

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 1512
TO BE ANSWERED ON 24.12.2018

AUCTION OF NON-COAL MINES

1512. SHRI MD. NADIMUL HAQUE

Will the Minister of MINES be pleased to state:

- (a) whether the auction process has been annulled for a number of non-coal mines during the last three years;
- (b) if so, the details thereof, along with reasons therefor;
- (c) the details of the non-coal mines being auctioned by Government during the last three years, State/UT-wise;
- (d) the details of the revenue from the auction to Government; and
- (e) the steps taken by the Government to improve the auction process?

ANSWER

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

(a), (b) & (c): As per the MMDR Amendment Act, 2015 and the Rules framed there under, the State Governments are devolved upon the responsibility to carry out auction of mineral blocks in accordance with the prescribed law. In the last three years, 106 non-coal mineral blocks were notified for auction, out of which 53 blocks have been successfully auctioned and the remaining have been annulled as on 19.12.2018. The details of the mines put on auction by the State Governments are as under:

State	Successfully auctioned	Annulled
Andhra Pradesh	5 Blocks (4 Limestone, 1 Gold)	7 Limestone Blocks
Chhattisgarh	5 Blocks (4 Limestone, 1 Gold)	2 Limestone Blocks
Gujarat	3 Limestone Blocks	6 Limestone Blocks
Jharkhand	6 Blocks (2 Limestone, 2 Gold, 1 Iron Ore, 1 Graphite)	2 Graphite Blocks
Karnataka	14 Iron Ore Blocks	8 Iron Ore Blocks
Madhya Pradesh	6 Blocks (3 Limestone, 1 Graphite, 1 Iron Ore, 1 Diamond)	5 Blocks (4 Limestone, 1 Bauxite)

Maharashtra	3 Blocks (1 Limestone, 1 Manganese, 1 Bauxite)	14 Blocks (4 Bauxite, 3 Limestone, 2 Iron Ore, 2 Copper, 2 Tungsten, 1 Manganese)
Odisha	5 Blocks (3 Iron Ore, 1 Manganese, 1 Limestone)	4 Limestone Blocks
Rajasthan	6 Limestone Blocks	5 Blocks (4 Limestone Blocks, 1 Copper & associated minerals)
Total	53 Blocks (24 Limestone, 19 Iron Ore, 4 Gold, 2 Manganese, 2 Graphite, 1 Bauxite, 1 Diamond)	53 Blocks (30 Limestone, 10 Iron Ore, 5 Bauxite, 2 Copper, 2 Tungsten, 2 Graphite, 1 Manganese, 1 Copper & associated minerals)

The State Governments have identified the reasons for annulment as poor mineralization/grade of mineral ores, unfavourable demand-supply scenario, imposition of end use reservations for mineral blocks, unsuitable land ownership pattern, high reserve price and payment terms, etc.

(d): The estimated revenue over the entire lease period of the 53 non-coal mineral blocks auctioned so far is ₹ 1,83,182 crore.

(e): The Mineral Auction Rules have been amended by the Ministry of Mines vide notification dated 30.11.2017 to make the auction process simpler and to help the States auction mineral blocks quickly. The major amendments in the rules include more flexibility to State Governments in auction process, relaxation in net worth requirement for increased participation of bidders in auction of mines, relaxation in disposal of up to twenty five percent of total mineral excavated in the previous financial year in case of mines which have been reserved for specified end use and adjustment of upfront payment in full at the earliest against the revenue share.
