

## PRESS RELEASE

Sept. 25, 2015

### ''Rajasthan Mines Mega Allocation Scam' - Valuable Mineral Resources worth estimated auction value of over Rs 45,000 crore distributed without Auction involving approximately 1,43,253 bighas of land (22085.81 hectares).

Prime Minister, Shri Narendra Modi came to power 16 months ago on the solemn promise of 'à¸¸à¸¸¼ à¸¸à¸¸¼à¸¸à¸¸à¸¸¼ à¸¸à¸¸¼ à¸¸à¸¸¼à¸¸à¸¸à¸¸¼'. Successive scams in the BJP-ruled States of Rajasthan, Madhya Pradesh and Maharashtra have unmasked the patent falsehood of his empty rhetoric.

#### FACTS:

I. Allocation of public resources including minerals in India can only be done through a competitive bidding process i.e. 'auction'. This is the mandate of the judgment of the Supreme Court in the Presidential reference decided on 12<sup>th</sup> April, 2012 where Supreme Court held as follows:-

"à¸¸à¸¸.Alienation of natural resources is a policy decision and the means adopted for the same are, thus, executive prerogatives. However, when such a policy decision is not backed by a social or welfare purpose, and precious and scarce natural resources are alienated for commercial pursuits of profit maximizing private entrepreneurs, adoption of means other than those that are competitive and maximized revenue may be arbitrary and face the wrath of Article 14 of the Constitutionâ¸¸à¸¸!â¸¸!....â¸¸?"

II. On 30.10.2014 (pursuant to the judgment of Supreme Court), Ministry of Mines, Government of India issued elaborate policy in terms of Section 5 of Mines and Minerals (Development and Regulation) Act, 1957 (in short the 'MMDR Act of 1957'). Copy appended to the press release as **Annexure A-1**.

It compulsorily envisaged:-

(i) Policy applies to all pending or future applications for any prospecting licence/mining lease (para 4 of letter dated 30.10.2014).

(ii) Any 'Letter of Intent' (LOI) to be issued by a State Government for grant of any prospecting licence/mining lease could be done only with prior approval of Central Government (para 6 of policy attached to letter dated 30.10.2014).

(iii) No prospecting licence or mining lease could be granted without prior issuance of notification in the official gazette, State government's website and other means of wide publicity inviting applications. This was further subject to availability of exploration data, available minerals and notification of area for grant of a prospecting licence etc. by the State Government (para 5.24 and 5.25 of the policy attached to letter dated 30.10.2014).

(iv) Policy also contained yardsticks for selection criteria, guidelines pertaining to map and check list for grant of prospecting licence/mining lease etc.

This policy dated 30.10.2014 was issued purely with a view to ensure complete transparency and objective selection in accordance with Supreme Court judgment and prevent any preferential treatment to any individual or company.

III. On 16.11.2014, Government of India issued a draft ordinance for amendment of MMDR Act of 1957 providing for competitive auction of mines as the only mode of allocation. This ordinance was received by Government of Rajasthan on 18.11.2014.

IV. On 12.01.2015, MMDR Act of 1957 was amended (first by ordinance, which merged into the amending Act, 2015, copy of which is attached as **Annexure A-2** to the press release). **Section 10B provided for auction of mines by competitive bidding as the only mode of allocation of mines.**

Section 10A(2)(b), however, provided that in case of a prospecting licence or a reconnaissance permit had been granted prior to the amending Act, 2015, mode of auction by way of competitive bidding was not required to be followed and an automatic right emerged for grant of a mining lease.

## **SCAM AND LOOT**

1. **That between 30.10.2014 and 12.01.2015, Government of Rajasthan, led by Chief Minister Smt. Vasundhara Raje, proceeded to issue prospecting licences/mining leases for 653 mines equivalent to 1,43,253 bighas i.e. 22085.81 hectares with approximate estimated auction value of over Rs. 45,000 crore.**

This mega mine allocation scam was done in complete defiance of Supreme Court judgment dated 12.04.2012, in willful negation of the mandatory policy dated 30.10.2014 (Annexure A-1) and the statutory obligation of allocation of mines only through auction through competitive bidding i.e. 'auction'. A complete list of 653 mines spread over 20 districts of Rajasthan including dates of LOIs is attached as **Annexure A-3** to the press release.

2. In willful violation of policy dated 30.10.2014, Raje government committed following illegalities:-

(i) No prior approval of Government of India was taken before issuing LOIs for 653 prospecting licences/mining leases.

(ii) No prior notification was published in Official gazette/government website/public advertisements inviting applications for grant of 653 prospecting licences/mining leases. No exploration data or details of available minerals was published. Even mining area was not notified.

All this was done so that the 653 mineral mines for 22085.81 hectares would not be subject to the process of auction through competitive bidding. Loss to the exchequer on account of this fraudulent decision is writ large.

3. Government of Rajasthan, led by Chief Minister Smt. Vasundhara Raje, was in a tearing hurry to allocate mines with lightning speed. A sample of 11 mines allocated in Karoli District of Rajasthan reflects that as many as five mines out of 11 were allocated within a period of 48 hours. One mine was allocated in less than 12 hours from the date of application. Entire exercise smacks of malice, malafides, corruption and loot. Chart of these 11 mines of Karoli District is attached as **Annexure A-4** to this press release.

Similar is the case of allocation of mine to one Amit Sharma of Ajmer, who applied on 08.01.2015 and was granted an LOI on 12.01.2015. Incidentally, 10.01.2015

and 11.01.2015 were gazetted holidays. Amit Sharma applied on 08.01.2015, verification of khasra numbers was done on the same day, report of the Field Officer was prepared on the same day, Field Officer submitted the report to Mining Engineer on the same day and Mining Engineer submitted the report to Director, Mines on the same day i.e. 08.01.2015. Thus, entire case was processed in one working day i.e. 09.01.2015 and LOI was allocated on 12.01.2015. A perusal of the list of 653 mines (Annexure A-3) would show multiple such instances of loot.

4. What is shocking is the manner in which Limestone mines were allocated with total impunity by Government of Rajasthan. A block comprising of 9.89 square kilometers was allocated in Nimbahera, District Chhittorgarh to Imami Cement Limited without grant of environmental clearance from Government of India, without submission of progressive mines closure plan, without deposit of security amount for grant of lease or even without deposit of keenness money. What is even more shocking is that although application had been made earlier, file was processed to beat the deadline of auction in view of 2015 Act and in negation of 31/10/2014 policy. A copy of the notings on file is attached as **Annexure A-5**.

Another company i.e. Lafarge India Private Limited was allocated 8.32 square kilometers of Limestone Mine in Jaisalmer similarly without adhering to aforesaid conditions. Copy of the notings on file is attached as **Annexure A-6**.

Another cement company i.e. Sree Cement Company was allocated 9.12 square kilometers of Limestone Mine in District Jaisalmer once again without adhering to aforesaid conditions. Copy of noting on file is attached as **Annexure A-7** to the press release. Almost identical is the allocation of 7.91 square kilometers of Limestone Mine in Nimbahera, Chittorgarh to Wonder Cement Limited. Copy of the notings on file is attached as **Annexure A-8**.

**Malfeasance, fraud, loot, corruption and conspiratorial scams have become the hallmark of BJP government in Rajasthan. We demand:-**

(a) Immediate sacking of Rajasthan CM, Smt. Vasundhara Raje, her colleague ministers and other officers; and

(b) A Supreme Court monitored CBI inquiry into the Rajasthan Mega Mining Allocation Scam to be concluded within a fixed time frame.â??

