# Geonesis

(A GEMCO KATI INITIATIVE)
Indian Mining & Exploration Updates

VOLUME 5, ISSUE 10 SEPTEMBER 2018

www.geonesis.org
Linkedin /company/geonesis--a-gemcokati-company
/geonesis
GEMCO KATI

# GOVT WORKING IN THE DIRECTION OF GROWING NON-PUBLIC SECTOR PARTICIPATION IN NON-COAL MINERAL BLOCKS EXPLORATION

Asserting that the exploration exercise of non-coal mineral blocks ought to double yearly, the mines ministry on Friday mentioned it was working in the direction of augmenting the participation of the non-public sector on this regard sooner or later.

"We're additionally getting ready a doc for growing the non-public sector participation within the mineral exploration exercise in future. We can be additionally allocating some cash particularly for sure class of personal sector contributors in order that the exercise of exploration percolates to the non-public sector in India," Mines Joint Secretary Bipul Pathak mentioned right here.

He was talking throughout the Nationwide Summit on Mineral Exploration and Sustainability.

"In my view at the least the exercise (exploration) ought to double yearly now," he mentioned including that "there's a restrict to what authorities companies can do".

To extend the exploration, the non-public sector has to come back in and that's the solely approach, he added.

A number of business our bodies "have been stressing upon that the junior firm idea is a really legitimate idea and has not taken off in India as but. So we can be globalising our efforts below NMET (Nationwide Mineral Exploration Belief) to ask junior exploration firms to come back and supply sure stage of assurance of companies in addition to sure stage of assurance for collaboration with the Indian firms…to develop exploration tasks and entry the funding below the NMET scheme", he mentioned.

The federal government, he mentioned, can also be attempting to deliver each stage of personal participant within the exploration sector all around the world to come back and work in India.

"Past their very own licences, I do not suppose non-public sector has invested any cash in exploration sector prior to now. Even right this moment, I do not suppose there's any funding occurring on the a part of the non-public sector," he added.

In the meantime, he mentioned, that the draft Nationwide Mineral coverage was being given last touches.

# LET NERP HOLDERS GET MINING LEASE TOO: MINERAL INDUSTRY BODY

India is a highly under-explored country for the non-bulk minerals like gold, diamond, copper, lead and zinc

The Federation of Indian Mineral Industries (FIMI) on Monday demanded the provisions in the Mines and Minerals (Development and Regulation) Amendment Act, 2015, be amended so that a non-exclusive reconnaissance permit (NERP) holder could move seamlessly to the next stage of prospecting licence (PL) or PL-cum-mining lease (PL-cum-ML).

According to the existing rules, an NERP holder will just explore the mine and upon successful exploration will hand over the explored block to the state government for auction, the only route for allocation of non-mineral blocks introduced through the amendment of the MMDR Amendment Act. The holder gets compensation upon successful exploration.

"Owing to this restrictive provision, there is virtually no response for seeking NERP from private companies. We feel that to ensure security of tenure and seamless transition for the explorer to move to PL-cum-ML, there is a need to have provision for exclusive RP-cum-PL/ML by effecting the amendment in the MMDR Act which will give impetus to the exploration activities in the country," FIMI said.

India is highly under-explored country for the non-bulk minerals like gold, diamond, copper, lead and zinc, among others. The government, to give a boost to the exploration activities, promulgated the National Mineral Exploration Trust Rules, 2015, wherein apart from Geological Survey of India and Mineral Exploration Corporation and most of the

(Continued in page 2…)

central and state PSUs were notified as exploration agencies.

Private parties were kept behind as only 10% of the resource-bearing areas have been explored so far.

Since bringing in the amendments to the MMDR Amendment Act in January 2015 through an ordinance, the government has brought in one amendment to the Act in 2016, allowing the transfer of captive mining leases not granted through the auction route. This was mainly to enable mergers and acquisitions of companies.

