

NOT FOR SALE



Geonesis

(A GEMCO KATI INITIATIVE)

Indian Mining & Exploration Updates

VOLUME 3, ISSUE 7

JUNE 2016

INDIA'S MINING INDUSTRY TURNING A CORNER



www.geonesis.org

[Linkedin /company/geonesis--a-gemcokati-company](https://www.linkedin.com/company/geonesis--a-gemcokati-company)

[f /geonesis](https://www.facebook.com/geonesis)



INDIA'S MINING INDUSTRY TURNING A CORNER

After several years of contraction, the Indian mining industry has turned the corner, marking a highlight of Prime Minister Narendra Modi's two years in office.

According to official data, the mining industry notched up 8.2% growth during the first eleven months of the 2015/16 financial year, which is now being touted as a considerable achievement by the Modi government against the backdrop of four consecutive years of contraction until 2014/15.

The mining industry also contributed significantly to bolstering the Index of Industrial Production (IIP), which registered an average growth of 2.6% during the first 11 months of the financial year. Mining has a 14% weightage in the IIP.

However, owing to the meltdown in global commodity prices, the mining industry's growth, in value terms, contracted about 11% during the period, even though in quantity terms, user industries showed an increase in the consumption of metallic minerals.

The Mines Ministry estimated that metallic minerals mined during the 11-month period increased to 170-million tons, from 140-million tons during corresponding months of the previous financial year.

"There has been a complete turnaround for the mining sector. The government expects mineral output to rise further during the current fiscal as six new mines allotted through the auction route became operational during the year and some mines closed down in the wake of a Supreme Court order would also

be coming back to production," Union Mines Secretary Balvinder Kumar said.

He added that the government was confident that mining production would increase even further, as 45 new mines would be up for auction and 17 would be up for re-bidding in the current financial year. According to Mines Ministry officials, the consolidation of growth of the mining sector would increasingly shift from the federal government to provincial governments, as the latter had been accorded the right to auction mineral blocks.

For example, the eastern Indian province of Odisha, which auctioned the first iron-ore block a few months ago, had lined up for auction another six mineral blocks during the July to August period and another seven mineral blocks in the next financial year.

The mineral blocks up for auction over the next few months included two iron-ore, three limestone and a bauxite deposit. To bring on board all provinces and expedite auction of mineral blocks, Mines Minister Nar-

endra Singh Tomar met with provincial Ministers in charge of mining in their respective geographies on Friday.

Key issues up for discussion would be readiness of the provinces in conducting e-auction of major mineral blocks, the management of the District Mineral Fund, the National Mineral Exploration Fund, pan-India effectiveness in monitoring illegal mining and early adoption of information technology in administration of the mining sector.



INDIA TO MERGE UNDERGROUND COAL MINES TO DEPLOY LONGWALL MINING METHODS

To facilitate the induction of modern mining technology and equipment, India's Coal Ministry is looking at merging underground mines in the same geographies and moving away from a trend of converting underground mines to opencast ones.

An official in Coal India Limited's (CIL's) technical consultancy arm, Central Mine Planning and Design Institute Limited, said that one of the biggest impediments to modernising underground mines was that the country did not have large areas of contiguous underground coal deposits, which made it difficult to deploy longwall mining technology.

Longwall mining methods were introduced through ambitious projects in the 1970s and 80s, but failed to achieve the desired results, owing to the fragmented nature of underground coal deposits.

The official said that there was a renewed focus on updating underground mining technology, and this time, the merger of underground mines, rather than the conversion to opencast operations, would be made a prerequisite to such investments.

The Coal Ministry had made the development of underground mines a key priority to increase India's coal production to one-billion tons a year by 2020, from 566-million tons a year at present.

However, officials acknowledged the challenge, pointing out that over the past decade, the contribution of coal production from underground mines to the total production had fallen from 16.3% to 8.8%.

