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(A GEMCO KATI INITIATIVE)

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INDIA'S MINES MINISTRY MAKES CONTINGENCY PLANS FOR EXPIRING MINING LEASES

INDIA'S MINES MINISTRY MAKES CONTINGENCY PLANS FOR EXPIRING MINING LEASES

India's Mines Ministry is drawing up contingency plans to offer a three-year extension for merchant mining leases slated to expire in March next year.

Sources in the Ministry said that while the government is pushing state governments to initiate the auction of about 288 mining leases expiring next year, the risks of slippages in completing the auction process, and forced closure of the operating mines with the resultant disruption of raw material supplies to metal companies, are "clear and distinct".

Metal companies, including domestic steel mills, have expressed serious concerns over disruptions in iron-ore supplies if the mining leases of a large number of iron-ore mines were to expire forcing current lease holders to stop operations. Hence, the Mines Ministry is working on an option of offering a three-year extension for existing mining leases, the Ministry sources say.

It was pointed out that even if auctions were to be completed well before the expiry of existing mining leases, new lease holders would take at least two to three years to submit applications for fresh mandatory environmental and forest clearances and to secure approvals.

However, there is still no clarity available from government sources as to whether if the planned extension were to be pushed through it would muster legal backing. It might be pointed out that in the case of iron-ore mines in Goa, the Supreme Court held last year that renewal of mining leases was illegal since the Mines and Minerals (Development and Regulation) Act, which came into force in 2015, had made auction mandatory in the allocation of mining leases for all mineral assets to investors. The Goa iron-ore mines were forced to close down in March 2018 and a resolution is proving elusive.

As reported by *Mining Weekly Online* earlier this month, the issue of whether mining leases set to expire should be auctioned or granted fresh extension has sharply divided various mineral industry segments.

Fearing disruptions of raw material supplies to downstream units from delayed auctions, the Federation of Indian Mineral Industries (FIMI) has sought a ten-year extension of mining leases expiring in March 2020.

FIMI in its presentation to the government pointed out that over 70% of domestic steel production capacity did not have captive iron-ore mines and were dependent on merchant iron-ore mines for sourcing their raw material, and that if these were forced to close down owing to auction delays, the steel sector would face acute disruptions.

But steel companies represented by the Associated Chambers of Commerce and Industries and the Indian Chamber of Commerce have opposed the granting of any extension to existing mining lease holders on the grounds that not holding auctions would lead to a huge loss of revenue for the government by way of the revenues accruing from a competitive bidding process.

SLOW PACE OF REFORMS SPURRING HIGHER COAL IMPORTS BY INDIAN UTILITIES

Coal imports by Indian utilities are surging after the government failed to open the industry to competition, despite passing a liberalization policy 16 months ago, because of bureaucratic indecision and resistance from unions, industry and government officials said.

Utilities in India, which holds the world's fifth-largest reserves of the fuel, imported over 40% more coal during January to April compared with a year ago, data from the Central Electricity Authority showed.

The country's cabinet has approved policies opening coal mining to private miners and partially removing restrictions on the sale of coal produced at so-called captive mines but the reforms have not been implemented.

The government delays stem from bureaucratic disputes on how to implement the liberalization policies, such as the formulas for bidding on the blocks, said two sources, one with the government and the second at an industry group, who are familiar with the matter.

There was also a reluctance to introduce the changes before elections this past May, especially with the strong opposition from unions representing workers at state-run Coal India, the sources said.

"The delays could be due to reservations from trade unions and the government being in election mode till May. They could have also been spending time in planning, which might not be a bad thing given international experiences," said

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Satyadeep Jain, a global metals and mining equity consultant.

"This makes a well crafted policy by engaging all stakeholders very important."

India's surging imports offer an opportunity to miners like Indonesia's Adaro Energy, Adani Enterprises and Glencore that face a structural decline in coal demand. They also undercut efforts by Prime Minister Narendra Modi's government to cut imports and place additional burdens on India's debt-ridden thermal power sector.

Within India, a fast rising population, strong economic growth, a government programme to electrify households as well as a lack of alternatives like natural gas have all contributed to a surge in thermal coal demand.

