

Odisha mining hit as hefty penalty imposed by SC

ASSOCHAM URGES CENTRE TO INTERVENE

PNS ■ BHUBANESWAR

Iron ore mining has witnessed a sizeable decline in Odisha following the Supreme Court's direction to the miners for payment of compensation of ₹17,576 crore for exceeding output beyond the quantum fixed under the environmental clearances, the ASSOCHAM has said, seeking Centre's immediate intervention to resolve the issue in consultation with the State Government and cautioning that thousands of jobs are at stake.

In February, 2014 a writ petition was filed in the Supreme Court, alleging illegal mining activities in Odisha. The apex court had directed in May, 2014 the Odisha Government to suspend operations of 102 mining lessees with a liberty given to the lessees to apply for resump-

tion of mining operations by providing all the statutory clearances.

In its August 2, 2017 judgement, the Supreme Court has directed the defaulting iron ore mining lease holders to deposit the compensation for production of minerals in excess of environmental clearance. This compensation adds to ₹17,575.99 crore, beyond the paying capacity of the miners.

"Post the judgment of August 2, 2017, there has been a visible decline in the production of iron ore as the mining operations of a lot of lessees who were unable to pay the compensation by December 31, 2017 were suspended. The mining lessees have been struggling hard to pay the compensation amount and the closing down of mining operations have further increased the troubles of the mining lease holders," the ASSOCHAM letter to the Mines Ministry stated.

It said, while most of the operating mines have deposited the compensation, the mine owners whose mines were closed

back in 2014, four years ago, have been struggling to arrange the required way to pay the compensation. The banks are not willing to lend the credit making the situation for these lease holders even worse.

Due to closure of mining operations, there has been a sharp decline in the production of mineral, thus, escalating the prices of iron ore. Since August, 2017, prices of fines went up from ₹1,127/tonne to ₹2,050/tonne and those of lump from ₹2,348/tonne to ₹3,915/tonne.

This exorbitant hike in prices has severely the industries making them globally uncompetitive.

The chamber said the mining industry provides over direct employment to 60,000 persons and indirect employment to over one lakh persons in ancillary activities like transportation, human resourcing, marketing and various other downstream activities in the State. As much as 42 per cent of the employment in mining sector is from iron and manganese mines alone, it stated.

PENALTIES CRUSHING MINING INDUSTRY IN STATE: ASSOCHAM

UNITED NEWS OF INDIA

Kolkata, May 28: Iron ore mining has witnessed a sizable decline in Odisha, following the Supreme Court's direction to the miners for payment of compensation of ₹17,576 crore for exceeding output beyond the quantum fixed under the environmental clearances, the ASSOCHAM has said, seeking Centre's immediate intervention to resolve the issue in consultation with the state government and cautioning that thousands of jobs are at stake.

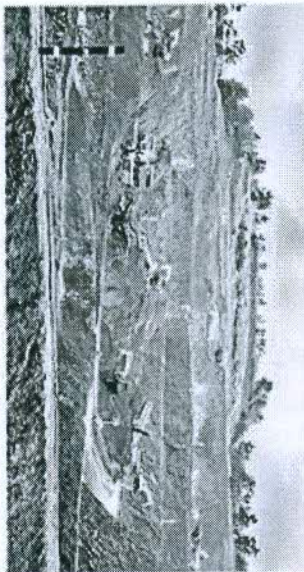
"The ASSOCHAM would like to request for your kind intervention to take up the matter with government of Odisha and impress upon them to take correct legal position on the concern of miners in Odisha," the chamber said in his letter to the Union Mines Ministry.

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tion was filed in the Supreme Court, alleging illegal mining activities in Odisha. The apex court had directed the Odisha Government in May 2014, to suspend operations of 102 mining leases with a liberty given to the lessees to apply for resumption of mining operations by providing all the statutory clearances, an ASSOCHAM statement Monday said.