FIMI is also critical of the auction provision brought in through the MMDR Amendment Act, 2015, aimed to ensuring transparency in the allocation of non-coal, non-fuel mineral leases in the country.

## JSW STEEL, KIRLOSKAR FERROUS WIN IRON ORE MINES IN KARNATAKA AUCTION

The Centre recently decided to put eight more mines on e-auction in Karnataka

Five iron ore mines were auctioned in Karnataka over the past three days. JSW Steel and Kirloskar Ferrous were among the winners, as was Minera Steel & Power.

Names of the other two were not available. The auction started on Tuesday and continued till late evening on Thursday. The total capacity of these mines is 5.73 million tonnes per annum.

Industry sources say Mysore Minerals Ltd was bid for by JSW Steel for 95.2 per cent over the base price. Minera and Kirloskar bagged Nidhi Mining and Bharat Mines & Minerals, respectively. The base price is based on estimated reserves.

In April 2013, the Supreme Court had directed the state government to cancel 51 C-category leases, for involvement in illegal mining. And, to re-allot these to end-users through a transparent bidding mechanism.

The Centre recently decided to put eight more mines on e-auction in Karnataka. These five had qualified. Each mine is to get at least three applications to qualify for auctioning.

## INDIA TO BRING IN NEW MINERAL POLICY TO ALIGN EXPLORATION AND DEVELOPMENT PROJECTS

The Indian government is expected to put into play a new mineral policy, possibly before the end of August, aimed at a more investor-friendly alignment of exploration and development projects.

The Mines Ministry, which is the driver of the proposed policy changes, is expected to suggest amendments to the Mines, Minerals Development and Regulation Act (MMDRA) 2015 to align it with the new framework, ensuring a level playing field between investors in mineral exploration and mineral development projects.

Officials aware of the framing of the policy said that with only 10% of the area with established resources being explored and private investments in exploration almost negligible, it was imperative that a new policy should incentivise such investments, as mineral exploration remained “very inadequate both by international standards, as well as [the] requirements of the country”.

One of the key areas being addressed by the Mines Ministry was the grant of nonexclusive reconnaissance permits (NREPs), which, since introduction in 2015, has found few takers among private investors. not have any long-term incentive to undertake exploration projects and pump in risk capital, since, on successful establishment of definite resource, the block had to be handed back to either the federal or provincial government for subsequent auction to private investors.

With NREP holders having no stake in the final development of the mineral block and just compensation for explorationinvestments, private resource majors had stayed awayfrom exploration projects unable to build long term businessmodels in the domestic industry, the officials said.

The amendment to MMRDA 2015 would seek to rectify this uneven playing field by granting NREP holders the first right of refusal at the auction of any mineral block successfully explored by the permit holder.

Another option under consideration was that instead of offering an NREP, the government would grant a combined NREP and a prospecting licence bundled with a mininglicence at the very start of the mineral exploration process.

form did not make any business sense for global resource majors with integrated exploration and mineral production business verticals, as NREP did not guarantee them any foothold in resources established by them.

It has been learnt that the Mines Ministry is also toying with the option of offering fiscal incentives linked to NREP in cases where an investor brings in international best practices in exploration.

However, a section of government officials said that the option of financial incentives linked to NREP would face the challenge of government's ability to open its purse strings at a time when efforts were aimed at checking the national fiscal deficit. At the same time, it would be a challenge to lay down specific parameters of international mineral exploration best practices and technology to determine the quantum of fiscal incentive that could be put on the table.

## INDIAN GOVT CRACKS THE WHIP TO GET STATES TO COMPLETE FRESH EXPLORATION BY YEAR-END

The Indian government has cracked the whip on mineral-bearing states to ensure that they hold timely auctions of 288 mineral blocks, leases of which are slated to lapse in 2020.

