

3 Status of Reconnaissance Permits, Prospecting Licences and Mining Leases in India

INTRODUCTION

Under the Mines & Minerals (Development & Regulation) Act, 1957 and Mineral Concession Rules, 1960, the State Governments accord grant/renewal of reconnaissance permits, prospecting licences and mining leases. Also, the State Governments are required to submit a copy of every permit/licence/lease granted/renewed to the Controller General, IBM, under Rule 57 (1) of Mineral Concession Rules, 1960. Additionally, the State Governments also have to submit a consolidated Annual Return of all reconnaissance permits, prospecting licences and mining leases granted or renewed to the Controller General, IBM, in a prescribed format under Rule 57 (2) of Mineral Concession Rules, 1960 not later than 30th day of June of each year, for the previous financial year.

RECONNAISSANCE PERMITS

The provision of Reconnaissance Permits (RP) was introduced with effect from 20.12.1999 under the Mines & Minerals (Development & Regulation) Act, 1957 and from 18.1.2000 under the Mineral Concession Rules, 1960 and Mineral Conservation & Development Rules, 1988 made under the Act. Reconnaissance Permit is a permit granted for the purpose of undertaking "reconnaissance operations" which means any operation undertaken for

preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping, but does not include pitting, trenching, drilling (except drilling boreholes on a grid specified from time to time by the Central Government) or subsurface excavation.

During 2006-07, no reconnaissance permits were approved by Central Government or executed by State Governments.

PROSPECTING LICENCES

Under the Mines & Minerals (Development & Regulation) Act, 1957, "Prospecting Licence" (PL) means a licence granted for the purpose of undertaking "prospecting operations" with a view to exploring, locating or proving mineral deposits. The State Governments and Union Territories are empowered to grant/renew/revoke Prospecting Licence (PL) under provisions of Mineral Concession Rules, 1960.

As per information received from the State Governments/Union Territories, 15 prospecting licences were executed covering an area of 1,347 ha during 2006-07 as compared with 83 prospecting licences covering 12,072 ha area during 2005-06. The statewise distribution of prospecting licences executed during 2004-05 to 2006-07 is given in Table-1.

Table - 1 : Prospecting Licences Executed, 2004-05 to 2006-07 (By States)

State	2004-05		2005-06		2006-07	
	No.	Area (ha)	No.	Area (ha)	No.	Area (ha)
India	58	7413	83	12072	15	1347
Andhra Pradesh	-	-	4	1169	1	2
Assam	-	-	1	2500	-	-
Chhattisgarh	-	-	15	580	-	-
Gujarat	-	-	1	474	-	-
Jammu & Kashmir	-	-	10	535	-	-
Haryana	15	2313	-	-	-	-
Karnataka	1	38	-	-	1	18
Madhya Pradesh	-	-	-	-	1	564
Maharashtra	8	156	7	725	2	38
Meghalaya	-	-	5	125	-	-
Orissa	-	-	-	-	2	54
Rajasthan	30	4108	34	4239	7	660
Sikkim	-	-	1	1700	-	-
Tamil Nadu	1	2	3	4	-	-
Uttarakhand	3	796	2	21	1	11

STATUS OF RECONNAISSANCE PERMITS, PROSPECTING LICENCES AND MINING LEASES IN INDIA

The states where prospecting licences were executed during 2006-07 include Rajasthan (7) followed by Maharashtra and Orissa (2 each). Madhya Pradesh, Karnataka, Uttarakhand and Andhra Pradesh (1 each). Rajasthan alone accounted for 47% of the total prospecting licences executed. Areawise, Rajasthan covered 660 ha followed by Madhya Pradesh 564 ha, Orissa 54 ha, Maharashtra 38 ha, Karnataka 18 ha, Uttarakhand 11 ha and Andhra Pradesh 2 ha under the Prospecting Licences executed. Rajasthan and

Madhya Pradesh together covered 1,224 ha i.e. 91% of the total area executed for prospecting licences.

Mineralwise, in 2006-07, associated minerals accounted for a maximum of 7 prospecting licences executed followed by soapstone/steatite (2) while barytes, calcite, iron ore, limestone, quartz, silica sand accounted for one each. The mineralwise distribution of prospecting licences executed during 2004-05 to 2006-07 is given in Table-2.

**Table – 2 : Prospecting Licences Executed, 2004-05 to 2006-07
(By Minerals)**

State	2004-05		2005-06		2006-07	
	No.	Area (ha)	No.	Area (ha)	No.	Area (ha)
All Minerals	58	7413	83	12072	15	1347
Barytes	-	-	1	235	1	2
Calcite	-	-	3	146	1	50
China clay	1	150	3	190	-	-
Dolomite	1	10	4	1712	-	-
Felspar	2	187	2	192	-	-
Fireclay	-	-	1	2	-	-
Gypsum	1	225	2	19	-	-
Iron ore	-	-	2	141	1	3
Limestone	1	3	20	2843	1	564
Manganese ore	1	38	-	-	-	-
Mica	-	-	2	230	-	-
Moon stone	-	-	3	5	-	-
Moulding sand	-	-	1	42	-	-
Ochre	-	-	1	2500	-	-
Quartz	1	100	2	7	1	43
Sillimanite	-	-	2	9	-	-
Silica sand	1	75	1	50	1	20
Soapstone/Steatite	7	372	3	50	2	31
Associated minerals	42	6253	27	3627	7	634

STATUS OF RECONNAISSANCE PERMITS, PROSPECTING LICENCES AND MINING LEASES IN INDIA

There were 15 minerals in 2006-07 that accounted for a total area of 1,347 ha for which prospecting licences were executed. Areawise analysis indicated that associated minerals covered an area of 634 ha followed by calcite (50 ha), quartz (43 ha), soapstone/steatite

(31 ha), silica sand (20 ha), iron ore (3 ha) and barytes (2 ha).

All the PLs executed during 2006-07 were in private sector alone. The sectorwise distribution of Prospecting Licences and area covered during 2004-05 to 2006-07 is given in Table-3.

Table - 3 : Sectorwise Distribution of Prospecting Licences, 2004-05 to 2006-07

State	2004-05		2005-06		2006-07	
	No.	Area (ha)	No.	Area (ha)	No.	Area (ha)
India	58	7413	83	12072	15	1347
Public	-	-	-	-	-	-
Private	58	7413	83	12072	15	1347
Public %	-	-	-	-	-	-
Private %	100	100	100	100	100	100

MINING LEASES

Section 3 (c) of the Mines & Minerals (Development & Regulation) Act 1957 defines "Mining Lease" (ML) as a lease granted for the purpose of undertaking mining operations and includes a sub-lease granted for such purpose. The Act defines "mining operations" as any operation undertaken for the purpose of winning any mineral.

The status of mining leases as on 31.3.2007 indicates that 7,734 mining leases were in force in the country in 23 states covering an area of 445,847 ha for 60 metallic and non-metallic minerals excluding lignite, coal, petroleum, natural gas, atomic minerals and minor minerals.

During 2006-07, the statewise break up of leases as reflected in Table-4 indicates Andhra Pradesh is leading with 1,507 leases followed by Rajasthan (1,433), Gujarat (1,060), Madhya Pradesh (765), Tamil Nadu (461), Karnataka (455), Orissa (380), Jharkhand (323), Chhattisgarh (313), Maharashtra (262) and Goa (252). These eleven

states together accounted for about 93% of the total mining leases in force.

Areawise, Rajasthan with 24% of mining lease area was ahead in 2006-07 followed by Orissa (14.89%), Andhra Pradesh (11.64%), Karnataka (8.30%), Jharkhand (7.80%), Gujarat (5.22%), Madhya Pradesh (4.66%), Goa (4.08%), Chhattisgarh (4.03%) and Maharashtra (3.82%). These ten states accounted for about 88.5% of the total mining lease areas in force and the remaining 11.5% was accounted for by the rest of the thirteen states.

Scheduled minerals are those listed in the First Schedule to the MM(DR) Act, 1957. There are 10 minerals (metallic and non-metallic) in this group excluding hydro-carbon energy minerals and atomic minerals and all of them figure in the existing mining leases as on 31.3.2007. They are: asbestos, bauxite, chromite, copper ore, gold, iron ore, lead, manganese ore, precious stones and zinc. The number of leases is 1,110 i.e. 14% of the total mining leases and accounts for an area of 1,55,922.91 ha which is 35% of the total area under mining in the country. Within this group of scheduled minerals, the total number of mining

STATUS OF RECONNAISSANCE PERMITS, PROSPECTING LICENCES AND MINING LEASES IN INDIA

leases for iron ore is placed at 478, followed by bauxite (303), manganese ore (225), asbestos (37), chromite (30) and copper ore (15). These six scheduled minerals account for 1,088 mining leases i.e. 98% of the mining leases under this category and account for an area of 1,41,040.26 ha which is 90% of the lease area accounted for by the Scheduled Minerals group.

During 2006-07, mining leases in force were in Both Private and Public sectors including Central and State Govt. Undertakings. Out of the total 7,734 mining leases in force in the country, 7,250 (94%) mining leases with an area of 2,92,495.63 ha (66%) are in the Private Sector and the remaining 484 (6%) leases are in the Public Sector extending over an area of 1,53,351.86 ha (34%) of the total mining lease area. Most of the scheduled minerals, namely copper ore, lead & zinc ores, gold, iron ore, manganese ore, chromite, asbestos and non-scheduled minerals like limestone, dolomite, pyrite, fluorite, apatite, barytes,

kyanite & magnesite, etc. are being exploited by both Public and Private Sectors.

In 2006-07, the metallic minerals (ferrous, non-ferrous and noble metals), of which ferrous group of minerals include iron ore, manganese ore, chromite, while non-ferrous group of minerals comprises bauxite, copper-lead-zinc, molybdenum, nickel, tin and the noble metals include gold, silver and platinum group of metals. There were no mining leases for silver and platinum group of metals in the country. For 8 metallic minerals, existing mining leases were 1080 (14%) covering an area of 153728.52 ha (34%). On the other hand, existing leases for non-metallic minerals industrial minerals were 6,654 (86%) covering an area of 2,92,118.97 (66%).

