	Copper, lead zinc, gold, silver & associated Minerals	2344.37 Sq. Kms. Distt. Ajmer (Rajasthan)	30.6.1997
10.	M/s Metmin Finance & Holding Ltd.	Copper, lead, zinc, Nickel, gold, silver & associated minerals	181.47 Sq. Kms. Distt. Sirohi (Rajasthan)	11.8.1997
11.	M/s Metmin Finance & Holding Ltd.	Copper, lead, zinc, Nickel, gold, silver & associated minerals	44.00 Sq. Kms. Distt. Dungarpur (Rajasthan)	11.8.1997
12.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc, Nickel, gold, silver & associated minerals	138.62 Sq. Kms. distt. Dungarpur (Rajasthan)	11.8.1997
13.	M/s ACC-CRA Exploration (India) (P) Ltd.	Copper, lead, zinc, gold, silver, bismuch, cadmium & associated minerlas.	517.00 Sq. Kms. Distts. Sikar & Jhunjhunu (Rajasthan)	11.8.1997
14.	M/s Meridian Minerals India (P) Ltd.	Lead, Zinc, Copper, Gold Silver, Cadmium, Bismuth and associated minerals	670.985 Sq. Kms. Distt. Banswara (Rajasthan)	29.8.1997

1	2	3	4	5
15.	M/s Meridian Minerals India (P) Ltd.	Lead, Zinc, Copper, Gold, Silver, Cadmium, Bismuth and associated minerals	632.84 Sq. Kms. Distt. Bharatpur (Rajasthan)	29.8.1997
16.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc, Nickel, gold, silver and associated minerals	300 Sq. Kms. Distt. Jhunjhunu (Rajasthan)	9.9.1997
17.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc, Nickel, gold, silver and associated minerals	348.40 Sq. Kms. Distt. Sirohi (Rajasthan)	9.9.1997
18.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc, Nickel, gold, silver and associated minerals	106.00 Sq. Kms. Distt. Sirohi (Rajasthan)	9.9.1997
19.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc, Nickel, gold, silver and associated minerals	71.00 Sq. Kms. Distt. Sirohi (Rajasthan)	9.9.1997
20.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc, Nickel, gold, silver and associated minerals	1350 Sq. Kms. Distts. Sikar & Nagaur (Rajasthan)	9.9.1997
21.	M/s Meridian Minerals India (P) Ltd.	Copper, lead, zinc, gold, Silver, cadmium, bismuth and associated minerals	2812.50 Sq. Kms. Distts. Alwar and Dausa (Rajasthan)	25.9.1997
22.	M/s. BHP Minerals India (P) Ltd	Copper, lead, zinc, gold and associated minerals	1310 Sq. Kms. Distts. Bhilwara & Ajmer (Rajasthan)	23.2.1998
23.	M/s BHP Minerals India (P) Ltd.	Copper, lead, zinc, gold and associated minerals	1486 Sq. Kms. Distts. Bhilwara, Rajasamand & Ajmer (Rajasthan)	23.2.1998
24.	M/s Metmin Finance & Holdings Ltd.	Copper, lead, zinc gold, Silver, nickel and Associated minerals	236.00 Sq. Kms. Distt. Sirohi (Rajasthan)	30.4.1998
25.	M/s Metimin Finance & Holdings Ltd.	Copper, lead, zinc gold, Silver, nickel and associated minerals	50.25 Sq. Kms. Distt. Banaskantha (Gujarat)	30.4.1998
26.	M/s. Metmin Finance & Holdings Ltd.	Copper, lead, zinc gold, Silver, nickel and Associated minerals	156.00 Sq. Kms. Distt. Banaskantha (Gujarat)	30.4.1998