The federal Mines Ministry has issued an ultimatum to all mineral-bearing states to complete fresh exploration of leasehold areas, which are lapsing, so that new auctions could start from July 2019, well before the end of the lease period on March 31, 2020 and prevent any disruption of these operational mines under new lease holdings.

The Mines Ministry has noted that despite repeated reminders to prepare the roadmap for initiating fresh auctions, starting with conducting fresh exploration, almost none of the mineral-bearing provinces were anywhere near the timelines set by the government.

In a communication to the states, the Mines Ministry noted that "all state governments will need to complete mandatory G2 level of exploration of the 288 mineral blocks by December 2018, in case of all operational mines".

The mineral blocks facing lease lapse include iron-ore, manganese, limestone, bauxite and graphite, according to a list drawn up by the Ministry of which 59 mines are operational while the balance are non-working mines.

The Mines Ministry has communicated that central government agencies such as Geological Survey of India(GSI) and Mineral Exploration Corporation have been fully geared up to take up enlarged tasks and state governments should seek their help in completing exploration by year-end.

The Ministry was particularly concerned since the bulk of these mines with leases expiring are iron-ore blocks and any delay in new leaseholders taking control of operations will lead to domestic steel mills facing disruptions in raw material sourcing, at a time when most of these domestic mills are operating at almost maximum capacity and are already facing shortage of raw materials.

According to information from the government, the Karnataka government has to date been able to complete G2 level of exploration at only eight iron-ore mines in the region of the total 33 blocks where leases will lapse in 2020. In the eastern state of Jharkhand, the government has just given consent to start exploration at five iron-ore mines for leases expiring in 2020.

The aggregate production capacity of all the iron-ore mines where leases were about to lapse was estimated at 85-million tons a year, which is a significant volume and any risk to production levels from these mines will have a disruptive impact on steel mills without captive sources of iron-ore and that are entirely reliant on merchant purchase to meet their raw material requirement, government officials pointed out.

The Federation of Indian Mineral Industries has already expressed apprehension that raw material availability may be affected as states have been tardy in their preparedness.

## CENTRE MAY AMEND ACT TO RESTART MINING OPS IN GOA

The mining sector in the state seems to have got a new lease of life as the group of ministers appointed by Prime Minister Narendra Modi to look into mining-related issues is likely to put up a proposal in favour of restarting mining in Goa.

A senior officer from the ministry of mines said the group of ministers is likely to recommend to the Union government to amend the Goa, Daman and Diu Mining Concessions (Abolition

(Continued on page 4…)

and Decalaration as Mining Leases) Act, 1987 that will allow mining operations to continue till 2037.

Mining activities in the state came to halt from March 15 after the Supreme Court in its February 7 order quashed the second renewal of 88 mining leases in the state.

The senior officer also said the group of ministers may also propose an amendment to the Mines and Minerals (Development and Regulation) Act that forms the basic framework for mining regulation in the country.

"The group of ministers is examining whether to propose an amendment to the abolition act and MMDR Act to restart mining in the state," the officer said.

Earlier this month, Modi had assured chief minister Manohar Parrikar of looking into the issue of restarting mining activities in the state. A delegation comprising Parrikar, Union minister Shripad Naik and MPs Narendra Sawaikar and Vinay Tendulkar had met the Prime Minister and the group of ministers and presented him with a copy of the private member's resolution passed by Goa assembly recently for resumption of mining operations.

The ministerial group had told Parrikar that the Centre would take legal means to restart mining activities in the state.

A mainstay of Goa's economy with the mining sector's annual turnover touching Rs 4,000 crore, the closure of operations has hurt the state for the second time in a decade. The Supreme Court's scathing judgment has extracted a heavy economic price and could not only lead to Rs 400-450 crore revenue loss for the state government over the next two years, but it will also impact allied industries and rural employment impacting 11,000-30,000 direct and indirect jobs.