A blueprint drawn up by CIL had laid down the contours for developing underground mines through the adoption of mass

(Continued on page 2)...

production systems, such as continuous miner and longwall technology.

The miner had proposed entering into risk-sharing arrangements with equipment suppliers, which would be required to guarantee benchmarked levels of production and maintenance of equipment. Other measures proposed included the replacement of manual loading with side discharge loaders and load haul dumpers in tandem with conveyors.

The Coal Ministry had appointed a mining consultant to conduct a fresh survey and prepare a report on underground mines, which could be merged to form a larger contiguous coal block.



Officials said that the consultant had completed the survey and submitted a report, which had identified at least 45 underground mines that would be amenable to such a merger.

The officials acknowledged that any such merger would necessitate acquisition of land that currently divided existing mines and, as in most cases in India, acquiring land would prove to be a protracted process.

However, to circumvent the time taken to acquire such land, the Prime Minister's office was working on a proposal that would exempt companies from securing federal government approvals and forest clearances in the case that land separating adjoining mines was forested.

AUCTION SYSTEM FOR MINES INTRODUCED IN JANUARY 2015 HAS ENDED THE ERA OF CORRUPTION, FAVOURITISM AND NEPOTISM IN MINING: SHRI NARENDRA SINGH TOMAR

A National meet of Mining Ministers chaired by Union Steel & Mines Minister Sh. N. S. Tomar was held in Jaipur today. In his key note address, Shri Tomar said, "States must come forward to join the Central Government in enhancing contribution of Mining sector in GDP of the country from present level of 2.4%. Mineral exploration initiatives can be owned by state governments as more exploration can lead to more mining, which can result in employment generation and economic growth. Ministry of Mines has signed MOU with ISRO for use of space technologies in mining sector and states must take advantage of this opportunity."

The States must make efforts to ensure that mining leases granted before MMDR Amendment, get Forest and Environment clearances by January 2017 deadline to prevent lapsing of leases, Shri Tomar said.

The Mines Minister further said that the auction system for mines introduced in January 2015 has ended the era of corruption, favoritism and nepotism in mining. To further improve the image of this sector, we need to set up District Mineral Foundations at the earliest so that development of areas and welfare of people affected by mining can begin in earnest through Prime Minister Khanij Kshetra Kalyan Yojna.

State governments must start using provisions of amended MMDR Act pertaining to curbing illegal mining to set deterrent examples. Though ultimate aim should be to create an environment where miners themselves understand

, own and fulfill their socio-economic responsibilities. For this purpose, we have launched Star Rating System for Mines to recognize self-driven top performers who adhere to best practices.

Secretary, Mines, Government of India Sh. Balvender Kumar asked state government representatives to work on setting up District Mineral Foundations, considering star rating systems



and formulating rules in respect of minor minerals in tune with major minerals. He informed that National Mineral Exploration Policy is likely to be notified in next couple of months. He shared details of initiatives taken by the central government to facilitate exploration and mining in the country. These include consent by Ministry of Defence to relax restrictions on baseline geoscientific data in public domain, coordination with MOD and DGCA for faster accord of Survey/ flight related approvals and environment clearance related guidelines based on tree canopy percentage which would be issued shortly.

Mining Ministers from nine states, who are holding charge of Mining in the respective states participated in the meeting. These include Chhattisgarh, Haryana, Karnataka, Madhya Pradesh, Odisha, Punjab, Rajasthan, Uttar Pradesh and Nagaland.

More than 60 senior level delegates from Ministry of Mines, 25 States and other government departments also participated in the meeting. The day long workshop had various sessions, addresses and interaction by Mining Ministers of States and technical session with senior officers of the States

INDIAN BANKS TO HURT FROM WEAKNESS IN METALS, MINING: MOODY'S

Global rating agency Moody's expects banks in the Asia-Pacific region (excluding Japan) to feel the ripple effects of the problems in commodities-related sector.

