

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2714
FOR ANSWER ON 11/12/2019

SUSPENSION OF OPERATIONS BY NMDC

2714. SHRI MAJEED MEMON:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that National Mineral Development Corporation (NMDC) has suspended operations in Donimalai over imposition of 80 per cent premium on sales from the mine of Karnataka;
- (b) whether it is also a fact that NMDC participated in previous auctions for mines in Karnataka offering 95 per cent and 105 per cent as premium; and
- (c) the steps taken by Government to resolve the issue?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a) Yes, Sir.

(b) Yes, Sir.

(c) NMDC had approached the Hon'ble High Court of Karnataka against the decision of the Government to impose a premium of 80% while renewing the lease of Donimalai Mine. The Hon'ble High Court had set aside the decision of the Government of Karnataka to impose premium. Meanwhile, Government of Karnataka unilaterally cancelled the lease renewed in favour of NMDC and also put the mine for auction. NMDC has filed a Revision Petition under Section 30 of Mines and Minerals (Development and Regulation) Act, 1957, before the Revisionary Authority in the Ministry of Mines against the order of Government of Karnataka. The revisionary authority has stayed the order of the Government of Karnataka in his quasi judicial capacity. Meanwhile Ministry of Mines, Government of India has amended the Minerals (Mining by Government Company Rules), 2015 and substituted 'may' for reasons to be recorded in Rule 3 in sub-rule (2) and rule 4, in sub-rule (3) with 'shall' for reasons to be recorded vide Gazette Notification No. GSR 695(E) on dated 27.9.2019 which will ensure seamless renewal of leases for Government PSEs.