In its August 2, 2017, judgement, the Supreme Court has directed the defaulting Iron Ore Mining lease holders to deposit the compensation for production of minerals in excess of environmental clearance. This compensation adds to ₹17,575.99 crore, beyond the paying capacity of the miners.

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penation by December 31, 2017, were suspended. The mining lessees have been struggling hard to pay the compensation amount and the closing down of mining operations have further increased the troubles of the mining lease holders," the ASSOCHAM letter to the Mines ministry stated.

It said, while most of the operating mines have deposited the

compensation, the mine owners whose mines were closed back in 2014, four years ago, have been struggling to arrange the required way to pay the compensation. The banks are not willing to lend the credit making the situation for these lease holders even worse.

Due to closure of mining operations, there has been a sharp decline in the production of mineral, thus escalating the prices of iron ore. Since August 2017, prices of fines (+) 62.5% Fe went up from ₹1,127/tonne to ₹2,050/tonne and those of Lump from ₹2,388/tonne to ₹3,915/tonne. This exorbitant hike in prices has severely the industries making them globally uncompetitive.

The chamber said the mining industry provides direct employment to over 60,000 persons and indirect employment to over one lakh persons in ancillary activities such as transportation, human resource, marketing & various other downstream activities in the state. The industry has also developed the surrounding areas, built schools, colleges and hospitals, among other things, for the local populace.

"It is this very mining industry that provided lucrative opportu-

nities to various downstream activities, thus generating employment and stimulating development and economic growth. However, in the light of the recent developments stated herein, the people of Odisha have become the major sufferers due to unemployment and loss of opportunities in the allied downstream activities." As much as 42 per cent of the employment in mining sector is from iron and manganese mines alone. Odisha is among the richest mineral bearing states of the country and the mineral reserves here constitute 33 per cent iron ore, 24 per cent coal, 59 per cent Bauxite and 98 per cent Chromite of India's total deposits and therefore, it contributes to a large part of raw materials for the mineral based industry not in only in Odisha but in the entire country.

Iron ore mining on decline in State post SC imposition of fine on miners: ASSOCHAM

PBD BUREAU

BHUBANESWAR, MAY 28

IRON ore mining has witnessed a sizeable decline in Odisha, following the Supreme Court's direction to the miners for payment of compensation of Rs 17,576 crore for exceeding output beyond the quantum fixed under the environmental clearances, the ASSOCHAM has said, seeking Centre's immediate intervention to resolve the issue in consultation with the State government, and cautioning that thousands of jobs are at stake.

"The ASSOCHAM would like to request for your kind intervention to take up the matter with State Government of Odisha and impress upon them to take correct legal position on the concern of miners in Odisha," the chamber said in its letter to the Union Mines Ministry. In February 2014 a writ petition was filed in the Supreme Court, alleging illegal mining activities in Odisha. The apex court had directed in May, 2014 the Odisha Government to suspend operations of 102 mining lessees with a liberty given to the lessees to apply for resumption of mining operations by providing all the statutory clearances.

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It said, while most of the operating mines have deposited the compensation, the mine owners whose mines were closed back in 2014, four years ago, have been struggling to arrange the required way to pay the compensation. The banks are not willing to lend the credit making the situation for these lease holders even worse. Due to closure of mining operations, there has been a sharp decline in the production of mineral thus, escalating the prices of iron ore. Since August, 2017, prices of fines (+) 62.5 pc Fe went up from Rs 1,127/tonne to Rs

2,050/tonne and those of lump from Rs 2,348/tonne to Rs 3,915/tonne. This exorbitant hike in prices has severely the industries making them globally uncompetitive.

The chamber said the mining industry provides over direct employment to 60,000 persons and indirect employment to over one lakh persons in ancillary activities like transportation, human resourcing, marketing & various other downstream activities in the State. The industry has also developed the surrounding areas, built schools, colleges, hospitals etc. for the local populace.

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