The asset quality and profitability of banks in Mongolia, Singapore, Korea, Indonesia and India are exposed to the more vulnerable parts of the energy/commodity sectors, such as oil services, offshore marine, shipping and shipbuilders, and metals & mining and steel, says the Moody's report.

"For metals and mining, banks in Mongolia, India, Indonesia and China are more exposed," says the report.

Moody's expects 2016 to be another challenging year for metals and mining firms, leading to higher problem loans and weak recoveries for existing problem and restructured loans. "Indian steelmakers will stay under pressure due to the glut in regional supplies and the fall in steel prices,"



says the report, adding that the recent improvement in prices was largely driven by speculative trading and inventory shortages. The rating agency does not expect the improvements in the steel prices to persist in the second half of this calendar.

"Nonetheless, for major Indian steel mills like Tata Steel and JSW Steel, the ramp-up of new steel production capacity, resumption of captive iron ore production, and the government's introduction of minimum import prices will help them mitigate earnings pressure in 2016," says the report.

State-owned banks in India had a brutal March quarter, with the likes of Bank of Baroda, Bank of India and Punjab National posting huge losses. Gross non-performing asset of the 38 out of 39 listed banking climbing to Rs 5.7 lakh crore,

INDIA TO BE AMONG NATIONS WITH BEST MINING DATA

India will soon figure among the best nations in terms of availability of data for mineral exploration, following the defence ministry's move to lift restrictions on dissemination of digital data that had discouraged private investment in the sector.

The ministry has relaxed, with certain riders, restrictions imposed by it in a circular issued in 1969 that prohibited sharing of digital details for security reasons, a senior mines ministry official said.

"With the defence ministry removing restrictions and the mines ministry preparing to upload about 6,000 digitised reports pertaining to mines, India will be on a par with the best in the world," the official said, requesting not to be identified.

The digital map of more than 98% of the country is available on a desired scale, but it is accessible only to government agencies and has not been made public. So far, India has been able to carry out only 10% regional mineral exploration while countries such as Australia, which have similar geological endowment, have completed 100% of exploration.

The relaxation from the defence ministry will benefit the

government's new mineral exploration policy under which it proposes to offer large tracts of land to private and public explorers. The policy proposes to incentivise explorers in case reserves are established and indemnify them when reserves are not found

Easy access to baseline data, geological, geochemical, geophysical and mineral exploration data in digital format is required to attract explorers, the official said. The new mineral policy proposes creation of a national geoscientific data repository by Geological Survey of India containing all baseline and mineral exploration information generated by various government agencies and mineral concession holders.

The new policy aims to replace the earlier method of awarding reconnaissance permits by the government to private firms for preliminary prospecting of a mineral through regional, aerial, geophysical or geochemical surveys and geological mapping. The method failed, with only about 15 of the 401 reconnaissance permits issued during the 14-year period since 2001 converted to prospecting licences.

Meanwhile, Karnataka has issued tenders to auction 14 iron ore

(Continued on page 4)...



Follow us On
LinkedIn

<https://www.linkedin.com/company/geonesis--a-gemcokati-company>

Or Scan This
QR Code



mines. Mines secretary Balvinder Kumar said Karnataka has through Cabinet approval amended stamp duty rules. Earlier the duty was chargeable on auction proceeds and would have run into crores of rupees.

Madhya Pradesh has already put on offer four mines including one diamond mine and three limestone blocks, for which the last date of submission of interest is June 6. Rajasthan is soon likely to offer eight limestone blocks

COMPREHENSIVE APPROACH NEEDED TO SUSTAIN GROWTH OF MINING INDUSTRY

To sustain growth of the mining industry in the country, there is a need for a comprehensive approach so that the potential benefits of the sector are realised, according to the Minister of State for Steel & Mines, Vishnu Deo Sai.

Inaugurating the Assocham conference on mining in Odisha yesterday, Sai said minerals are indispensable in the modern society and mining activities enable access to the much needed minerals. Mining industry is one of the core sectors and is a barometer of overall health of the economy and industrial output. A vibrant mining industry is a bedrock of any industrial nation particularly when it is endowed with huge mineral potential as in the case of India. The rationale extends to Odisha which is one of the major states in India, both in terms of mining output and industrial production.

