

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:3281
ANSWERED ON:10.12.2002
OPENING OF MINERAL SAND SECTOR IN KERALA
IQBAL AHMED SARADGI

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether the Government of Kerala has decided to partially open up the mineral sands sector for private investment;
- (b) if so, the details thereof;
- (c) whether the leasing of mineral sand deposits would be done only on the basis of expert advise;
- (d) if so, the facts in this regard;
- (e) whether the Director of Mining and Geology and the Centre for Earth Science Studies would be asked to report on the availability of the resources and the quantum that could be exploited; and
- (f) if so, the details thereof and the time by which final decision is likely to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

(a) to (f): Department of Atomic Energy(DAE) vide Resolution dated 6.10.1998 announced policy on exploitation of beach sand minerals. Indian Bureau of Mines, a subordinate office of the Department of Mines has informed that the State Government of Kerala vide Gazette Notification dated 22.10.2002 have announced their policy for grant of mining leases for Mineral Sand in Kerala in pursuance of DAE Resolution. A copy of Kerala Policy is appended as Annexure.

ANNEXURE-I

**ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED Q.NO.3281 FOR 10-12-2002 ASKED BY SHRI I
AHMED SARADGI REGARDING OPENING OF MINERAL SAND SECTOR IN KERALA.
GOVERNMENT OF KERALA**

Abstract

Industries-Mineral Sand Mining Policy and procedures - orders issued.
Industries (A) Department
G.O. (MS) No.101/02/ID. Dated, Thiruvananthapuram, 22/10/2002
Read:- Govt. of India Gazette Extra Ordinary notification
No.8/1(I)97-PSU/1422, dated 6.10.98

ORDER

The Atomic Minerals Directorate for Exploration and Research under the Department of Atomic Energy, Government of India has carried out detailed exploration in the coastal areas of Kollam and Alappuzha Districts of the State and found that the mineral sand that occurs between Neendakara and Kayamkulam Bar (Chavara barrier beach and the eastern extension) over a length of 22 KM with a width of 225 meters is one of the best of its kind in the world, because of the high Titanium Dioxide content in the mineral Ilmenite. The reserve of Total Heavy mineral (THM) in Chavara barrier beach is 127 million tons with Ilmenite content of 80 million tons from the total reserve of raw sand of the order of 1400 million tons. In the Northern portion beyond Kayamkulam pozhi extending up to Thottappalli in Alappuzha District the reserve of THM estimated is of the order of 17 million tons with Ilmenite content of 9 million tons from the raw sand reserve of 242 million tons. Out of this area the Chavara barrier beach is divided into 8 blocks and is numbered I to VIII for separating Ilmenite for Titanium Dioxide manufacturing. These blocks are apportioned between Kerala Minerals and Metals Ltd.(KMML), a State Govt. Undertaking and Indian Rare Earths Ltd.(IREL), a Govt. of India Enterprise under Department of Atom Energy, at present.

2. The Govt. of India in their notification read above have approved a policy in exploitation of Beach Sand Minerals to encourage further exploitation of the mineral sand deposits through a judicious mix of public and private sector participation. The State

Government has also been considering a Mineral Sand Policy for the State, to encourage Industrial Investment in the Sector.

3. The Mining & Geology Department has been receiving applications for mining lease both from public and private sector organizations after the issuance of the Beach Sand Mineral Policy by Government of India. It is pertinent to note that mining leases for exploitation of beach sand minerals can be issued by State Government only with the approval of Government of India.

4. The matter was examined by the Govt. in detail. Accordingly the Government has decided that a policy in Mineral Sand shall be declared for the grant of mining leases in line with the Govt. of India Notification read above.

5. As such, Government are pleased to order as follows:

(i) Mining leases will not be granted solely for the purpose of mining only.

(ii) Mining leases will be granted only to those factories in the State in the joint sector which produce value added products.

(iii) Proposals for establishing such factories as mentioned above shall be examined first by the Kerala State Industrial Development Corporation before placing it before the Council of Ministers for consideration.

(iv) A study will be conducted by the Department of Mining and Geology and the Centre for Earth Science Studies jointly as to the quantum of mineral sand which could be mined in the area, and a report given to the Government.

(v) A notification under the relevant statute will be issued prohibiting all future uses of lands bearing the mineral sand, for other purposes.

(vi) Action will be taken to request Govt. of India for increasing the present royalty of mineral sand.

(vii) The eight blocks in the Chavara Barrier beach area, at present earmarked for Kerala Minerals & Metals Limited and The Indian Rare Earths will not be leased out to any other applicants.

(viii) Fresh Mining Leases for new applicants for mining mineral sands will be issued for the area from Kayamkulam Pozhi to northward upto Alappuzha only.

By Order of the Governor

Sd/-

John Mathai

Principal Secretary to Government

To:

The Director, Mining and Geology, Thiruvananthapuram.
The Director, Centre for Earth Science Studies, Thiruvananthapuram.
The Managing Director, Kerala State Industrial Development Corporation, Thiruvananthapuram.
The Contoller General, IBM, Indira Bhavan, Civil Lines, Nagpur 440001
The CMD, Mineral Exploration Corporation Ltd. Nagpur 440006
The Department of Atomic Energy, CSM Marg, Mumbai 400001
All Section in the Industries Department.

Copy to:

The Private Secretary to Chief Minister
The Private Secretary to Minister (Industries & S.W)
The P.A to Principal Secretary, Industries Department
The C.A to Secretary I & II, Industries Department
The C.A to the Additional Secretary-I, Industries Department
The C.A to the Deputy Secretary-I, Industries Department
The Stock File/Office copy Forwarded/By Order

Sd/-
Section Officer