CARE Ratings in a note in May said it expects India's rural electrification to contribute to a 5%-6% rise in power demand in 2019-20, increasing demand for thermal coal imports.

Imports are also supported by a slump in thermal coal prices caused by ample supply and a global economic slowdown, as well as a push to use cleaner fuels in place of coal.

"India is lapping up that coal because of high demand for imported coal currently," said Puneet Gupta, founder of online coal marketplace Coal Shastra.

POLICY PARALYSIS

India's cabinet approved a policy in February 2018 to auction coal blocks to private companies, giving them the freedom to sell and fix prices, ending Coal India's near monopoly along with state-run Singreni Collieries.

This past February, India approved the sale of up to 25% output of captive coal mines owned by consumers, mainly utilities and steel plants. However, bureaucratic disputes over implementation and the fear of a backlash from trade unions linked to political parties including Prime Minister Modi's Bharatiya Janata Party (BJP) have thwarted plans to lure foreign firms, said industry executives.

"One of the main reasons they didn't initiate commercial coal mining before the elections despite cabinet approval was protests from Coal India's unions," a senior executive from a Indian industry group familiar with the matter said.

Virjesh Upadhyay, secretary of the BJP-affiliated trade union Bharatiya Mazdoor Sangh (BMS), said it is against opening the coal sector. BMS claims to have the support of half of Coal India's 300,000 workers.

"We have made our view very clear - we are against privatisation of the country's coal resources," he said.

Coal India has missed its annual production target for the past seven years, despite raising output by 7% to 607 million tonnes in the 2018/19 fiscal year ending in March.

A Coal India spokesman declined to comment on the government's liberalization programme saying only that the company plans to produce 660 million tonnes of coal during the 2019/20 fiscal year.

"As long as the policy response of the government to scarcity of coal remains confined to asking Coal India to produce more, scarcity position is bound to stay," said Ashok Khurana, head of the Association Of Power Producers (APP), which represents Indian private utilities.

India's Ministry of Coal did not respond to a request seeking comment.

The Tamil Nadu Generation and Distribution Corp (Tangedco), the utility for the southern Indian state, illustrates India's increasing reliance on coal imports. The company's imports more than doubled during the first four months of 2019, the Central Electricity Authority reported.

"Coal India and Indian Railways weren't able to keep up their commitments. Stock positions in our thermal plants fell to dangerous levels, and since then, we have been importing," said Tangedco's Chairman Vikram Kapur.

He expects imports to rise as the state will add 6,200 megawatts of new capacity through 2024.

"Imports will go up, going forward. From 2020-21, we have to go for more imports," he said.

GAPING HOLES IN ODISHA GOVERNMENT'S MINE AUCTION PLAN

Odisha produces about 120 million tonnes of iron ore out of total national production of about 200 million tonnes.

As the state government is clearing the decks for auction of at least 10 mineral blocks in July, officials involved in the process said this may not be possible for more than one reasons.

Casting doubt over the due diligence report prepared on each mining lease area to be auctioned, informed sources said there are many loose ends to tie.

"In some of the mines, whose lease period is expiring in

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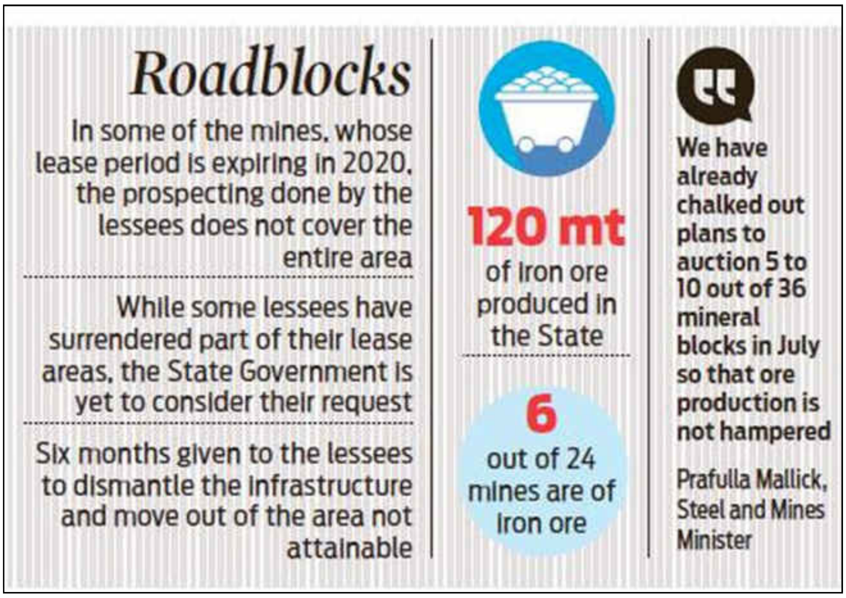
2020, the prospecting done by the lessees does not cover the entire area. This is due to several factors including lack of forest diversion. Status of mineral occurrence in these areas is not known," the sources who did not want to be identified said.