In the resolution passed in the state assembly, Curchorem MLA Nilesh Cabral had said, "This House strongly recommends that the government of Goa shall urge the central government to take appropriate steps to suitably amend the Goa, Daman and Diu Mining Concessions (Abolition and Declaration as Mining Leases) Act, 1987, and make it applicable prospectively with effect from May 23, 1987, that is the day it was enacted, instead of retrospective effect from December 12, 1961, so as to enable the current mining leases to remain operational up to 2037."

Cabral had also said that the House should "resolve to urge the central government to amend the MMDR Act, 1957, suitably in such a way as to give the benefit of the 50-year tenures introduced retrospectively in 2015 by way of Sec 8A (3), to the mining concessions in Goa, which though were converted into mining leases only in the year 1987, were given a fictional date of grant of 1961 so as to allow collection of dead rent and royalty for the past by the government of India".

**MIND THE ECONOMY**

| | |
|---|---|
| ₹4,000cr \| Goa mining sector's annual turnover | Mineral Ore Permanent Fund |
| ₹1,182cr \| Total income that the state earned from mining sector from April 2015-March 2017 | 11,000-30,000 \| Estimated direct, indirect employment in Goa's mining sector |
| ₹244.9cr \| Goa earned as royalty in 2016-17 from mining sector | 2,500 \| Estimated core mining employees |
| | 7,000 \| Mining truck owners registered in state |
| ₹118.7cr \| Collected from mining cos by state for Goa | 12,000 \| Trucks registered with mines dept |

# TEPID USE OF FUNDS ACCRUING TO NMET SLOWS DOWN MINERAL EXPLORATION

Though Rs 10.48 billion has been collected under NMET as on July end, fund utilisation remains slow, with only 62 projects having been sanctioned

Insufficient utilisation of funds accruing to the National Mineral Exploration Trust (NMET) has slowed the pace of mineral blocks exploration in the country.

Though Rs 10.48 billion (as on July end) has been collected under NMET, the fund utilisation remains slow. Only 62 projects have been sanctioned. NMET is a non-profit body set up by the Government of India to finance exploration projects. As per statute, every mine lease holder has to contribute to the NMET an amount equalling two per cent of the royalty.

What has vexed some mineral bearing states like Telangana and Chhattisgarh is the release of funds from the NMET after the exploration activity is completed. This has hindered the scale of exploration with the states demanding the release of funds from NMET as advance.

When compared with global exploration standards, Indian exploration scenario offers a grim picture. The quality of geological database and its ease of accessibility do not stand up well as against other resource rich nations. More, the country's exploration spends pales into insignificance when compared with the leading mine rich nations. Our exploration expenditure is estimated at $17 per square km, a puny amount compared with $124 in Australia and $118 of Canada, the countries with the highest mineral exploration budgets.

Besides, India has only eight agencies tasked with exploration work compared with over 400 in Australia and Canada. Despite the government opening up mining for 100 per cent FDI (foreign

(Continued on page 5…)

direct investment), the sector accounts for measly 0.8 share of the total FDI attracted by the country.

To deepen the scale of mineral exploration, the government has promulgated the National Mineral Exploration Policy (NMEP) 2016. The policy aims at bringing private parties on board for exploration over and above the state owned agencies such as Geological Survey of India (GSI) and Mineral Exploration Corporation Ltd (MECL).

Stakeholders, however, feel the policy needs an overhaul on various provisions to make it tempting for private exploration.

"For a successful explorer, returns in the form of revenue sharing for the entire mine life cycle may not be the most attractive proposition. Besides, a global miner will not be keen to risk his investments in exploration to bid again for the discovered mineral deposits. What will spur an explorer is the provision for mining rights or at least the Right of First Refusal over a block when it comes for online auctions either for PL (prospecting license) or composite license (PL cum mining lease)'', said an industry source.

The NMEP also has a lacuna. After a successful exploration of a mineral block, its auctions may be put off if the government feels that the block cannot be monetised adequately due to market slump. "Such issues need to be clarified in advance to overcome ambiguities and potential risks in the value chain", the source added.