However, mining in India is beset with uneconomical scale and limited mechanisation & automation. T K Chand, chairman, Assocham National Council on Mines and Minerals, and CMD of Nalco, said, "Mining in India has tremendous potential to grow manifold. For actualisation of this



potential mining has to be done scientifically conforming to sustainability parameters to unleash benefits to the people."

While the industry has come a long way in terms of technology upgradation and modernisation, there is still lot of potential left for improvement. It is apparent in terms of the average size of mines in India, safety standards and overall viability of mines. The number of mines which reported mineral production - excluding minor minerals, petroleum (crude), natural gas and atomic minerals - in India was 3318 in FY2015 as against 3722 in the previous financial year. Of the 3318 reporting mines, 173 mines were located in Odisha. The average size of the mines in Odisha is equally small as in the other states in India. While it is understood that this assessment is dependent on the mineral (for example, gold vs coal) and the underlying geology, the fact cannot be done away with that India needs to take decisive steps towards modernisation of its mining industry.

According to Prafulla Kumar Malik, Minister of State for Steel and Mines, Odisha is also the first state in the country to issue rules for the District Mineral Foundation (DMF) - a body created to bring far reaching changes in India's mining regulations, MMDR Act. The new rules however, raised some concerns as they have failed to define any role for the mining companies who are among the major stakeholders and will be significantly impacted by the operations of the new regulations. While declined in mineral production has been the general trend in the country, faster decline in the state warrants a closer look at the state specific issues affecting mineral production in the country.

As per the recent amendment of MMDR Act, 2015, the transfer of mineral concessions will be allowed only for concessions which

are granted through auction. However, there is no provision for transfer of mining lease and prospecting licenses (captive mines) which were allocated earlier on first come - first serve basis.

The National Mineral Policy recognises that extraction of mineral closely impacts other natural resources like land, water, air and forest. The areas in which minerals occur often have other resources, presenting a choice of utilisation of the resources. Some such areas are ecologically fragile and some are biologically rich. It is necessary to take a comprehensive view to facilitate

the choice or order of land use keeping in view the needs of development as well as needs of protecting the forests, environment and ecology.

Prevention and mitigation of adverse environmental effects due to mining of minerals and repairing and re-vegetation of the affected forest area and land covered by trees in accordance with the latest internationally acceptable norms and modern afforestation practices needs to form an integral part of mine development strategy in every instance.

Stressing that Odisha has immense potential if it can leverage its mineral resources effectively and with urgency, Abhijit Pati, CEO - Aluminium Business, Vedanta Ltd, said, "The need of the hour is to have a better mining governance by attracting the best in mining with state of the art technology, knowledge and skill set. We have to negate the notion of 'Prosperity underneath and poverty above' in context of Odisha."

GOVERNMENT WORKING ON PAN-INDIA SURVEILLANCE NETWORK TO CURB ILLEGAL MINING MENACE

Mines Ministry is working on a pan-Indian surveillance network leveraging space technology to curb the menace of illegal mining in the country.

The Bhaskaracharya Institute of Space Applications and Geo-Informatics (BISAG) under the Department of Communications and IT (DEITY) is developing the technology for the system, a senior government official said.

The Mining Surveillance System (MSS) for major minerals is being developed with the help of BISAG to curb illegal mining with the use of space technology, he added.

Mines Ministry has now asked the states to provide the available digitised lease-wise information for all major mineral leases in their areas for expediting the development of MSS, the official said.

Conforming the development, another official said the issue will also be taken up at the high-level State Mining Ministers'



meeting, which will be chaired by Steel and Mines Minister Narendra Singh Tomar, later this month.

The Centre has also strengthened penal provisions to check illegal mining in the country.