The lease of 24 merchant mines is set to expire by March 31, 2020.

Under the Mines and Minerals (Development and Regulation) Amendment Act 2015, licences of expiring mines will not be renewed and the mines will be allotted on the basis of auction.

"While some lessees have surrendered part of their lease areas, the state government is yet to consider their request.

The leaseholders have not conducted exploration of the areas. The entire area has to be auctioned now as the surrender process is not complete yet," said former Director of Mines BK Mohanty.

As per the amended provisions of MMDR Act, the leases have been given six months to dismantle the infrastructure and move out of the area.

This is simply not attainable since they will undertake mining till the last date of lease.

With pressure mounting on the government for early auction of the mines, the issue was discussed at high level meeting chaired by Steel and Mines Secretary RK Sharma here last week.

A decision was taken to auction at least 10 mining blocks in July even if these blocks are not fulfilling all the parameters.

Exuding confidence of putting some mineral blocks under hammer, Steel and Mines Minister Prafulla Mallick said, "We have already chalked out plans to auction 5 to 10 out of 36 mineral blocks in July so that ore production is not hampered."

He said 36 mining blocks are ready for auction out of which 12 are virgin. Disruption of mining in the rest 24 mines will create chaos in the iron ore market in the country as they account for a sizeable percentage of production at the moment.

The state produces about 120 million tonnes of iron ore out of total national production of about 200 million tonnes.

As many as 16 out of 24 mines are of iron ore. These mines together produce nearly 60 million tonnes.

ORISSA TO AUCTION 10 MINES IN JULY: MINISTER

State Steel and Mines Minister Prafulla Mallick Saturday told reporters that the state government will auction five to 10 mines out of 36 mineral blocks available in Odisha in July.

Mallick informed media in this matter on the sidelines of a seminar on 'Responsible Mining' held at a city hotel. The seminar was organised by Sukinda and Bhubaneswar mining associations in the city.

"Licenses of about 24 functional mines will expire by March 31, 2020 but we are well-prepared with alternative solutions. We have planned to auction those mines to ensure uninterrupted production. Out of the 36 mineral blocks, five to 10 mines will be auctioned next month. These blocks are ready for the mining," Mallick said.

A recent report claimed that the Centre and the steel industries are asking the state government to speed up the auction process of the mineral blocks. Earlier, the auction process was delayed till the latter half of 2019 because of the Lok Sabha elections.

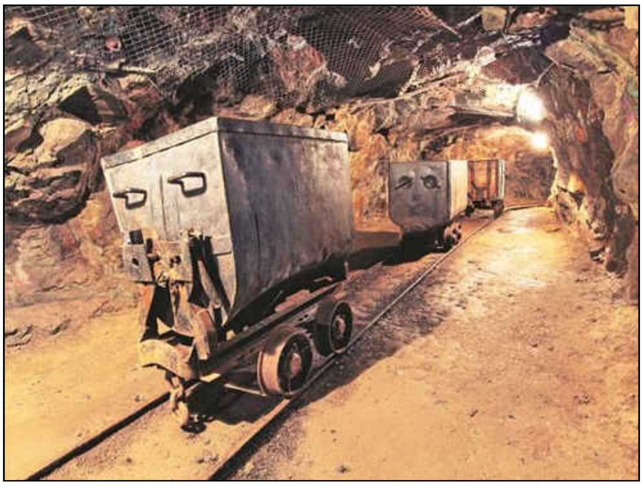
The minister claimed that the Central government is to take a decision on the state's demand of coal royalty.

