

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 666
TO BE ANSWERED ON 13.12.2018

SHORTAGE OF IRON ORE

666. DR. UDIT RAJ:

Will the Minister of MINES be pleased to state:

- (a) whether the Government is aware that the delays in renewal of expired mining leases and lack of efficient exploration methods are likely to create severe crisis/ shortfall of iron ore production in the country;
- (b) if so, the details thereof; and
- (c) the details of steps proposed to be taken by the Government to meet the said projected severe crisis/shortfall?

ANSWER

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

(a) to (c): The Government has notified Mines and Minerals (Development and Regulation) Amendment Act, 2015 to streamline grant of mining leases in order to maintain sufficient availability of raw materials for the various sectors. The most important provisions of the amended Act are as follows:

- (i) All mineral concessions will be granted only through auction;
- (ii) Uniform lease period of 50 years; no renewals; auction at the end of lease period;
- (iii) To ensure the uninterrupted supply of raw material to the industries, section 8A(5) and 8A(6) of MMDR Amendment Act, 2015 provides for deemed extension to non-captive mines upto the year 2020 and captive mines upto the year 2030;

To ensure supply of raw material by timely auction of leases expiring in 2020 under section 8A(5) of the MMDR Act, the Central Government has amended the Mineral Conservation and Development Rules, 2017 vide gazette notification no. G.S.R. 289(E) dated 27.03.2018 making it mandatory for the lease holders to carry out G2 level exploration over the entire mineralised area by 1st April, 2019. In case the lease holder fails to perform his duties, the State Government may take action for enforcing compliance under the Statute.

The State Governments are empowered to carry out auction of mineral blocks under the extant act/rules. As on date, 19 blocks of iron ore have been successfully auctioned with a reserve of 581.577 million tonnes. Additionally, 2 blocks of Iron ore with reserves of 93.87 million tonnes have also been put for auction in the State of Odisha and are currently at NIT (Notice Inviting Tender) stage, which will increase the production of iron ore in the country.