The penal provisions for illegal mining cases under Section 21 have been enhanced to a maximum penalty of Rs 5 lakh and jail term of 5 years.

According to the latest government data, 48,467 illegal mining cases of major and minor minerals have been registered in April-September 2015-16. This is against 97,149 in 2014-15,

88,689 in 2013-14 and 98,597 in 2012-13.

As per the action taken report, 14,458 FIRs have been filed, 43,091 cases lodged in various courts, 1,81 lakh vehicles seized and about Rs 1,170 crore realised by states during 2012-13 and April-September 2015-16.

INDIA TO CHARGE PREMIUM FOR TRANSFER OF MINING RIGHTS

The Indian government has said a company acquiring mining rights from another firm will be charged 80 percent of royalty as premium if the acreage was originally obtained without bidding.

The 80 percent charge will be on top of royalty that the new mining lease holder will pay to the state, the government said in an order on Wednesday.

"When a mine is auctioned an additional premium has to be paid on royalty. This premium has been imposed using the same analogy," Mines Secretary Balvinder Kumar told Reuters.

India last month approved an amendment to the mining law, allowing the transfer of mines rights, mainly aimed at helping companies sell limestone mining licences along with their cement plants.

However, the government had not notified charges to be paid by the acquirer of the mining lease on top of royalty to the state government.

India has auctioned six mines and is likely to put up another 50-60 mines for bidding this year, Kumar said at an industry event.

SAFETY CONCERNS: INSIDE INDIA'S MINES, A WORKER DIES EVERY 10 DAYS

Progressive improvements in the safety standard of India's coal mines notwithstanding, every ten days last year there was a mining fatality in the country. And every third day last year, on an average, there was a serious accident in the coal mining sector – making it arguably the most dangerous profession in India.

Official estimates show that the average fatality rate and the number of serious accidents have been coming down (see chart). That may be a cold comfort for policy makers

considering that for extracting 100 million tonnes of coal, seven lives were lost on an average in 2015. Considering last fiscal's coal production target of 700 million tonnes, the annual fatality rate works out to nearly 50 for the 12 months, of which, a majority were accidents involving roof falls and the collapse of the side walls of a mine. An uptick in the economy, experts point out, could invariably lead to increased pressure on Indian mining utilities to ramp up output, prompting calls for re-evaluating the safety of those toiling deep in the bowels of the earth.

(Continued on page 6)...

Alongside ship-breaking, mining has the distinction of being the most dangerous profession in India, as is the case in a number of developing economies such as China and Brazil. Industry insiders, including senior officers employed by the world’s largest coal miner, state-owned Coal India Ltd, concede that official numbers could be much lower than the actual deaths that take place deep inside the mines.

India produces 89 minerals by operating 569 coal mines, 67 oil and gas mines, 1,770 non-coal mines, and several more small mines, running into over a lakh, all of which translate into direct employment of about 1 million on a daily average basis and an overall sector contribution of about 5 per cent to the country’s gross domestic product. However, the fact that disasters strike at regular intervals in coal mines and some of the metalliferous mines – iron ore, soapstone and granite mines – is a pointer to the Indian mining industry’s abysmal safety record and the failure of its utilities to learn from the ‘standard operating procedures’ (SoPs) implemented in countries such as Australia, the US and even China.

Plus, the frequency of incidents has increased in the recent years, as flagged by the National Human Rights Commission (NHRC) in its 2014 report titled ‘Views on Mine Safety in India’ and highlighted by the death of 15 miners in Meghalaya on July 6, 2012, after they were trapped in a collapsed mine at Nangalbira in South Garo Hills for seven days. When it comes to coal mining accidents, India has a higher proportion of deaths resulting from strata fall (or fall of the roof and sides of underground mines) than from the use of explosives, which account for the bulk of the accidents in countries such as China and the US.

Between 2009 and 2013, there have been 752 documented fatalities in mining operations in India, according to the Office of Directorate General of Mines Safety, Ministry of Labour and Employment. These include accidents at mines run by state-owned CIL, Neyveli Lignite Corporation and Singareni Collieries.