Earlier, Chief Minister Naveen Patnaik requested the Centre to expedite a decision on the state government's long-pending claim to revise the rate of royalty on coal from the present 14 per cent to 20 per cent.

"The Centre has been informed about our demand. However, the Centre is yet to take a decision on the issue. The state government is facing revenue losses in the mining sector owing to the Centre's delay in taking a decision on the royalty issue. We expect that the Coal Ministry will take a positive call on this matter very soon," the minister said.

MINING'S SHARE OF INDIA'S GDP FELL TO 1.53% IN FY18 FROM 1.93% IN FY13

The mining sector's contribution to the country's gross domestic product (GDP) has been declining in recent years, despite growth in production and value accretion. From 1.93 per cent in 2012-13, the mining sector's share of GDP (excluding petroleum & natural gas) fell to 1.53 per cent in 2017-18. India's GDP grew from 5 per cent to 7 per cent during the same period.



However, the mining sector's diminishing contribution to GDP seems to belie its vast untapped potential. The value of minerals produced during the period under review was on an upswing — it rose from Rs 1.77 trillion to Rs 1.99 trillion, data from the Indian Bureau of Mines and Central Statistical Office (CSO) reveal.

"The mining sector's growth rate has failed to keep pace with those of other sectors like services. India's GDP growth has also outpaced mining growth. Despite ample mineral deposits, the sector has not grown at the rate befitting its potential," says an industry source who does not wish to be named.

When compared with other resource-rich nations, India trails significantly in the mining sector's contribution to economy.

In South Africa, mining has a 7.5 per cent share of the GDP. Australia, another major repertoire of bulk minerals, beats India hands down, with mining accounting for 6.9 per cent of its GDP. Even Brazil ranks ahead, with the mining sector's share of GDP at two per cent in 2017-18.

India's tardy pace of exploration has throttled the growth of the mineral sector. India's exploration expenditure pales into insignificance when compared with other resource-rich countries like Canada and Australia. Canada accounts for 14 per cent of the global mining exploration expenses, and Australia 13 per cent. India's share is a minuscule two per cent. For each square km of a potential mining lease, Australia spends $5,580 and Canada $5,310. By comparison, India spends only $9 per square km.

Ironically, the country's mineral sector is heavily dependent on imports. In 2017-18, the value of domestic production of all major minerals (excluding coal, lignite and minor minerals) was Rs 58,638 crore, while the import value of vital minerals/metals, at Rs 4.34 trillion — almost seven times higher than domestic production — aggravated the current account deficit.

IRON ORE PRODUCTION PEAKS TO 10-YEAR HIGH IN FY19, EXPORTS NOSEDIVE 33%

Indian iron ore producers are also set to profit from global tailwinds

The country's iron ore production rose to a decade-high of 220 million tonnes (mt) in FY19, growing 9.5 per cent year-on-year from 201 mt in FY18.

Analysts are betting on the growth momentum, pertaining to ore output, continuing in this fiscal year. Their positive sentiment springs from merchant miners looking to accelerate extraction from mines headed for expiry on March 31, 2020.

"We believe the production (of iron ore) is likely to rise 5-8 per cent this fiscal. Merchant miners, whose lease validity will cease by March 31, 2020, will be looking to ramp up output. On the import side, we expect moderation during FY20. Exports, on the contrary, should go up for iron ore pellets," said Vahishta M Unwalla, research analyst (iron ore), CARE Ratings.

Merchant miners are scrambling to maximise output and produce up to limits approved under environment clearance.

According to a report by a committee under the Union mines ministry, 334 merchant or non-captive mining leases are due to lapse by March 31, 2020. Of this, only 49 mines are operative — 33 of them are working iron ore mines in Odisha boasting of an annual production capacity of 55 million tonnes. Merchant miners going on an accelerated spree reflected in FY18 too. The phenomenon was strikingly noticed in Odisha — the state produced 118 mt of iron ore and despatched even higher at 140 mt.

