

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:6309
ANSWERED ON:04.05.2010
RESOLUTION PASSED BY GUJARAT
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of MINES be pleased to state:

- (a) whether the Gujarat Government has passed resolution recently in regard to value addition of bauxite;
- (b) if so, the details thereof;
- (c) whether the Gujarat Government has sought the prior approval from the Union Government;
- (d) if not, the reasons therefor; and
- (e) the corrective action/steps being taken by the Union Government in this regard?

Answer

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B. K. HANDIQUE)

(a) and (b) : The Government of Gujarat has issued a resolution dated 19.11.2009 which inter alia states :-

1. All bauxite bearing areas in the State, are hereby reserved for Gujarat Mineral Development Corporation (GMDC) in public interest, except areas already granted for Prospecting Licence (PL) or Mining Lease (ML).

2. No new/renewal of mining leases will be granted for trading purpose to any applicant other than GMDC. However, new Prospecting Licence/Mining Lease may be granted to captive users other than GMDC in the State who are willing to establish unit in Gujarat for producing substantial value addition products like refractories, castables, brown fuse alumina, high grade alumina cement, Alumina, or any other product by which substantial alue addition takes place for Non Plant Grade (NPG) as well as Plant Grade (PG) bauxite except calcinaation and beneficiation of bauxite. All pending applications of Mining Lease/ Prospecting Licence will be decided according to the provisions of this resolution.

3. Mining Leases for captive purpose under renewal shall be granted subject to fulfillment of original lease deed conditions.

4. GMDC will supply bauxite to users in the State for higher value addition on long term arrangements based on their requirements.

5(a) Existing stock of Non-Plant Grade bauxite of the lease holder in Jamnagar district will be permitted for sale/export as per G. R. dated 4.2.05 and 12.10.06.

5(b) After date of issue of resolution, all surplus Plant Grade/Non-Plant Grade bauxite generated from the existing leases in the State shall be sold/exported through GMDC with the approval under G. R. dated 4.2.05 and 12.10.06. GMDC shall frame out modality for this purpose.

6. GMDC should set up plants/JVs, for maximum value of output per unit of bauxite within a timeframe.

(c) and (d) : The State Government does not need to obtain prior approval for issue of any resolution based on its policy.

(e) : The Central Government has circulated Model State Mineral Policy to the State Government of Gujarat for revising or formulating the State Mineral Policy in terms of the National Mineral Policy, 2008 for scientific and systematic management of mineral resources. The National Mineral Policy 2008, states that value addition will be encouraged, however such value addition will go hand in hand with the growth of the mineral sector as a stand alone industrial activity. The Ministry of Mines has generally held the opinion that imposing any condition that is restrictive would not be in the interest of mineral development.