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SC IMPOSES 100% PENALTY ON ILLEGAL MINING IN ODISHA

GOVT CANCELS FIFTH ROUND OF COAL MINES AUCTION ON POOR RESPONSE

INDIA TO LOOK TO JUNIOR MINERS TO BOOST PRIVATE INVESTMENT IN EXPLORATION

Close on the heels of India's Mines Ministry propagating private-public-partnership (PPP) model contracts to boost private capital into mineral exploration, the government is now looking to invite international mining juniors to fill the void in private investment.

The Mines Ministry is preparing to invite about 30 to 40mining juniors to submit proposals, after which a shortlist will be drawn up. Provincial governments will then select international companies to float PPP special purpose vehicles for exploration projects, senior government officials have said.

It has been pointed out that the Mines Ministry will act as the facilitator in identifying international mining juniors offering the best exploration solutions and investment proposals, as not all provincial governments are equipped to make necessary assessments in international markets.

The move to woo mining juniors comes in the wake of Mines Minister Piyush Goyal advocating the PPP model to attract higher private investments into mineral exploration. "The PPP model could be tried to give fillip to Indian mineral exploration which is currently constrained by lack of private sector participation in the activity," Goyal said last week. "The time is ripe to reflect on where we have gone wrong," he said.

Though not officially acknowledged, sources say that despite the liberalisation of investment norms through the Mines, Minerals Development (Regulation Act) 2015 and permission for 100% foreign direct investment in the miningand minerals sectors, international majors have failed to make any significant commitments in India.

Despite several rounds of presentations, pitches and meetings held by the Mines Ministry, international majors like BHP Billiton, Vale, Rio Tinto and Glencore are yet to open shop in this country.

The sources said that several organisations, including the Federation of Indian Mineral Industries, have brought to the attention of the government that policy weaknesses are hindering foreign direct investments in domestic mining and exploration projects. Citing an example, the sources said that as per existing policy, any holder of nonexclusive reconnaissance permits cannot automatically have a claim for a composite mining licence. The sources said that without any preferential claim accruing to a holder of a nonexclusive reconnaissance permit to a composite licence in the case of establishing a viable deposit, no international major will be willing to commit foreign direct investments in the country.

The mining industry points out that no country resorts to the auction of a mineral asset once an exploration project has established a viable deposit and that 'first come, first served' is the global practice.

It is clear from the lack of interest from international majors that securing mining licences through competitive bidding at auction does not find acceptance among private investors, the sources add.

NOW GOVT. WANTS PPP MODEL TO INCREASE MINING EXPLORATION

Union Minister of State for Power, Coal, New & Renewable Energy and Mines Piyush Goyal on Tuesday suggested introduction of a PPP model for giving a fillip to mineral exploration in the country

Union Minister of State for Power, Coal, New & Renewable Energy and Mines Piyush Goyal on Tuesday suggested introduction of a PPP model for giving a fillip to mineral exploration in the country.

"The time was ripe to reflect on where we had gone wrong and suggested a PPP model could be tried out for giving a fillip to mineral exploration," said Piyush Goyal while inaugurating a conference on 'Indian Mining Industry 2030 - Way Forward' organized byFicci and Ministry of Mines Goyal.

Underlining the need to step up mineral exploration in the country that is currently constrained due to lack of private sector participation in the activity, he urged FICCI to set up a committee comprising young mining aspirants to develop a position paper to speed up exploration activities.

This committee should look at innovative ways to bring down the time of actual operation of mine after it is put up for auction, thus enabling the sector to make a quantum jump.

Addressing the industry's concerns, the minister said that high value, strategic and import substitution minerals were the priority minerals for exploration for making India self-sufficient in minerals.

However, speaking on junior explorers, Goyal said that 20 to 40 juniors specializing in mining could be invited to India and a system could be worked out to benefit all the stakeholders.

He assured the industry that the issue of wide differences in stamp duty in various states would be addressed by the government in consultation with the State Governments.

Also, mapping would be undertaken and data on minerals would be updated for making an accurate assessment of mineral reserves in the country.

On the occasion, a FICCI-KPMG report titled, 'Mines & Minerals Development: Way Forward' was unveiled by the Minister and other dignitaries.

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The report suggests an action plan for achieving mineral security in the country by 2030; enhancing exploration activity; bridging skill gap in the sector; strengthening mining in states; and making the sector backbone of 'Make in India' through 'Mine in India'.

Arun Kumar, Secretary, Ministry of Mines, while addressing the issue of Part B un-notified minerals in the new Act said that a meeting was being held to look into the issue and clarified that the government will not support G2 exploration for them. He added that the industry, government and public were the three stakeholders in the project for taking the sector and country forward. "For the steel industry to maintain its competitiveness it was necessary that the prices of raw materials remained competitive. Though iron ore was cheap and India had a large market but the high capital and logistics cost was affecting the sector's efficiency".

He added that "steel industry was in crisis some years back but in the last three years, the industry has experienced a positive trend with an increase in export and decrease in imports," said Joint Secretary, Ministry of Steel, Syedain Abbasi.