"During this fiscal, iron ore production is likely to register 8 per cent growth. We anticipate a production surge from the

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merchant miners whose mines would no longer be valid after this fiscal year end. Moreover, merchant miners will have the latitude to despatch ore even six months after the lease tenure expires," said a source at Pellet Manufacturers Association of India (PMAI).

Indian iron ore producers are also set to profit from global tailwinds. A study by CARE Ratings illustrates that the spike in global seaborne iron ore prices will shore up demand in the country.

STEEL COMPANIES URGE GOVT TO AUCTION IRON ORE MINING LEASES EXPIRING IN MARCH

Govt could lose Rs 79,500 cr if lease on 53 mt capacity is not auctioned, they caution

Steel companies have urged the government not to extend the merchant iron ore mining leases that are expiring next March, as it could lead to a revenue loss of Rs 80,000 crore to the exchequer.

Representing steel companies in a letter to Prime Minister Narendra Modi and the Niti Aayog, the Assocham, Indian Merchants Chamber, Chhattisgarh Sponge Iron Manufacturers' Association and the Karnataka Iron and Steel Manufacturers' Association, said the government would lose about Rs 79,500 crore revenue if the lease on 53 million tonnes of iron ore capacity that is expiring next March is not auctioned.

These operational mines should be auctioned immediately to ensure that there is no major supply disruption, they said. The major companies represented by the associations include JSW Steel, Tata Steel, Jindal Steel and Power, Welspun Steel, Jindal Saw, MESCO and Shyam Steels.

Auctioning of mineral concessions would improve transparency in allocation and increase revenue, it said.

According to the report published by the Government Committee, leases on 334 mines (49 operational and 245 non-operational) expire in March 2020.

Of this, leases on 33 operational iron ore mines with an annual production capacity of 55 mt and 16 working iron ore mines in Odisha expire next March.

Instead of extending these mining leases, a smooth auction and transition from the old lessees to new lessees should be done in a transparent manner, as in the case of coal blocks done five years back, the associations said.

In order to provide a level playing field between captive and merchant miners, it is crucial that fresh auction of the iron ore mines is conducted and both are allowed to participate in the auction, considering that a majority of iron mines allotted belong to merchant miners, it said.

The government needs to amend Section 8A (4) of the MMDR Act that allows auctioning of mines only on expiry of the lease period.

In May, the Federation of Indian Mineral Industries had pitched for immediate extension of leases of over 300 non-captive mines until March 2030, expressing the fear that the sector may face a crisis-like situation following the expiry of licenses of these mines.

In a presentation before a high-level committee of the Niti Aayog, it said the mining industry is facing a crisis following the amendment to the MMDR Act in January 2015, that provided for auction as the sole mode of granting concessions for a fixed period of 50 years to private companies - captive and non-captive.

ANDHRA PRADESH DISALLOWS BAUXITE ORE MINING

Announcing this at a conference of IPS officers in Amaravati, chief minister YS Jagan Mohan Reddy said the controversial government order (GO No. 97) issued by the previous N Chandrababu Naidu regime on November 5, 2015 allowing the mining would be scrapped immediately.

The YSR Congress party government in Andhra Pradesh on Tuesday decided not to allow mining of bauxite ore in the Eastern Ghats in Visakhapatnam district, in an attempt to check unrest among tribal communities that have been strongly opposing the mining.

Announcing this at a conference of IPS officers in Amaravati, chief minister YS Jagan Mohan Reddy said the controversial government order (GO No. 97) issued by the previous N Chandrababu Naidu regime on November 5, 2015 allowing the mining would be scrapped immediately.

The GO had permitted AP Mineral Development Corporation (APMDC) to take up bauxite mining in 1,212 hectares spread over 13 stretches in Chintapalli and Gudem Kotha Veedhi revenue blocks in Visakhapatnam district. But the government put the order in abeyance following protests by local tribals and environmentalists.

"The government is not going to lose much by giving up bauxite mining. We do not want to take up mining that would create unrest among tribal communities. We want restoration of peace in the area,"

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CM Reddy said.