1	2	3	4	5
27.	M/s Meridian Minerals India (P) Ltd.	Lead, zinc, copper, gold, Nickel, silver, bismith, cadmium & associated minerals	3162.50 Sq. Kms. Distt. Udaipur (Rajasthan)	30.4.1998
28.	M/s Meridian Minerals India (P) Ltd.	Lead, zinc, copper, gold & associated minerals	2100.00 Sq. Kms. Distts. Nagaur & Churu (Rajasthan)	30.4.1998
29.	M/s Meridian Minerals India (P) Ltd.	Lead, zinc, copper, gold, Bismith, cadmium, silver and associated minerals	311.125 Sq. Kms. Distt. Ajmer (Rajasthan)	30.4.1998
30.	M/s RBW Minerals Industries Ltd.	Lead, zinc, copper, gold, Nickel, silver, cadmium and associated minerals	100.87 Sq. Kms. Distt. Pali (Rajasthan)	30.4.1998
31.	M/s RBW Minerals Industries Ltd.	Lead, zinc, copper, gold, Cadmium, silver and associated minerals	3875.00 Sq. Kms. Distts. Bundi, Tonk, Bhilwara and Chittorgarh (Rajasthan)	30.4.1998
32.	M/s RBW Minerals Industries Ltd.	Lead, zinc, copper, gold, Nickel, bismith, cadmium, silver and associated minerals	3000.00 Sq. Kms. Distts. Pali & Rajasamand (Rajasthan)	30.4.1998
33.	M/s Geomysore Services (India) Pvt. Ltd.	Copper, lead, zinc, gold, Molybdenum, diamond, nickle and platinum	3490.00 Sq. Kms. Distts. Nagpur, Bhandara & Gadchiroli (Maharashtra)	30.4.1998
34.	M/s Phelps Dodge Exploration India Pvt. Ltd.	Copper and associated Minerals	2472 Sq. Kms. Distts. Sirighbhum (East) and Singhbhum (West), Bihar	13.5.1998
35.	M/s WSIL Minerals Sands India Pvt. Ltd.	Copper, lead, zinc, gold, Silver & associated minerals	1709.05 Sq. Kms. Bhilwara, Ajmer, Pali & Raiasamand (Rajasthan)	5.6.1998
36.	M/s WSIL Minerals Sands India Pvt. Ltd.	Copper, lead, zinc, gold, Silver & associated minerals	1200.00 Sq.Kms. Distt. Udaipur (Rajasthan)	5.6.1998
Total			51917.55 Sq. Kms.	

SHRI V.V. RAGHAVAN: Sir, all together, in 32 places, the mining rights were granted to various Indian and foreign companies. I find that out of 32 companies, only one company belongs to the public sector unit, and all the other companies belong to either foreign or Indian private sector. Has there any other offer from public sector companies and, if so, what was the ground for not granting these mining rights to them?

SHRI NAVEEN PATNAIK: Mr. Speaker, Sir, before the liberalisation policy of the Government of India in 1991, the foreign companies were allowed to hold 48 per cent of equity in mining companies. In answer to the hon. Member's question, I would like to say that no other proposal from any other public sector company has been received.

SHRI V.V. RAGHAVAN: Sir, I would like to know from the hon. Minister what the conditionalities are for giving these rights for mining of gold, silver, copper, zinc and other associated minerals. After the exploration is completed and if sufficient deposits are found, I would like to know whether these companies will be given licences for productive exploitation also. So, may I know the conditionalities for granting these rights?

Hon. Speaker, Sir, I have a request. The answer to the question was not available till 10.45 a.m. I waited in the Notice Office all along, but the answer was not available. If the answer is not available in time, how can we prepare the supplementary questions? Please look into it.

MR. SPEAKER : Mr. Minister, please see that the answers are supplied to the Members in advance.

SHRI NAVEEN PATNAIK: Sir, I will see to it. There are six companies that have requested for mining rights, but they have to apply separately. An important aspect of the new mineral policy of 1993, which was announced by the Congress Government headed by Shri Narasimha Rao, is the basic structural reforms initiated by the Government of India in July 1991 in fiscal, industrial and trade regimes for the globalisation of economy. The National Mineral Policy was announced in March 1993.

Some of the salient features of the MP are as under:—

Thirteen minerals namely, iron-ores, manganese ore, chrome, sulphur, gold, diamond, copper, lead, zinc, molybdenum, tungsten, ores, nickel and platinum group of metals were exclusively reserved for the public sector. Exploitation was thrown open to private sector. Thus the entire mining sector is now open for private investment including foreign direct investment. Induction of foreign

technology and foreign participation in the exploration and mining for higher value scarce minerals is allowed. Foreign equity investment in joint ventures in mining promoted by Indian companies is to be encouraged. Foreign investment in equity would normally be limited to 50 per cent. But this limitation would not apply to captive mines of any mineral processing industry. Enhanced equity holdings can also be considered on case to case basis. In short, the National Mineral Policy of 1993 recognises the need for encouraging private investment including foreign direct investment and state of the art technology in the mineral sector.

SHRI V.V. RAGHAVAN: What are the conditionalities while giving licences to companies, especially to foreign companies? That is my simple question.

