

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:260

ANSWERED ON:21.02.2006

PRIVATISATION OF MINING ACTIVITIES

Barad Shri Jashubhai Dhanabhai;Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Singh Shri Ganesh;Singh Shri Kirti Vardhan

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

- (a) the major on-going projects in the mining sector and the order of investment proposed thereon, project-wise;
- (b) whether the Government has made any plan to privatise the mining activities and to open up mining sector for private investment including foreign investors;
- (c) if so, the details thereof, State-wise;
- (d) the reasons and objectives for privatisation of mining activities;
- (e) the percentage of unfreeing these sectors to provide investors and the modalities of foreign investment;
- (f) the details of private and foreign direct investment proposals received and cleared during the recent past and the estimates of fresh investment committed; and
- (g) the details of fresh FDI proposals received and under consideration, State-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF MINES (Dr. T. SUBBARAMI REDDY)

- (a) Mineral concessions including reconnaissance permit, prospecting licence and mining lease are granted by the State Governments. Prior approval of the Central Government is mandatory for grant of mineral concessions by the State Government in case of the minerals specified in the First Schedule of the Mines and Minerals (Development & Regulation) Act, 1957. Government has accorded approval to National Aluminium Company, a Public Sector Undertaking under the administrative control of the Ministry of Mines, for 2nd Phase Expansion of Mines, Alumina Refinery, Aluminium Smelter and Captive Power Plant at an outlay of Rs. 4091.51 crores.
- (b) As per the National Mineral Policy 1993, the exploration and exploitation of all non-fuel and non-atomic minerals have been thrown open to private investment.
- (c) Since the State Governments grant mineral concessions, details of investments are not centrally maintained.
- (d) In order to attract larger investment and state-of-the-art technology in the mining sector, private investment, has been allowed in the mining sector.
- (e) The mining sector in India for non-fuel minerals is now fully open for private investment. Foreign investment up to 100% is allowed on the automatic route for all non-fuel minerals.
- (f) & (g) As per available information a total foreign direct investment of Rs.173.79 crore has been approved in the mining sector during the period January, 2005 to December, 2005.