

**GOVERNMENT OF INDIA  
MINES AND MINERALS  
LOK SABHA**

UNSTARRED QUESTION NO:112  
ANSWERED ON:24.07.2000  
REVIEW OF NATIONAL MINERAL POLICY  
JAI PRAKASH

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

- (a) whether the Government have reviewed the implication of the National Mineral Policy,1993;
- (b) if so, the details thereof;
- (c) the number of proposals received, as on date, by the Government from Indian private companies/International companies for exploration and exploitation of minerals reserved under the National Mineral Policy, 1993 and the Mines and Minerals(Regulation & Delopment)Act,1957; and
- (d) the reaction of the Government to each such proposal?

**Answer**

MINISTER OF YOUTH AFFAIRS, SPORTS AND MINES ( SHRI SUKHDEV SINGH DHINDSA)

(a) : Yes Sir. Reviewing the implications of National Mineral Policy (NMP) announced in 1993 is a continuous process which involves interaction with the State Governments, private including foreign investors, public sector undertakings etc.

(b) to (d): The Government has been reviewing the implications of the National Mineral Policy and streamling the same through amendments in the Mines and Minerals (Development and Regulation) (MMDR) Act,1957, and the Rules framed thereunder and the policy towards private sector investment in the mining and mineral sector including the foreign direct investment. The MMDR Act was accordingly amended in 1994 and 1999. Recently the Government has approved a policy of foreign equity holding upto 100% on the automatic route for all minerals(except diamond and precious stones). This covers exploration, mining, mineral processing and metallurgy. In the case of diamond and precious stones, foreign equity upto 74% will be allowed on the automatic route for both exploration and mining operations. For proposals seeking higher than 74% foreign equity for diamond and precious stones, the cases are decided by the Foreign Investment Promotion Board( FIPB) on a case to case basis.

Prospecting and mining rights are granted by the concerned State Governments in accordance with the provisions of MMDR Act and the Rules framed thereunder. As per the Act, prospecting and mining rights can be granted only to an Indian National or to a company registered in India under the Companies Act, 1956. However, in respect of minerals included in the First Schedule to the Act, prior approval of the Central Government is required for grant of Reconnaissance Permit, Prospecting License and Mining Lease by the State Government. The details of the proposals received from the State Governments during the last two years are given below :-

| Year | Pending at the beginning of the year | Received during the year | Disposed of during the year | Remaining at the end of the year |
|------|--------------------------------------|--------------------------|-----------------------------|----------------------------------|
|------|--------------------------------------|--------------------------|-----------------------------|----------------------------------|

|                               |     |     |     |        |
|-------------------------------|-----|-----|-----|--------|
| 1998-99                       | 219 | 290 | 354 | 155    |
| 1999-2000                     | 155 | 219 | 295 | 79     |
| 2000-2001<br>(upto 15.6.2000) | 79  | 67  |     | 20 126 |