SHRI NAVEEN PATNAIK: Prior to 1993, only 40 per cent of foreign equity was allowed. The present policy, from 1993 onwards is foreign companies can have 100 per cent equity in mining companies in India subject to Foreign Investment Promotion Board's clearance. In January, 1997 automatic clearance up to 50 per cent foreign equity was allowed in respect of mining of iron, manganese ore, bauxite, copper, lead and zinc ores etc. Similarly, for services incidental to mining like drilling, shafting etc., certain alloy and metallurgical industries, automatic foreign equity permission up to 74 per cent allowed since January, 1997.

MR. SPEAKER: He has asked about the conditionalities.

SHRI NAVEEN PATNAIK: I am giving the policy.

SHRI V.V. RAGHAVAN: What is the guarantee?

SHRI NAVEEN PATNAIK: Large areas given for prospecting subject to conditions of schemes and relinquishment and achievement of physical and financial targets.

SHRI C. GOPAL: The Government of India had issued guidelines for grant of large areas for aerial prospecting under the provisions of Mines and Minerals Act. I want to know from the hon. Minister what are the ingredients in the guidelines, whether any preference has been given for the companies putting licence from the backward areas during the periods 1993, 1994, 1995 and 1996 and whether any licence applications were received from Tamil Nadu.

MR. SPEAKER: Shri C. Gopal, please understand that it is a question relating to international mining companies, not Tamil Nadu companies.

SHRI C. GOPAL: I want to know what are the ingredients of guidelines.

SHRI RAJESH PILOT: The hon. Member's question is what are the guidelines for backward areas. The hon. Minister should answer that.

MR. SPEAKER: The hon. Member wants to know whether there is any proposal from Tamil Nadu.

SHRI RAJESH PILOT: That is the second part. Firstly, he asked about the guidelines for backward areas. What is wrong in it?

SHRI NAVEEN PATNAIK: I would reply to his first question. No application was received from Tamil Nadu. The question which the hon. Member Shri V.V. Raghavan asked was this. Will the Minister for Steel and Mines be pleased to state whether the Government has approved some proposals received from international mining companies for prospecting and exploration in the mineral sector? If the hon. Member would like to have a reply on that, he could send me a separate notice. I would be very happy to reply.

If the hon. Member would like to have a reply on that, he can send me a separate notice. I will be very happy to provide the information...*(Interruptions)*

SHRI AJIT JOGI: This question comes out of the main question. How can the Minister say that he needs a separate notice?...*(Interruptions)* The Minister is not telling anything as to what are the guidelines for the backward areas. It is a simple question. If the Minister is not replying, it means that he has not come prepared. He has come totally unprepared. He is reading from the papers. He should come prepared to answer the questions...*(Interruptions)*

MR. SPEAKER: he is replying.

...*(Interruptions)*

SHRI AJIT JOGI: He is not mentioning what are the guidelines for the backward areas. This is a simple question...*(Interruptions)*

MR. SPEAKER: He is replying. Please take your seat.

...*(Interruptions)*

SHRI NAVEEN PATNAIK: I will reply to that question. These policies were formulated by the Government, a part of the Members of that Government are sitting opposite. for economic liberalisation etc. As far as the question of the hon. Member was concerned, there is no

separate policy for backward area. Wherever there is a likelihood of availability of mineral resources, there a licence is given. If there is a likelihood of availability of resources in backward areas, licences can be recommended by the State Government. All the recommendations come from the State Governments. The State Governments have to give the recommendations.

[Translation]

SHRI BHERU LAL MEENA: Mr. Speaker, sir, recently aerial survey was conducted by Hindustan Zinc and one Australian company in Rajasthan. I would like to know which metals were found there alongwith the names of places where these were found? I would also like to know whether mining rights will be granted to Australian company also? What would be your policy in regard to these two companies? Just now the hon'ble Minister has said that previous government had privatised mining sector but at present your government is in power so what would be your policy now? You are requested to give reply to all these questions.

[English]

The data of steel is being processed by the Australian Company.

SHRI TATHAGATA SATPATHY: I would like to know from the hon. Minister one thing. He was talking about the conditionalities. I would like to know that as per the Mineral Policy of 1993 whether these private companies, whether they are international companies, MNCs or Indian Companies, have to be sponsored by the State Governments to get the mines.