One of the reasons why the Coal Mines (Nationalisation) Act was enacted in 1973, taking over private sector mines, was their poor safety records. Yet, work at public sector mines remains a highly dangerous.

The Directorate General of Mines Safety figures suggest fatality rate of 0.21 in India, down from 0.36 about five years ago. Lack

of investment in coal mines is cited as one of the main reasons for the high casualties. Accidents during surface transport by heavy machinery in open-cast mines, apart from the use of explosives, are the other key reasons.

Though employees of state-owned coal firms are governed by the same set of rules as, say, those of Air India, payout rates in case of accidents are low. The compensation for injuries or death rarely crosses Rs 10 lakh.

In its July 2014 report, the NHRC mentioned the need for the mining sector to gain exposure to best practices from across the world, including using scientific ‘training need assessment’ for officers and workers, developing effective training delivery mechanisms

and working on comprehensive specialised training on accident investigation.

The inherent dangers ensure that deaths in mines are not just a phenomenon in India but can occur in even the safest of working environments. In 2010, explosions in the Pike River Mine in New Zealand and the Upper Big Branch mine in West Virginia, the US, killed a total of 29 men.

In India, though, the problems stem from issues such as the causes of accidents and the contravention of statutory provisions during inspections repeating themselves. Moreover, miners are exposed to a number of hazards that adversely affect their health, including dust, noise, heat and humidity.

The problem of inadequate compensation is another debilitating factor, as documented in the report dated April 17, 2013 by the Parliamentary Standing Committee on safety in coal mines.

Time Period	Average fatal accident		Average serious accidents		Average fatality rate		Avg serious injury rate	
	Accidents	Fatalities	Accidents	Injuries	Per MT	Per 3 lakh man shifts	Per MT	Per 3 lakh man shifts
1975-79	157	196	1,224	1278	2.18	0.44	14.24	2.89
1980-84	122	143	1,018	1065	1.29	0.3	9.75	2.26
1985-89	133	150	550	571	0.98	0.3	3.7	1.15
1990-94	120	145	525	558	0.69	0.3	2.7	1.19
1995-99	98	124	481	513	0.5	0.29	2.06	1.14
2000-04	68	82	499	526	0.28	0.22	1.8	1.47
2005-09	60	80	328	339	0.22	0.25	0.92	1.04
2010-14	56	62	219	228	0.14	0.23	0.49	0.8
2015	37	37	135	141	0.07	0.15	0.27	0.56

Source: Ministry of Coal



Like our official Facebook page:

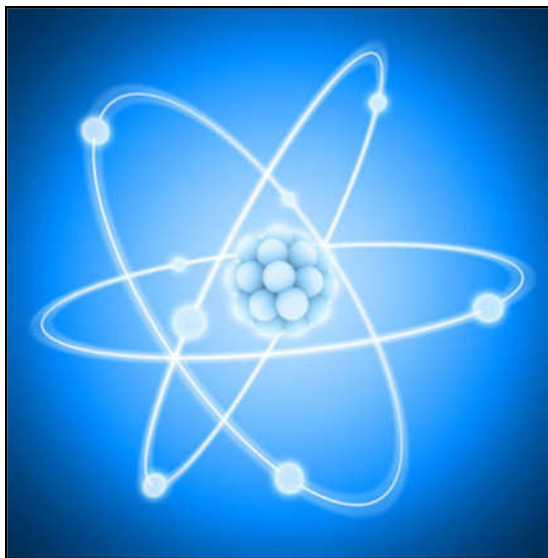
<https://www.facebook.com/geonesis>

'INDIA SHOULD EXPLORE POTENTIAL AREAS FOR URANIUM MINING'

The country has many potential areas for uranium and other atomic minerals and if explored, we can identify more uranium resources which will facilitate installing additional nuclear reactors, said Atomic Energy Commission Chairman and Secretary, Department of Atomic Energy, Shekar Basu here on Friday.

