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Who owns the closed diamond mines?

This mine alone produces diamonds worth Rs 40 crore. But the common man is always deprived

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Panna mines, which are known for their diamonds the world over, are losing their fame. Ownership of the mines has become a big issue here. Using the Madhya Pradesh pollution control board, the minister Kusum Singh Mehdele and the district administration has alleged that the National Mineral Development Corporation (NMDC) has not played any role in the development of the district. They have asked NMDC to deposit one crore annually as development fund. NMDC refutes the claims and says that it deposits more than four and a half crores as annual royalty, Rs 60-65 lakhs as development fund, Rs 35 lakhs on the incomes of the employees and gives various taxes to the district administration and businessmen.

Meanwhile, the district that provides Rs 40 crore worth of diamonds to the world, stands marginalised. The highest death rate, the least number of roads, more than half the population below poverty line, lowest per capita income and lowest average income are some of the figures that prove the point.

This is the first time when the Union government and district administration have penalised the Majhgaon diamond mines for violating rules and the environment. Started in 1968 in Majhgaon and Hinauta, over an area of 113.14 and 162.631 hectares respectively, work has never stopped in these mines. According to companies, the mines started with 7000-8000 carat production of diamonds and are now producing 84000-carat diamond annually. With the mines being closed, a loss of Rs 10 lakhs is being incurred daily. Based on the Rs 4,37,17,583 worth royalty submitted by the company in 2004-2005, the state government will lose Rs 36.5 lakhs per month. Making most of the situation, the diamond traders lobby is pressing towards auctioning the diamond in Mumbai. It will not be easy for minister Kusum Singh Mehdele and district administration to ignore this demand.

On one hand the NMDC is trying to solve the issue legally and at the central government level, on the other, mine worker's union members are in constant touch with state level politicians to get the matter resolved. Indian Diamond Mine Worker's Union's president Niranjana Singh and Secretary of INTACH K C Mishra have termed the administration's demand as unfair. They have served notice of

closure on the company run DAV school (where about 400 children of top government officials are admitted), buses, and the water supplied to the villages. The collector Dipali Rastogi says that the mine was closed on the orders of the pollution control board and can be opened only after their order.

As far as the one crore deposit is concerned, under the Public Sector Act, development of the surrounding areas and providing employment is the responsibility of the company. In all these years the company has not played any such role. On the claims against NMDC, project manager S N Gupta refused to say anything. Their head office in Hyderabad also hasn't said anything officially.

BOX: How NMDC got embroiled

- Since NMDC got the permission to mine on December 19, 1964, it renewed its lease in 1985 and 1995. But since 1994 it has not taken the permission from the ministry of environment and forests for a new lease or renewal of a lease.
- Pollution control board found it guilty of causing pollution
- On directions from the Union government, the lease given by the state government has also expired on July 14, 2005
- The mines encroach part of the Gangau National Park and hence have come under the ambit of the Forest Conservation Act of 1927.

BOX: No scope of an early start

Whether the Majhgaon diamond mines will open or not, is the hottest debate in Panna these days. Senior officials of NMDC say that the mines will open as soon as they the permission from the ministry of environment and forests. But diamond officer says that the mine can't start work till it renews the lease. For this it needs the permission of the district administration. Experts say it will take at least a month for the mine to open.