

Govt. to start auctioning of minerals by year end with 70 leases planned for first phase

NEW DELHI, 19 November 2015: The government will start auctioning of minerals by year end with approximately 70 leases planned for the first phase. The states are now finalizing the modalities for the process. Mineral Exploration Corporation Limited (MECL) has prepared nearly 58 geological reports of detailed exploration, which will be offered to state governments to help them expedite the auction process.

This was stated by **Mr. Vishnu Deo Sai, Minister of State for Steel & Mines, Government of India**, in his message which was read out at a **FICCI conference on 'Indian Mining Industry: A Landscape of New Opportunities'**. The conference was held in the backdrop of the Amended Mines and Minerals (Development and Regulation) Act 2015.

Mr. Sai said that in years to come mining is expected to be a key industry attracting huge investments (both domestic and foreign) thereby generating additional employment. Today, growth in isolation is not possible. Neither is it desirable. "We must start looking overseas for mining assets acquisition to gain global competitive advantage. There should be more of exchange visits and participation in international mining events to increase the exchange of information, best practices and technology transfer while promoting the skill development and joint ventures", he said, adding that this would go a long way in fulfilling the demand for various metals and minerals which will grow by 4-5 times over the medium term perspective in the country; with a targeted contribution of 5-6% of mining industry to the Indian GDP in next decade.

Mr. Sai said that A National Mineral Exploration Trust has been set up to enhance mineral exploration in the country. And the District Mineral Fund has been created for the benefit of the society affected by the mineral operations.

While highlighting the initiatives of the government to give a thrust to the mining sector in his keynote address, **Mr. Balvinder Kumar, Secretary, Ministry of Mines, Government of India**, said that the draft exploration policy which is in the public domain would be revised soon to include some critical aspects. Mining was a distressed sector at present but the government was committed to usher in a new era of reforms to revive the sector, which started with the amendment of MMDR Act, he added. Mr. Kumar said that the government was also gearing up MECL and Geological Survey of India (GSI) to give more blocks for auction.

Mr. Kumar said that private sector needed to step up to facilitate exploration. The government was working out a detailed plan to allow private players to actively participate in exploration and for this, at present, two options were being considered. One was to earmark blocks of large areas and offered to parties for exploration. Then the chosen party after exploration would auction the block to the state government and the state would share the production cost of the exploration by giving them a fixed return on the premium for an agreed tenure. In the second option, a lump sum amount would be offered to the exploration company on attractive returns. He added that if after exploration no extraction block is found, then the exploration party would be free to sell data.

Mr. Kumar said that concession on custom duty was also being considered to allow import of exploration equipment in the country. Also, MECL and State PSUs would be encouraged to enter into joint ventures with global players for exploration. He added that separate policy for deep seated minerals such as diamond and gold was being considered which would lead to amendment in MMDR Act.

Mr. Sudhaker Shukla, Economic Adviser, Ministry of Mines, Government of India, said that mining was an integral part for the economy as it provided raw material for smooth functioning of the manufacturing sector. Hence, there was a need for the stakeholders to work in tandem. He added the policy on mines was in pace for boosting exploration and facilitating the sector.

In his theme address, **Mr. Tuhin Mukherjee, Managing Director, Essel Mining & Industries Ltd and Chair, FICCI Mining Committee**, said that the Central government had amended the MMDR Act to revamp the sector. Now the onus was on the state governments to take forward the agenda by implementing transparent auctioning of blocks.

Representatives from the state governments **Mr. P K Gera, Managing Director, Gujarat Minerals Development Corporation Ltd; Mr. Mohan Lal, Resident Commissioner, Goa; and Ms. Reena Babasaheb Kangale, Director, Mineral Resources Department, Government of Chhattisgarh**, showcased the investment opportunities in mining in their respective states.

The conference was also addressed by **Mr. Chanakya Choudhary, Group Director (Corporate Communication & Regulatory Affairs), Tata Steel Ltd and Co-Chair, FICCI Mining Committee** and **Dr. A Didar Singh, Secretary General, FICCI**.

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