He was speaking at the inauguration of the new office-cum-residential complex for south central region and Bhabha Atomic Research Centre (BARC) training school at Cherlapally. The Atomic Minerals Directorate (AMD) Director, A.K. Rai, said the new facility will strengthen the human resources of the organisation.

Dr. Basu also inaugurated the in-house facility of 'modern centralised national core library' within the complex for the benefit of students, scholars and academicians for the study of mineralisation of different uranium deposits in the country under the single facility.



The south central region has estimated uranium deposits of 20,000 tonnes in the areas of Chitrial, Lambapur and Peddaguttu in Telangana and Koppunuru in Andhra Pradesh. Nuclear Fuel

Complex chairman N. Saibaba, Uranium Corporation of India Ltd MD D. Acharya, ECIL CMD P. Sudhakar and others were present, a press release said. Earlier, Dr. Basu, hailed the contribution of ECIL towards lending a helping hand to the underprivileged and marginalised sections of the society, at a function held here on Friday. As part of Corporate Social Responsibility (CSR) activity, ECIL has built classrooms, toilets, desks, computers for government schools in Kamalanagar, Nagavaram, Rampally and Chiryal - recognised as best schools by the Telangana government, a press release said. Anjali from Zilla Parishad High School (ZPHS) of Nagavaram and Yasmin Khatoon from

ZPHS Rampally narrated how their school infrastructure was on par with the corporate schools now.

INDIA FACES IRON-ORE GLUT DESPITE MINE CLOSURES

India is facing an oversupply of iron-ore fines and lumps, despite half of the country's iron-ore mines having been closed.

Out of the country's 518 iron-ore mines, 267 were not operational on May 1, information from the Mines Ministry showed.

Among the reasons for large numbers of mines remaining shut included expiry of existing mining leases, a delay in the renewal of lapsed leases, the absence of environmental clearances as per new guidelines of the Supreme Court and small mines turning unviable under depressed prices.

However, far from resulting in a shortage of supply, India faced a glut of iron-ore fines and lumps, with production from operational mines expected to hit the 180-million-ton mark in the current financial year, with additional carryover stock estimated at 150-million tons. The rising stockpile had come despite a 63% fall in imports during 2015/16 at 5.6-million tons, with miners apprehending a problem of plenty in the months

ahead, a Ministry official has said.

The stockpile on March 31, 2015 had been pegged at 128-million tons, while total iron-ore production in 2015/16 was estimated at 155-million tons.

However, according to the Federation of Indian Mineral Industries (FIMI), the representative body of miners, the production forecast for the current financial year was conservative and could be exceeded considering the headroom available in provinces like Odisha and Karnataka to step up production over the next few months.

FIMI officials pointed out that mines in Odisha were operating at less than 50% capacity. The Environment Ministry had set an aggregate cap on production from the province at 80-million tons a year and if miners' demand for a hike in the cap was acceded, iron-ore production from Odisha alone had the potential of increasing to 100-million tons in the current financial year.

MINES MINISTRY TRIBUNAL TELLS ODISHA TO RECONSIDER 56 LEASE LAPSE ORDERS

A revision authority of the mines ministry has asked the Odisha government to reconsider its order declaring that leases for 56 mines have lapsed, in the light of a recent Supreme Court clarification.

The Supreme Court had last month clarified that mining leases that had not been worked for two years would not automatically lapse in the absence of specific order by state authorities.

Citing this order, the mines ministry's revision authority has asked the Odisha to make sure it has provided lease holders a chance to prove that their mines had not been worked for two years for reasons beyond their control.

"In accordance with the apex court direction, now it is clear position that lapsing is not an automatic provision and cause of discontinuation of mining operation has to be preceded by scrutiny and

(Continued on page 8)...

steps fulfilling the maxim of natural justice," it said in its order dated May 11.

The affected leases were mostly for iron ore mines and included Malda lease of Tata Steel.

