
Delhi HC quashes Dantewada iron ore license to TATA Steel

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PTI reported that the Delhi High Court, on a petition filed by NMDC Ltd seeking, has quashed the Center's decision to grant a prospecting license to TATA Steel Limited for mining iron ore in Chhattisgarh by saying that it has not got environmental clearance. HC said that a clearance under the Forest Act is mandatory before allowing any non forest activities in a forest area and this was not considered by the Centre while granting the license.

Hon'ble Justice S Ravinder Bhatt said that "The impugned order dated February 14th 2007 issued by the Central Government and all the proceedings under Mines and Mineral (Development and Regulation) Act leading up to it are hereby quashed as being issued without jurisdiction and contrary to law."

He added that "Whenever the state is asked to divert any forest land for a non-forest purpose, it has to, before taking other steps, seek prior approval under the Forest Act and Rules. Every steps towards non-forest activity, in a forest whether in the form of licence, permit, authorization can take place only after the approval under Section 2 (of Forest Act) is granted,"

Central government had approved in February 2007 the prospecting license for mining the ore over an area of 2,500 hectare in Dantewada area of Chhattisgarh for two years. The indicative reserves for deposit 1 are around 138 million tonnes. NMDC was the first applicant for a prospecting license for deposit 1 and should have been allowed to prospect for iron ore on these deposits but Chhattisgarh government. Deposit 1 was promised to TATA Steel on the grounds that it would add value to the ore within the state.

TATA Steel had signed a MoU with the Chhattisgarh government in 2005 to set up a 5 million tonne integrated steel plant in the Bastar region.

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