

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:140
ANSWERED ON:01.08.2006
GUIDELINES FOR MINING LEASE
Oram Shri Jual

Will the Minister of MINES be pleased to state:

- (a) the details of guidelines prescribed by the Union Government to be followed by the State Governments for giving mining lease;
- (b) whether it is mandatory for the States to observe these guidelines while leasing out mines;
- (c) if so, whether there have been instances wherein State Governments have been found not following the prescribed guidelines;
- (d) if so, the details thereof alongwith the action taken in this regard;
- (e) whether efforts have been/being made by the Government to ensure that local applicants are given preference in giving mining lease; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF MINES (SHRI SIS RAM OLA)

(a) to (f) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO STARRED QUESTION NO.140 FOR 1.8.2006 ASKED BY SHRI JUAL ORAM REGARDING GUIDELINES FOR MINING LEASE.

(a) State Governments are the owners of minerals and grant mineral concessions including mining leases under the provisions of the Mines and Minerals (Development & Regulation) Act, 1957 (MMDR Act) and Rules framed thereunder. Prior approval of the Central Government is necessary in case of minerals listed in First Schedule of the MMDR Act.

(b) States are required to follow the provisions of MMDR, Act, 1957 and rules framed thereunder.

(c)&(d) Prior approval of the Central Government in respect of minerals listed in First Schedule of the Act is accorded by the Ministry keeping in view the provisions of the Act and the rules framed thereunder. In 2005-2006, 49 proposals for grant of mineral concessions, including Reconnaissance Permit

(RP), Prospecting Licence (PL), Mining Lease (ML), from State Governments, not in accordance with the provisions of the MMDR Act and the Rules framed thereunder have been returned to the State Governments concerned.

(e)&(f) Under the provisions of Section 5(1) of the Act, a State Government shall grant RP, PL or ML to any person who is an Indian national, or a company as defined in sub-section (1) of Section 3 of the Companies Act, 1956.