

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:3738

ANSWERED ON:16.05.2006

MINING OF SPONGE IRON

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**Will the Minister of MINES be pleased to state:**

- (a) the number of companies to whom mining of sponge iron licences have been issued in the country;
- (b) the terms and service conditions for issuance of such licences;
- (c) whether the licenced companies engaged in mining of sponge iron are selling raw sponge iron at higher prices as a result of which sponge iron based industries are gradually closing down; and
- (d) if so, the reaction of the Government alongwith corrective steps taken in this regard ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF MINES (Dr. T.SUBBARAMI REDDY)

- (a): Sponge Iron is a finished product of iron ore and mining of sponge Iron is not undertaken. States being the owner of mineral grant mining leases for minerals, which includes iron ore. Prior approval of the Central Government is mandatory for minerals listed in the First Schedule of Mines and Minerals (Development & Regulation) Act, 1960, (MMDR Act), that includes iron ore. Prior approval in respect of 33 proposals for grant of mining leases for iron ore has been accorded by the Ministry of Mines during 2005-06.
- (b): The terms and conditions in respect of mining leases for iron ore are governed by the provisions of the MMDR Act, 1957 and rules made thereunder.
- (c) & (d): Government does not control the price of iron ore, and these are determined by market forces.