

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

UNSTARRED QUESTION NO:4123
ANSWERED ON:25.08.2004
PRIVATISATION OF BAUXITE EXPLOITATION IN ORISSA
Gamang Shri Giridhar

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

- (a) whether the Government is aware that Orissa has allowed the private companies to exploit the Bauxite Minerals in Koraput, Rayagada and Kalahandi Districts;
- (b) if so, the terms and conditions laid down by the Government for these companies and the measures taken to sort out the legal, financial, social and constitutional obstacles by the Centre and the State Governments thereof;
- (c) whether the Government is aware that the local population, mostly the tribals are not willing to accept the heavy industrial investment in these localities; and
- (d) if so, the steps taken by the Government to protect the interest of tribals;

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYANA RAO)

(a) As per National Mineral Policy 1993, the exploration and exploitation of all non-fuel and non-atomic minerals have been thrown open to private investment. All the mineral concessions are granted by the State Governments. Only in respect of ten specified non-fuel and non-atomic minerals, prior approval of Central Government is required for grant of mineral concessions under Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder.

As per information furnished by State Government of Orissa, one mining lease for bauxite over an area of 1388.74 hecets. in Baphalimali of Rayagada district granted in favour of M/s Orissa Mining Corporation Ltd. (OMC), a State Government Undertaking, has been transferred in favour of M/s Utkal Alumina International Ltd.

(b) In addition to the general terms and conditions laid down in the model form for mining lease prescribed in Mineral Concession Rules, 1960, State Government has imposed special conditions in pursuance of Rule 27(3) of Mineral Concession Rules, 1960 in the above case which are as follows:

(i) If the transferee fails to set up an Alumina / Aluminium project within a reasonable period of time (to be exactly intimated by the party at the time of issue of terms and conditions for grant of mining lease) due to any default of its own, the lease will be prematurely terminated.

(ii) The transferee shall utilize the bauxite deposit solely for meeting captive requirement of the project being set up and no commercial trading / non-captive use of the mineral raised and exploited will be permitted.

(iii) Expenditure incurred by OMC in obtaining the Prospecting Licence/Mining Leases will be reimbursed by the transferee before the transfer of the mining lease.

(c) & (d) The State Government has informed that some sections of the Tribals in Rayagada district have shown resistance to the project of M/s Utkal Alumina International Ltd. However, the Company has been advised to adopt a very humane rehabilitation package to win the goodwill and confidence of the people affected. As per information received from Indian Bureau of Mines (IBM), subordinate office of the Department of Mines, a Rehabilitation Committee has been constituted under the chairmanship of Revenue Divisional Commissioner to protect the interests of tribals.