The second part of my question is this. What has been the performance of the State Governments? I want to know about two State Governments specifically. One is Orissa and the other is Rajasthan where we find most of the minerals in this country. What has been the performance of the State Government of Orissa and Rajasthan as far as processing of applications goes?

The third part of my question is this. Has any foreign company shown any interest in mining in Orissa? If the answer is 'yes', then, what minerals do they propose to mine? Does the Government of India know of the amount of deposit of those minerals in Orissa?

SHRI NAVEEN PATNAIK: Mr. Speaker, Sir, in answer to the hon. Member's question, prospecting licences for large areas are granted by the State Governments and only approval is being given by the Central government.

If proposals for grant of prospecting licences over large areas are not received from the state Governments, nothing can be done by the Central Government.

So far, no proposal has been received by the Central Government for grant of prospecting licence over large areas of the State of Orissa. The Central Government has made all efforts to sensitise the State Governments including Orissa to send proposals for grant of prospecting licence over large areas to catalyze investment in mining sector in India.

Letters were sent on the 31st May, 1997 and June, 1997 of the level of Secretary, Ministry of Mines to the Secretary, Mines and Geology, Orissa and on the 12th July, 1997 by the then Minister of Steel and Mines, that is, my predecessor, Shri Baishya to the Chief Minister of Orissa. Tripartite meetings were also organised by the Ministry of Mines between prospectors, foreign investors and the State Government officials including officers from Orissa and the Ministry of Mines on the 12th July, 1997 and the 15th of May, 1998. The then Minister of Steel and Mines also met the Chief Minister of Orissa on the 10th July, 1997...*(Interruptions)*... the Secretary, Ministry of Mines also met the Chief Secretary of Orissa on 1st July, 1997...*(Interruptions)*.

SHRI TATHAGATA SATPATHY: Sir, I do not want to know this. What I want to know is whether any foreign company...*(Interruptions)*.

MR. SPEAKER: Please sit down. He has already categorically replied to your question. Please take your seat. I have called Shri Ajit Jogi now.

...*(Interruptions)*

SHRI TATHAGATA SATPATHY: Sir, I want to know about Orissa.

MR. SPEAKER: He has already replied about Orissa also.

SHRI TATHAGATA SATPATHY: Sir, I want to know about the foreign companies which are prospecting and which are investing in mining. If that is so, which are the companies and what are the minerals they are interested in? Does the Union Government have any idea about it?...*(Interruptions)*...They have found large deposits of diamond in Orissa along the Mahanadi basin. I want to know whether the Union Government is aware of it or not.

MR. SPEAKER: Mr. Minister, would you like to response?

...*(Interruptions)*

SHRI NAVEEN PATNAIK: Sir, a Paper has been laid on the Table of the House... *(Interruptions)*

MR. SPEAKER: It is not like that. Hon. Member, please take your seat.

SHRI NAVEEN PATNAIK: Sir, in regard to the query of the hon. Member of Parliament from Dhenkanal, Orissa, we can collect information from the State Government of Orissa and send it to him.

In reply to hon. Member's next question...

MR. SPEAKER: No, I have not allowed him that. So, you need not reply. Please take your seat.

[Translation]

SHRI AJIT JOGI: Mr. Speaker, Sir, my question pertains to search of diamond in tribal areas of Madhya Pradesh. Fortunately, diamonds have been found in Devbhog and adjacent areas of tribal region. I would like to ask the Hon'ble Minister through you whether the Central Government approves of giving these diamond mines to multinational companies? If this is done then 90% of country's valuable asset will be taken outside the country by these multinational companies because the Royalty is only 10% in the case of diamonds. I want that Hon'ble Minister should give an assurance that the mines which have been found in the tribal region of Chhattisgarh in respect of which tenders and quotations have been invited, will not be handed over to multinational companies so that valuable asset of our country should remain with us.

[English]

I understand English, please reply in English.

SHRI NAVEEN PATNAIK: Foreign equity is allowed even in mining of diamonds subject to FIPB approval. The Government of India has not yet received any proposal from the Government of Madhya Pradesh in this regard.

SHRI AJIT JOGI: that is wrong. The proposal of DBS has been recommended by the Madhya Pradesh and sent to the Government of India.

[Translation]

Foreign Investments

*224. PROF. PREM SINGH CHANDUMAJRA:
SHRI ANAND RATNA MAURYA:

Will the MINISTER OF URBAN AFFAIRS & EMPLOYMENT be pleased to state: