

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3448**  
TO BE ANSWERED ON 26.03.2018

**ESCALATION OF PRICE DUE TO SHORTAGE OF IRON ORE SUPPLY**

3448. DR. PRABHAKAR KORE:

Will the Minister of MINES be pleased to state:

- (a) whether it is a fact that steel and mining companies operating in the mineral rich State of Karnataka continue to bear the brunt of the iron ore mining ban, which ended in 2013 but the State is still not getting adequate supply of iron ore supply;
- (b) whether many B-Category mines in the State are yet to be approved and shortage of iron ore supply has resulted in escalation of iron ore prices;
- (c) the steps taken by Government to revive the steel and mining industries in the State; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR MINES AND COAL (SHRI HARIBHAI PARTHIBHAI CHAUDHARY)

(a): As per information received from the Government of Karnataka, it is stated that Hon'ble Supreme Court vide its order dated 18.04.2013 had imposed a production cap of 30 million tonne in Ballari, Chitradurga and Tumkur districts of Karnataka State. The State Government considering the shortage in supply of iron ore to the steel & allied industries filed an Interlocutory Application (IA) before the Hon'ble Supreme Court for enhancement to 40 million tonne per annum on approval of Comprehensive Environment Plan for Mining Impact Zone (CEPMIZ) and further increase to 50 million tonne per annum (with flexibility of 20% additional production) based on implementation of the Mining and Railway infrastructure plan outlined in the CEP Miz. After hearing, the Hon'ble Supreme Court has re-fixed/enhanced the production limit to 35 million tonne per annum from the Ballari, Chitradurga and Tumkur districts of Karnataka State.

(b): The Hon'ble Supreme Court directed Monitoring Committee to accord permission to resume the mining operations in respect of 108 'A' and 'B' category leases upon compliance of the following:

- 1) Compliance with all the statutory requirements;
- 2) The full satisfaction of the Monitoring Committee, expressed in writing, that steps for implementation of the Reclamation & Rehabilitation (R& R) Plan in the leasehold area are proceeding effectively and meaningfully; and
- 3) A written undertaking by the leaseholders that they would fully abide by the Supplementary Environment Management Plan (SEMP) as applicable to the leasehold area and shall also abide by the CEP Miz that may be formulated later on and comply with any liabilities, financial or otherwise, that may arise against them under the CEP Miz;

- 4) The Central Empowered Committee shall, upon inspection, submit a report to this Court that any or all the stated 18 “Category A” mine owners have fully satisfied the above-mentioned conditions. Further, it shall be reported that the mining activity is being carried on strictly within the specified parameters and without any violation.
- 5) In case of B category mining leases along with the above lessee has to pay the compensatory payment and R&R Bank Guarantee to start mining activities.

Totally 38 out of 108 (46 ‘A’ and 62 ‘B’ category) ‘A’ and ‘B’ category mining leases have started the mining operations upon receipt of the permission from Monitoring Committee constituted by the Hon’ble Supreme Court of which 18 belongs to ‘B’ category. Other 44 ‘B’ category mining leases have not yet complied the above conditions of the Court.

(c) and (d): The Hon’ble Supreme Court has imposed ban on export of iron ore in the State and the iron ore produced in the State is being supplied to the industries only. Further, in order to meet the requirement of iron ore production as per National Steel Policy 2017 following steps have been taken:

- 1) 7 ‘C’ category mining leases with production limit of 4.5 million tonne per annum are granted only to the end users.
- 2) Another 8 ‘C’ category mining leases have been put for auction on 30.01.2018.
- 3) 11 new blocks of iron ore have already been indentified and the process of exploration is under process.
- 4) Auction of mining leases expiring in 2020 is being technically evaluated by the Committee constituted by Government of India consisting of IBM, MECL, GSI and DMG.

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