Mineral exploration is a high risk business and entails significant capital outlays. But, there is little by way of tax sops to incentivise this activity. Some of the countries dangle attractive incentives to draw the best of the exploration companies. Under the Exploration Incentive Scheme, Western Australia refunds up to 50 per cent of the drilling costs for greenfield projects and provides funding for additional geophysical and geochemical surveys in the region. The Uganda government has abolished taxes on mineral exploration to spur investments. Taxes in the African country are only levied on mineral production. The same regulatory practice prevails in Cameroon.

## LOKAYUKTA ORDERS PROBE INTO MINING LEASE RENEWALS: GOA

Goa Lokayukta Justice P K Misra has ordered a detailed probe into the alleged illegal, en masse second renewal of 88 mining leases in the state, following a complaint filed by voluntary organisation Goa Foundation. "At this stage, it cannot be predicated as to whether or not there is any substance to the allegation of abuse and misuse of powers and corruption by respondents. Such a conclusion would depend upon detailed investigation," Misra said. "It also cannot be said at this stage that there are no sufficient grounds to proceed further, and I am of the prima facie view that there are reasonable grounds to conduct a detailed probe," he added.

Meanwhile, Goa Foundation has also decided to file an application before the lokayukta to add chief minister Manohar Parrikar to the list of respondents which already includes former chief minister Laxmikant Parsekar, former mines secretary P K Sain and director of mines Prasanna Acharya.

"As both the former CM and the mines director have made allegations of being singled out, and the former CM has faulted Goa Foundation for ignoring the role of Manohar Parrikar, who was CM at the time that the renewals were initiated Goa Foundation will now file an application to make Parrikar a respondent in the case as well," said Claude Alvares, the organisation's director.

"In the original complaint, Parrikar was left out because of his obvious ill-health. However, his formal inclusion becomes inevitable in view of the affidavit filed by Parsekar," he added.

Parsekar had said that Goa Foundation, in its complaint, had selectively and conveniently left out certain individuals who were also part of the process while granting the second renewal order. Goa Foundation had earlier filed a complaint with the anti-corruption branch of the vigilance department, and Central Bureau of Investigation (CBI) to investigate the process of lease renewals. As both agencies did not initiate a probe, it then filed a case before the Lokayukta. It had sought investigation of the circumstances that led to the en masse second renewal of 88 mining leases to various private stakeholders (leaseholders) for the period spanning November 1, 2014 to January 12, 2015, through "flagrant abuse of power and conspiracy" by the persons listed as respondents.

## VEDANTA RESOURCES' NEW CEO AIMS TO STRENGTHEN OPERATIONS IN INDIA AND AFRICA

Vedanta Resources Plc's new CEO, Srinivasan Venkatakrishnan, has big plans to build the company into a giant producer of commodities, with main focus on Africa and India.

"If you look at diversified companies, they come with a bright and strong heritage," he told PTI in an interview yesterday. "Exxon has roots as an American company, BP as a UK company. Likewise, Vedanta starting its roots in India, I believe, can actually grow broader than India without compromising the growth in India - looking elsewhere as well and becoming one of the largest resource companies."

According to him, the mining mogul Anil Agarwal-led company has already demonstrated the potential in terms of its growth trajectory over the past few years. So Venkatakrishnan, or Venkat as he is known among peers, aims to invest heavily in more local production of all commodities. In fact, Vedanta will invest $8 billion in the next two-and-a-half years - a bigger kitty than

(continued on page 6…)

miners such as Rio Tinto Group and Anglo have pledged to spend over a similar period.

Vedanta hopes to gain from Venkatakrishnan's South African experience in leveraging the strength of its copper mines in the country. The company is due to start production at a big zinc mine in South Africa later this year. Moreover, there's talk of a merger between Vedanta and Anglo American Plc's South African business. Agarwal is already the largest shareholder of the international miner through his holding firm Volcan Investments.