He asked the police officials to win the confidence of the tribals and ensure that their rights are not infringed upon. "Keep visiting the tribal areas...and attend to their issues. We need to ensure that the tribals do not get influenced by Maoists (on the Andhra-Odisha border)," he said.

Bauxite mining has been a major reason for tribal unrest in the forest areas of Visakhapatnam for over a decade. In 2007, the then Congress government in Andhra Pradesh, headed by YS Rajasekhar Reddy, gave mining leases to the APMDC in 1,876 hectares of forest area in Vizianagaram and Visakhapatnam districts. Also in 2007, the APMDC entered into agreements with Jindal South-West Limited and ANRAK (a company from Ras Al Khaimah, the northernmost emirate of the United Arab Emirates) for supply of bauxite ore for setting up of alumina refineries. While ANRAK got an alumina refinery project at Makavaripalem in Visakhapatnam district, Jindal South-West Limited won an alumina refinery near Srungavarapukota in Vizianagaram district.

However, the local tribals -- Bhagata, Gond, Konda Reddi and Samantha -- opposed the bauxite mining proposal.

INDIAN BUSINESS GROUPS LOBBY FOR AUCTION OF IRON ORE MINING LICENSES

A new government in India has steel companies and iron miners rushing to it with urgent pleas on iron ore mine auction.

One appeal is for the government to auction iron ore mining licenses held by private miners when they expire in March 2020.

If that happens, it will come as a relief for India's steel companies, as they will no longer have to rely on costly imports.

Mining leases of at least 59 iron ore mines with a total capacity of 85 MTY are set to expire March 31, 2020. These have a combined production capacity of around 60 MTY, but none of them has been put up for new auctions.

A few days ago, the Indian Chamber of Commerce (ICC), Associated Chambers of Commerce and Industry of India (Assocham) and the Chattisgarh Sponge Iron Manufacturers' Association (CSIMA) sent off letters to NITI Aayog, India's planning commission, and the mines ministry, making a case for mine auctions, Livemint reported.

Experts say production at non-integrated steel companies, which do not have access to captive iron ore resources, will be disturbed if the auctions were delayed any more, affecting even major steel companies like Rashtriya Ispat Nigam Ltd, Essar Steel and JSW Steel.

The letter to NITI Aayog by the ICC said accepting merchant miners' request to extend their license till 2030 would mean a huge revenue loss by way of auction premium for the exchequer. It takes about two years for operations to restart once regulatory clearances are received.

For India's iron ore miners, there's new hope, however, given that international prices are over $100 a ton, the highest in five years, which means a restart in export of lower grades of ore from India.

The Indian province of Odisha has in excess of 100 million tons of inferior grade iron ore accumulated at mine heads, which nobody wants in India. Similar inventory is to be found in the province of Jharkhand. Both provinces account for over 80% of India's accumulated iron ore stockpile, the Business Standard reported. In the recent past, export of iron ore failed to pick up, despite incentives. Miners are hopeful a supply disruption in Brazil and Australia will make global steelmakers look to source more iron ore from India

MERCHANT BANKERS SHOW CIL WAY TO FOREIGN ACQUISITION

Coal India (CIL) has decided to go for an open tender for appointing a merchant banker to acquire coking coal assets in Australia, following a pre-notice inviting tender (NIT)

Coal India (CIL) has decided to go for an open tender for appointing a merchant banker to acquire coking coal assets in Australia, following a pre-notice inviting tender (NIT) meeting on Wednesday.

CIL drew suggestions from merchant bankers about the format of the tender document that is likely to be floated in two weeks. Following the appointment of the merchant banker, the company will finalise the coal asset, which it would either acquire entirely or pick up stakes in with an offtake agreement, a CIL official said.

"We had to draw suggestions from merchant bankers on the format of the tender document since it would be the first such initiative from CIL to float a global tender for acquiring an asset abroad," the official said.

Although CIL has got coal assets in Mozambique, those were acquired through International Coal Ventures Ltd (ICVL), a four-way venture of CIL, SAIL, RINL and NMDC. Although NTPC joined the venture initially, it pulled out in the middle. ICVL was, however, dismantled at a later stage.