The statewide summary of mining leases during 2004-05 to 2006-07 is given in Table-4. The mineralwise summary of existing mining leases as on 31.3.2007 is given in Table-5. Sectorwise distribution of mining leases as on 31.3.2007 is given in Table-6.

**Table - 4 : Existing Mining Leases, 2004-05 to 2006-07
(By States)**

State	2004-05		2005-06		2006-07	
	No.	Area (ha)	No.	Area (ha)	No.	Area (ha)
India	7527	472577.43	7610	459714.37	7734	445847.49
Andhra Pradesh	1567	54634.12	1541	52802.91	1507	51914.45
Assam	11	981.33	11	981.33	8	929.5
Bihar	10	2030.16	10	2030.16	10	2030.16
Chhattisgarh	294	26406.26	291	31686.04	313	17979.25
Goa	250	18165.99	250	18165.99	252	18219.56
Gujarat	1094	23783.54	1060	23296.04	1060	23296.04
Haryana	142	15267.21	107	11151.04	107	11151.04
Himachal Pradesh	60	1998.70	60	1999.55	59	1988.05
Jammu & Kashmir	19	730.35	19	730.35	21	739.92
Jharkhand	331	36990.92	323	34781.76	323	34781.76
Karnataka	425	38627.29	464	37155.01	455	37019.53
Kerala	108	2213.44	118	2233.99	86	1646.18
Madhya Pradesh	758	19536.80	755	19338.24	765	20783.59
Maharashtra	252	17154.41	252	17046.80	262	17053.36
Manipur	2	610.17	2	610.17	2	610.17
Meghalaya	14	1660.16	14	1660.16	18	1679.41
Orissa	447	77410.59	385	66973.59	380	66387.52
Rajasthan	1088	103913.78	1256	106374.52	1433	106997.41
Sikkim	4	86.00	4	102.06	4	102.06
Tamil Nadu	435	6292.91	481	6663.92	461	6597.46
Uttarakhand	93	9424.33	67	3063.01	88	9290.11
Uttar Pradesh	70	3079.72	88	9290.11	68	3073.34
West Bengal	53	11579.25	52	11577.62	52	11577.62

STATUS OF RECONNAISSANCE PERMITS, PROSPECTING LICENCES AND MINING LEASES IN INDIA

**Table - 5 : Existing Mining Leases as on
31.3.2007
(By Minerals)**

Mineral	No. of Leases	Lease area (ha)
India	7734	445847.49
Agate	3	59.62
Amethyst	5	40.64
Apatite	1	13.29
Asbestos	37	1764.60
Ball clay	45	2079.42
Barytes	126	2441.55
Bauxite	303	26389.82
Calcareous sand	14	151.54
Calcite	69	1676.04
Chalk	163	663.83
China clay	424	16464.24
Chromite	30	9163.47
Clay (Others)	47	1010.41
Copper ore	15	10276.40
Corundum	17	249.05
Diamond	2	576.51
Diaspore	11	80.11
Dolomite	444	9399.53
Dunite	1	4.45
Epidote	1	5.00
Felsite	5	130.79
Felspar	329	9499.06
Fireclay	241	16587.46
Fluorite	17	1732.99
Garnet	85	1811.15
Gold	10	6702.44
Graphite	118	3755.39
Gypsum	55	18359.32

(Contd.)

Table - 5 (Concl'd.)

Mineral	No. of Leases	Lease area (ha)
Iolite	8	76.97
Iron ore	478	74851.56
Jasper	5	211.70
Kyanite	32	3274.62
Laterite	138	1453.64
Lead & Zinc ore	10	7603.70
Lime kankar	16	426.15
Limeshell	29	3353.17
Limestone	1537	106857.64
Magnesite	32	2258.25
Manganese ore	225	18594.41
Mica	272	7827.75
Moulding sand	45	954.73
Ochre	117	3268.39
Opal	1	200.00
Perlite	1	144.65
Phosphorite	15	3333.00
Pyrites	1	647.50
Pyrophyllite	80	2687.94
Pyroxenite	8	78.70
Quartz	1026	12881.08
Quartzite	58	770.35
Rock Salt	3	53.86
Sand (Others)	48	4924.59
Shale	30	402.95
Silica sand	446	17110.01
Sillimanite	4	9707.66
Slate	13	557.62
Steatite	415	19687.69
Tin	9	146.72
Vermiculite	10	209.88
Wollastonite	4	202.49

STATUS OF RECONNAISSANCE PERMITS, PROSPECTING LICENCES AND MINING LEASES IN INDIA

**Table - 6 : Sectorwise Existing Mining Leases
(as on 31.3.2007)**

Sector	No. of leases	%	Area (ha)	%
India	7734	100	460	100
Public	484	6	153352	35
Central Government Undertakings	187	2	76666	18
State Government Undertakings	297	4	76686	17
Private	7250	94	292496	66