According to Venkatakrishnan, Africa spells a huge opportunity, where Agarwal is the single biggest foreign investor. "Outlook is bright. I am very optimistic in terms of future," he said. The new CEO will be spending the next 90 days understanding the company, where he wants to "spend time right up to retirement" and leave a strong legacy.

Venkatakrishnan spent the last 18 years of his life with AngloGold, one of the world's biggest gold producers. He is known to have turned around the company's fortunes during his stint as the CEO. When he took over the reins in 2013, commodity prices were collapsing and debt was threatening to bury the firm. He not only brought down the company's total costs by 30% and nearly halved its debt, but also managed to improve the company's productivity. AngloGold completed two new mining projects in his tenure.

"The [Vedanta] group already has good cost savings measures in place and ambitious cost targets. I believe I can, with the experience that I have, bring an additional catalyst to the party..not that the group cannot achieve it without me," Venkatakrishnan told the daily.

However, Agarwal is seeking more than just tangible financial gains from his new CEO. "He [Venkatakrishnan] is a huge brand for safety all over the world and it will be one of his priorities to make sure that our consciousness for the environment shines through," Agarwal told the daily. "People will think twice before they put a finger [on the company] on the issue of environment and safety."

This comes against the backdrop of the increasing flak Vedanta has received from the government and local communities for flouting environmental norms in the past few years. Its anti-green image took a the latest hit in May after protests in Tuticorin - demanding closure of the 400,000-tonne copper smelting plant, on water pollution grounds - claimed 13 lives.

# 'PATIENT WAIT' CONTINUES FOR URANIUM MINING NOD

Will UCIL abandon Meghalaya project after closure of offices?

"Patience is not simply the ability to wait, it's how we behave while we're waiting," said Joyce Meyer, a Christian author and speaker.

Meyer's words seemed to have inspired the Uranium Corporation of India Limited (UCIL) to have more patience and wait till it gets the permission to mine uranium in Meghalaya's South West Khasi Hills, while it looks like the corporation is also on the verge of abandoning the uranium project.

It has been nearly two decades since the UCIL started showing interest in the Kylleng-Pyndengsohïong-Mawthabah (KMP) project, earlier known as Domïasiat uranium project.

Research and exploratory work revealed that Domiasiat is the largest sandstone-type uranium deposit in the country.

Perturbed over the delay in getting the mining lease and statutory permission from the Meghalaya government, the UCIL has decided to temporarily close down it offices in Shillong and Wahkaji village, near the KMP site. The distance between Wahkaji and Shillong is 132km.

However, UCIL, a central public sector undertaking, has made it clear that it would not abandon the project and will wait till it gets permission to mine uranium in Meghalaya.

But the decision to close down its offices in Meghalaya has sparked speculation whether the project would be "forgotten" for the Centre and the UCIL, since the anti-uranium groups, including the Khasi Students Union, have been vehemently opposing uranium mining for many years.

(Continued on Page 7…)

A letter of the UCIL dispatched to Shillong on August 29 on the subject "Vacating the UCIL's offices in Meghalaya" said, "As you are aware, the UCIL has started its mining activities in Meghalaya about 15 years back, but the UCIL has not received mining lease and statutory permission from the state government. Therefore, the UCIL has been compelled to temporarily close down its establishments in Meghalaya."

But the letter clearly mentioned that efforts are on for obtaining the mining lease and statutory permission from the state government. Through it, the UCIL conveyed to its staff in Shillong and Wahkaji that the offices will be used only if the required permission is received which would enable it to start its operations in Meghalaya.

The letter also said "dues payable to you as per the prevailing government rules will be paid by the UCIL in due course", while asking the staff to cooperate by vacating the offices in Meghalaya and shift all materials.

The letter also warned the staff that any hindrance will be viewed seriously and penalty imposed.