Although CIL didn't want to name the merchant bankers who took part in the pre-NIT meet because of a disclosure agreement signed with them, officials said every merchant banker who

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attended the meeting has presence in Australia since that is pre-requisite for participating in the tender.

Most of the major global merchant bankers like Goldman Sachs, Merill Lynch and others alike had pulled out of coal after the Paris convention on climate change that brought a number of regulations. There are a few global players like ANZ, BNP Paribas, JP Morgan others that are still working on coal assets.

A company source close to the development told FE that CIL is betting on ANZ but the merchant banker would be appointed through the process of a global tender. The appointed merchant banker will be responsible for doing the financial due diligence and carrying out the entire transaction. It is only on the basis of the suggestion of the merchant banker that the PSU miner will zero in on the asset, a CIL official said.

Earlier, CIL had called for a limited tender to rope in a merchant banker, which virtually received no response. "The pre-NIT meet has given a clearer picture as to how to go ahead with the plans of foreign acquisition," the CIL official said, adding that CIL has been to trying acquire coking coal assets abroad since 2012 and has been looking for opportunities in the US, Canada, Russia and Australia.

It had formed an expert group with representatives from the Ministry of External Affairs, coal and Department of Economic affairs to look into the nitty-gritty of foreign acquisition.

COMMERCIAL IMPLICATIONS OF NEW MINERAL POLICY

India produces a total of 88 types of minerals, including four fuel related, 10 metallic minerals, 50 non-metallic and 24 minor minerals, accounting for around 5.3% of the world's mineral production.

Against the backdrop of a long phase of policy gaps and judicial interventions across the mineral and resources sector, the National Mineral Policy, 2019 (policy), has now been notified to bring about changes making India's mineral and resources sector globally competitive and moving closer towards resource security.

Exploration incentives: The policy proposes simpler, more transparent and time-bound procedures for obtaining clearances, incentives for the use of state-of-the-art technologies in exploration of minerals, the right of first refusal at the time of auction and seamless transition from reconnaissance permit to prospecting license to mining lease or auctioning of a composite reconnaissance permit cum prospecting license cum mining lease in virgin areas on a revenue-sharing basis, or any other appropriate incentive in accordance with international practices. It also proposes tax incentives for risk capital and industry status to the mining sector.

Security of tenure: The policy proposes assured security of tenure to the concessionaire and an increase in the trust levels in the process by way of inclusive policies, increased responsiveness, better regulation, transparency, openness and fairness.

No-go areas: Ecologically fragile areas will be declared as "inviolate or no-go areas" out of bounds for mining and exclusive mining zones will be created with prior in-principle statutory clearances demarcated for the mineralized belt. This will give clarity to all stakeholders and will avoid conflict of interest and curtail delays in starting mining operations.

District mineral foundation: The policy proposes a district mineral foundation that will be guided by the provisions of the Prime Minister's Mineral Area Development Plan for the inclusive and equitable development of people and areas affected by mining.

Inter-generational equity: The policy notes that the state has to ensure that future generations will receive the benefits of inheritance and, therefore, it has to receive the full value of the extracted minerals. Further, the policy proposes that inter-generational equity should be assessed using a disaggregated approach and be adopted considering the reserves or resources and their potential for reuse through recycling.

Exclusive regulatory authority: The policy proposes to establish a national-level unified authority, as an inter-ministerial body under the Ministry of Mines, to ensure the fulfilment of policy objectives. The authority will comprise members from the Ministry of Coal, Ministry of Earth Sciences, Ministry of Tribal Affairs, Ministry of Rural Development, Ministry of Panchayati Raj, Ministry of Steel, and state governments.

Pricing of mining commodities: Enabling investment through foreign direct investment will be key to making mineral-based materials available to domestic users at a reasonable price. This implies lesser government influence, which would make mining more attractive to investors.

Resolving environmental issues: The policy provides a two-fold approach for the resolution of environmental issues pertaining to the mining industry. It highlights prevention and mitigation as the means to achieve sustainable development and to resolve environmental issues.

Geological information: The policy lays down various guidelines to facilitate geological exploration by providing greater clarity on issues such as access to information. It proposes open dissemination of information in a digitized format with automated updates on the concession lifecycle with respect to baseline and mineral exploration data, national inventory of mineral resources, and the mining tenement system.

