

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
STARRED QUESTION No. *48
ANSWERED ON 23.07.2025

MERGER OF IREL, HCL AND NALCO

*48. DR. PRADEEP KUMAR PANIGRAHY:

Will the Minister of MINES be pleased to state:

- (a) whether the Government is considering a merger of Indian Rare Earth Limited (IREL), Hindustan Copper Limited (HCL) and National Aluminium Company Limited (NALCO) into a 'National Critical Minerals Corporation' to compete globally as China's dominance comes from state-backed monopolies like China Minmetals, if so, the details thereof and if not, the reasons therefor;
- (b) whether the Shah Commission revealed systemic fraud like fake transportation permits, under-invoiced exports and bribed officials and if so, the details thereof; and
- (c) the details of systemic reforms like blockchain-based mineral tracking, AI-powered satellite audits the Government is implementing / proposes to implement to prevent this elsewhere?

ANSWER

THE MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a) to (c) A Statement is laid on the Table of the House.

**STATEMENT REFERRED IN REPLY TO PARTS (a) TO (c) OF LOK SABHA
STARRED QUESTION NO. *48 FOR ANSWER ON 23.07.2025 ASKED BY DR.
PRADEEP KUMAR PANIGRAHY REGARDING MERGER OF IREL, HCL AND
NALCO**

(a) There is no such proposal under consideration of the Ministry.

(b) The Central Government, vide Notification No. S.O. 2817 (E) dated 22.11.2010, appointed Commission of Inquiry under the Chairmanship of Justice M. B. Shah for the purpose of making inquiry of illegal mining of iron ore and manganese ore in contravention of the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the Forest (Conservation) Act, 1980, the Environment (Protection) Act, 1986 or other rules or licences or guidelines issued thereunder referred to as illegal mining. The Justice M.B. Shah Commission submitted the report to the Ministry of Mines, which was subsequently laid in the Parliament. The report of Shah Commission of Inquiry and Memorandum of Action Taken on the reports are available on the website of the Ministry of Mines in the Policy Menu. Web link: (<https://mines.gov.in/webportal/shahcommissioninquiry>)

(c) The Section 23C of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 empowers the State Government to frame rules to prevent illegal mining, transportation and storage of minerals and for purposes connected therewith. Therefore, the control of illegal mining, transportation and storage of minerals and purposes connected therewith is primarily the responsibility of the State Government. The Central Government supports and augments these efforts through policy initiatives from time to time. Some of the steps taken by the Central Government for the prevention and control of the frauds like fake transportation permits, under invoiced exports etc. are as under:

(i) The MMDR Act, 1957 was amended through the MMDR (Amendment) Act, 2015, wherein Section 30B and 30C read with Section 21 and 23C, inter-alia, provide stringent punitive provisions for illegal mining, transportation and storage.

(ii) Altogether, 21 State Governments namely, Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, and West Bengal; have framed rules under section 23C of MMDR Act, 1957 to curb illegal mining, transportation and storage of minerals.

(iii) Altogether, 22 State Governments namely, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Nagaland, Odisha, Punjab,

Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal; have set up Task Forces, specially constituted to control illegal mining and review the action taken by member departments for checking the illegal mining, transportation and storage activities.

(iv) The Ministry of Mines has launched the Mining Surveillance System (MSS) in October 2016 through IBM. The MSS system detects likely incidences of illegal mining using space technology. The triggers generated are sent to State Governments for verification and further action.

(v) The Ministry of Mines also issued guidelines on 03.10.2023 to major mineral rich States for prevention of misclassification of grades of iron ore and other minerals by using technology. The State Governments were requested to implement the said guidelines by suitably incorporating the same in the rules framed by the State Governments under Section 23C of the MMDR Act, 1957. The said guidelines envisage the use of block chain technology for tracking of minerals during complete value chain including self-declaration of grades, tracking of transport vehicles, automation of invoice reconciliation etc.