In January 2015, the Narendra Modi government had amended laws allowing existing mining leases to continue until 2020, if commercial, or 2030 if captive. This was at a time when the Supreme Court was hearing a PIL alleging illegal mining in Odisha.

When the mining laws were changed the Odisha government was, under SC's orders, in the process of renewing leases of mines being run under a deemed provision.

It renewed some leases before the 2015 amendments and sent lapsing notices to some others, that it hoped to eventually put up for auction.

A senior official of Odisha's mining department, who asked not to be named, said the department had considered the merits of individual cases before issuing the lapsing orders and thus its orders were in line with what the SC had clarified.

The affected mine owners though disagree. "The state government's order was not only arbitrary but clearly misconceived and intended to frustrate the Ordinance of 2015, and post Ordinance orders were illegal and unwarranted. The submissions of the lessees that the concept of auto lapsing was flawed was finally approved by the Supreme Court," said Ashok Parija, senior advocate representing Tata Steel in the matter.

The mines in question include those of Orissa Minerals Development Corporation, Ferro Alloys Corporation (FACOR), Fee-grade, Rungta and Sons, Serajuddin, and DC Dagara.

Source ET

COAL MINISTRY ALLOCATES THREE LIGNITE BLOCKS IN RAJASTHAN

The Coal Ministry has allocated three lignite blocks in Rajasthan to three companies. The allocations were made through Screening Committee route under Section 3 of the Coal Mines (Nationalisation) Act, 1973 (CMN Act).

The Ministry has allocated the Mandal Charan lignite block,

located in to Indure Pvt Ltd; Indawar lignite block to Nandlal Enterprises; and Nimbri Chandavadan lignite block Binani Cement, said the Ministry in a notification.

All these three lignite blocks are allocated to the aforementioned companies for captive mining.

JSW STEEL IN TALKS WITH SANDUR MANGANESE FOR LONG-TERM IRON ORE SUPPLY

India's JSW Steel Ltd, the flagship company of steel tycoon Sajjan Jindal, has started talks with Sandur Manganese about a long-term iron ore supply agreement, a company official said on Wednesday.

These discussions are a part of the company's efforts to ensure iron ore availability for its 18 million tonne (mt) steel capacity which is spread across three locations in India.

"We are going to have a long-term tie-up with them (Sandur Manganese) for supply of iron ore. They have a capacity of 1.6 mt now, but they can reach up to 3 mt," Vinod Nowal, deputy managing director of JSW Steel, told Reuters.

"Discussions are still going on and we want to tie-up for the entire 3 mt," he added.

A top ranking official from Sandur Manganese confirmed that it was in talks with JSW Steel but said no decision has been reached until now. He spoke on condition of anonymity. JSW will also be bidding aggressively in an iron ore mine auction in

July in the southern-western state of Karnataka, Nowal added.

It needs 30 million tonnes of iron ore annually to produce 18 million tonnes of steel. JSW Steel is India's biggest steel company in terms of domestic capacity but unlike companies such as Steel Authority of India Ltd and Tata Steel Ltd, it does not have access to its own iron ore mines -- one of the most important raw material required for viable steel making. The group has operations across steel, power, ports and cement businesses across India. It has bid for Tata Steel UK's assets and is among one of the seven short-listed companies. The mines of Sandur Manganese are located in the Bellary district and are very close to JSW Steel's Vijayanagar unit, according to Sandur's website.

For the quarter ended March 2016, the company posted a consolidated net profit of 1.71 billion rupees (\$25.5 million), up from 623.8 million rupees a year ago. It posted net sales of 104 billion rupees, which came down by 15 percent mainly on the back of lower steel prices

DISCLAIMER: This is a compilation of various news appeared in different sources. In this issue we have tried to do an honest compilation. This edition is exclusively for information purpose and not for any commercial use. Your suggestions are most valuable.

Your suggestions and feedback is awaited at :-

editor@geonesis.org