Company officials here remained tightlipped on the issue and claimed they were not aware if the decision to close down offices in Meghalaya would mean uranium mining will be abandoned. "Nothing can be concluded whether it is an indication that the proposed move to mine uranium would be abandoned. Permitting the UCIL to mine uranium is the decision of the state government and the Centre," a source said.

The Atomic Mineral Directorate for Exploration and Research in 1972 found evidence of uranium deposits in Domïasiat which was confirmed by 1996 after intensive drilling between 1992 and 1996. The UCIL, which is under the department of atomic energy, carries out uranium mining and processing.

The UCIL plan is to mine uranium by using the open pit method and it is estimated the KPM uranium deposits will last for 25 years.

## NTPC TO SET UP A SUBSIDIARY FOR COAL MINING SOON

Coal supply to power plants have been a pressing issue on the back of rising power demand and inadequate railway rakes to tansport the fuel.

State-owned power generation company NTPC is creating a separate coal mining subsidiary, a senior company official told FE. Niti Aaayog, the government think tank, has already approved the proposal and put forward its submission to the coal ministry. The issue is awaiting the coal ministry's approval, the official said, requesting anonymity.


The company has already started extracting coal from the Pakri Barwadih mine, and has set a production target of 6.3 million tonne from the block for FY19. Additionally, operation at the Dulanga mine has also started, which expects to produce 1.7 mt in the ongoing fiscal. Currently, NTPC is working on five captive blocks with a mining capacity of 56 mt per annum. The company has been allotted 10 blocks with potential to produce 111 mt of the fuel every year.

The company received 168.5 mt coal in FY18, which includes 0.32 mt of imports. Requirement for FY19 is estimated to be 196.3 mt. Under the government's recent policy on flexible utilisation of coal, NTPC can use the fuel according to the requirement and efficiency levels of power plants, notwithstanding the plant-wise allocations earmarked earlier.

Coal supply to power plants have been a pressing issue on the back of rising power demand and inadequate railway rakes to tansport the fuel.

As on August 12, as many as eight power plants had coal to last them for less than four days. NTPC is building a conveyor belt in the upcoming 1,980 MW North Karanpura power plant to transport coal from the nearby pit, which would help in allocating about 10 railway rakes to other plants located far away from the coal mines.

## INDIA TO PARTNER NIGERIA ON SOLID MINERALS EXPLORATION

As part of efforts to promote the cordial ties between Nigeria and India, the latter has promised to woo its investors to explore the country's mineral deposits.

India also said that it would ensure even-spread of investments between the two countries.

Nagabhushana Reddy, India's High Commissioner to Nigeria, stated this during an ambassadorial briefing, tagged: 'India-Nigeria Relations on the Eve of 60 Years of Diplomatic Engagement and 10 Principles of India-Africa Engagement Enunciated by Prime Minister, Narendra Modi,' in Lagos earlier in the week.

Reddy, who said that India's presence in mineral extraction in Nigeria was very minimal, added that the country was in consultation with the Federal Government, particularly with the Ministry of Mining, to see how its mining companies could gain entry into this area.

He noted that Nigeria was rich in solid minerals and there was a significantly new effort made in inviting the foreign partners to come and explore the mining sector.

While disclosing that very soon, the Nigerian Solid Minerals Week would hold in Abuja, the High Commissioner said that

(Continued on Page 8…)

Indian companies were encouraged to participate in the event so as to have a better understanding of the potential and eventually begin to come and invest in exploration of these mineral deposits.

He noted that "India is also working with the Ministry of Science and Technology, particularly Nigerian Space Agency (NASDAR), with a view to looking at how effectively the remote-sensing technology can be used in this area."

Using remote-sensing technology, which is satellite-driven, in the identification of solid minerals, he said, has benefitted India a lot because it manufactures an entire cycle of space- programme related components.