The policy attempts to integrate the country's overall strategy on economic development and guide the exploration, extraction and management of minerals. The new regulatory environment is likely to provide a fillip to ease of doing business. The policy focuses on the promotion of domestic industry, the reduction of dependence on imports, the provision of an efficient regulatory mechanism, high penetration of e-governance systems,

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employment generation and the requirement for a unified authority.

The policy seeks to make mining a stand-alone industry in India, thus giving impetus to attract further industry-specific investment, which is coupled with the introduction of the long-term export-import policy for the mining sector.

FIMI URGES GOVT TO LIFT BEACH SAND MINING BAN ON PRIVATE FIRMS

In its latest report "Mining Matters for India", Federation of Indian Mineral Industries said the ban has put a large number of jobs at stake.

Beach sand mining ban on private players has resulted in loss of exports worth Rs 4,000 crore and Rs 5,000 crore in revenue, mining body FIMI has said, demanding rescinding the order.

FIMI Federation of Indian Mineral Industries

In its latest report "Mining Matters for India", Federation of Indian Mineral Industries (FIMI) said the ban has put a large number of jobs at stake.

"In the case of beach sand minerals (BSM), private sector has been debarred for mining, putting numerous jobs at stake and depriving the country of revenue to the extent of Rs 5,000 crore and exports of about Rs 4,000 crore annually," FIMI said in its latest report.

At present, only government companies are allowed to engage in beach sand mining after the Ministry of Mines vide a notification in February this year banned the private players.

"The Government should improve the regulatory mechanism and private sector should be continued to be allowed for mining of beach sand minerals and the Ministry of Mines notification...barring private sector should be rescinded," it said.

The report also highlights FIMI's demand for considering mining as an 'Independent Activity', and not as captive to any downstream metal industry such as steel, aluminium, etc.

"While mining is a business of volumes, captive mining limits the scale of mining, neglects mineral exploration limited to plant requirement, leads to selective mining and wastage of resources," the report said.

The private sector in future should be the main source of investment in reconnaissance, exploration and mining with right to seamless transition, transferability with security of tenure, it said adding, the government agencies such as GSI, MECL etc may continue to perform the exploration and surveys on regional basis and in areas where private investment is not forthcoming.

"The Government of India should create a level playing field for both private (captive and non-captive) and Government sector companies in terms of tenure of leases, area selection, etc," it added.

Much of the contribution made by the mining industry to ensure raw material security for India's sustainable growth has not received the due attention of the stake-holders and society at large, it said.

FIMI also demanded that the contribution of mining should be viewed in light of the multiplier effect it has across the entire economy and not just its monetary contribution to GDP.

The industry body is committed to contribute to the sustained growth of the mineral sector in a sustainable manner for economic growth, raw material security of the country and socio-economic development particularly in remote and tribal areas, it said, and urged the government to initiate steps to ensure its rightful position as a growth engine in the economy and unlock the full potential of the Indian mineral sector.

VEDANTA KEEPS DOOR OPEN TO ZAMBIA TALKS AS COPPER DISPUTE TAKES NEXT LEGAL TURN

Resources kept the door open to face-to-face talks with the Zambian government despite legal developments last week which sees fallout between the two sides over the Indian firm's copper company roll relentlessly on.

"Vedanta remains committed to resolving the current situation in the best interests of all parties involved. The company reiterates its appeal to the government of Zambia to discuss the matter face-to-face," the company said in a report by Reuters

This was after Zambia's High Court on June 28 lifted an order blocking a provisional liquidator at Vedanta's Konkola Copper Mines (KCM) business from disposing of assets or making arrangements with creditor until a July 4 hearing.

The decision by the High Court is the latest twist in a dispute between Vedanta and the Zambian government, which says KCM breached the terms of its operating licence. Vedanta has denied that claim, and has said it will protect its assets in Zambia, Africa's second-biggest copper producer.

The case has intensified concerns among international miners

(Continued on Page 9)...

about resource nationalism in Africa, said Reuters.

Vedanta confirmed that the order to stay the powers of the liquidator had been lifted until the July 4

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