In this connection, Reddy noted, that one area where the two countries could work together was to look at remote-sensing technology, where the national efforts in identifying these resources, become more accurate and much more reliable in terms of data.

Reddy listed the 10 areas of engagement between the two countries as business, medical, education, cultural, agriculture, defence, diplomatic, energy, development and people-to-people connect.

The High Commissioner, who noted that India had offered space training programmes, expressed optimism that the way forward for progress of the relationship between the two countries was by promoting more industries in Nigeria, adding that the two countries' bilateral trade was largely in favour of Nigeria.

On India's contribution towards Nigeria's economic recovery and growth plan, Reddy noted that it was a very comprehensive and timely plan, which requires the collaboration of the two countries.

He said that India was the fastest growing economy in the world, with a strong industrial base and developing leadership in science and technology, adding that the two countries have a common understanding in the development issues.

## ORISSA HIGH COURT STOPS SUCCESSFUL BIDDERS OF IRON ORE BLOCKS FROM MINING

Essar Steel, Bhushan Steel & Bhushan Power & Steel were preferred bidders

Progress on three iron ore blocks auctioned in Odisha has hit a wall, with the Orissa High Court stalling the process. The court, in an interim order, has instructed the state government to restrain the successful bidders from carrying out mining activities.

The order is in response to a public interest litigation (PIL) filed last month by Chitta Ranjan Sahu. The petitioner had sought a stay on the bid process and outcome, with respect to the three blocks, alleging it contravened provisions of the Mines and Minerals — Development & Regulation (MMDR) Act, Mineral Auction Rules 2015, and Article 14 of the Constitution.

The petitioner had further pleaded to the court to direct the three successful bidders — Essar Steel, Bhushan Steel (BSL) and Bhushan Power & Steel (BPSL) — to produce all documents pertaining to the proceedings conducted by the Delhi bench of the National Company Law Tribunal (NCLT). Besides, the PIL had appealed for an interim order to carry out investigation and enquiry into financial statements and submissions, made on behalf of the bidders, by a committee of experts.

"We are aware of the High Court order and will be filing a counter-affidavit on September 1," said a state government official. The court had earlier observed that despite a stay order dated July 18, no counter-affidavit was filed.

The three steel firms, before bidding for the iron ore blocks, had defaulted on bank credit as they grappled with wrecked finances. While BSL has overcome insolvency woes after the acquisition of 72.65 per cent stake by Bamnipal Steel, a wholly-owned subsidiary of Tata Steel, the other two firms are still in the process of resolution.

The Ghoraburhani-Sagasahi iron ore block, with 99.54 million tonnes deposit, was the first to be put under electronic auctions by Odisha. Essar emerged as the preferred bidder and after the results of the online auction the state government issued a Letter of Intent (LoI) to the stressed steel company on

(Continued on Page 9…)

March 28, 2016. The steel maker has an accumulated debt of Rs450 billion.

The PIL alleged that despite deteriorating finances, the firm was allowed to participate in the auctions and went on bag the LoI. Quoting Clause 5 (b) of the tender document Ghoraburhani-Sagasahi iron ore block dated December 23, 2015, the petition stated the net worth of the bidder should exceed Rs7.40 billion to meet eligibility terms of the e-auctions.

For the other two blocks — Kalamanga West and Netrabandha Pahad — LoIs had been awarded to BSL and BPSL, respectively, on June 24, 2017. The NCLT orders for inclusion of insolvency professional and moratorium were delivered on July 26, 2017.

The petitioner said there had been gross violation of the provisions of law on part of the state government and its agencies, while allocating iron ore to entities whose financial viability was put to question.

"These instances are happening on the teeth of directions being passed by the Supreme Court, cautioning state governments to adopt mechanism of utmost transparency and integrity, while dealing with distribution of natural resources. The balance of convenience is against the respondents and in favour of public interest involved behind such arbitrary and illegal allocation of mines," the PIL stated.