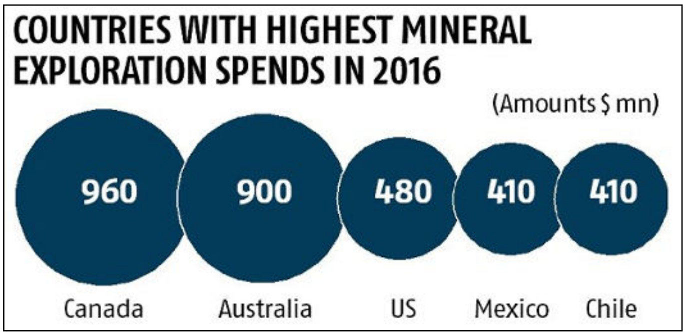
Tuhin Mukherjee, Managing Director, Essel Mining & Industries Ltd and Chair, FICCI Mining Committee said in his concluding remarks that there was a need to relook at the present processes and work out an innovative business model while focusing on asset management. Also, governance and workforce collaboration was needed in the sector and energy and environment issues needed to be addressed with the help of technology.

Dr. A Didar Singh, Secretary General, FICCI, said that mineral security was as essential as energy and food security for the economic growth of the country and the private sector has a critical role to accelerate the pace of growth of mining sector.

SKEWED POLICY KEEPS FOREIGN MINERS AWAY FROM EXPLORATION IN INDIA

Lack of enabling provisions and some restrictive conditions in the policy are reasons behind it Lack of enabling provisions and some restrictive conditions in the country's National Mineral Exploration Policy (NMEP) appear to be keeping foreign mining majors away from India.

No mining or exploration company from abroad is on the approved list of the National Mineral ExplorationTrust, despite the fact that it had floated an expression of interest for the selection of such companies.



The Federation of Indian Mineral Industries (Fimi) blames this situation on some restrictive provisions in the Mineral (Non-Exclusive Reconnaissance Permits) Rules, 2015.

According to these rules, the holder of a non-exclusive reconnaissance permit (NERP) cannot stake a claim for the grant of any composite licence or mining lease.Besides, grant of an NERP cannot restrain any state government from notifying the entire area, or part of such area, for grant of a mining lease or composite licence. If there is such a notification, the NERP would get terminated automatically.

"With such rules in place, no private company or foreign direct investment (FDI) will come for exploration. This is not the practice in other resource-rich nations, where exploration companies have more flexibility," said R K Sharma, secretary-general of Fimi.

The body suggests the following measures as a remedy to this situation

1. Allow seamless conversion of NERPs into a mining licence or composite licence and freedom to sell this to any buyer.

2. Grant autonomy to an NERP holder to enter into a joint venture or partnership with anybody along with the security of tenure.

3. Provide for renewal of the lease if a mineral is still available in the deposit.

4. After the issue of an NERP in favour of a party, no area within this ambit can be auctioned by the government.

A report titled 'Indian mineral exploration' by consultancy EY India says, traditionally, most mining countries have adopted a 'first-come-first-served' principle in granting exploration rights. With provision for automatic transfer from a prospecting to a mining lease.

To address the best exploration talent available globally, the report suggests the government address issues such as availability of risk capital for exploration, balanced scope and deliverables from explorers, the risk-reward equation through a revenue-sharing mechanism, impact of economic cycles, exploration in existing areas, adequacy of budget allocation and supportive taxation.

The country's exploration expenditure is estimated at around $17 a sq km as against China's at $56 and Brazil's at $35.

India is also among the least explored countries in the world, with a budget of only $15 million a yaer in 2016, as against $960 million for Canada and $900 million in Australia. There is hardly any foreign direct investment (FDI) in the mining sector, though it was opened up for 100 per cent FDI as far back as the year 2000. Fimi says the remedy lies in inviting exploration companies with technology and financial strength to undertake the risk-laden work.

GOVT REPEALS FIFTH ROUND OF COAL MINES AUCTION ON LOW RESPONSE

The government rendered its coal mines auction invalid, terminating the tenders for all its six mines, after recording a limp response from the bidders.

The government rendered its coal mines auction invalid, terminating the tenders for all its six mines, after recording a limp response from the bidders.

The government notified in a release that the tender process for coal mines which were being auctioned under the 5th tranche is terminated in accordance with Clause 3.3.2(b) of the tender document.

According to various reports, the coal blocks auction was annulled in the light of slumped growth in the steel industry that consequentially dampened the response from bidders.

The six coal blocks put up for auction in the fifth round consisted of five coal blocks in Jharkhand and one coal block in Madhya Pradesh.The six coal mines being, Brahmadih, Choritand Tiliaya, Jogeshwar and Khas Jogeshwar, Rabodih OCP and Rohne in Jharkhand, and Urtan North in Madhya Pradesh.

In December 2015, the government had also repealed the fourth tranche of coal mine auctions which was planned for January 2016 on the account of slumped response from bidders, low commodity prices and unfavourable market conditions.

SC IMPOSES 100% PENALTY ON ILLEGAL MINING IN ODISHA

A two-member apex court bench comprising Justice Madan B Lokur and Justice Deepak Gupta asked the companies, which have been served the demand notice by the Odisha government, to deposit the due on or before December 31.

In what could be a major blow to the mining companies involved in illegal operations in Odisha, the Supreme Court on Wednesday imposed 100% penalty on mining lease holders operating without necessary clearances in the state.

A two-member apex court bench comprising Justice Madan B Lokur and Justice Deepak Gupta asked the companies, which have been served the demand notice by the Odisha government, to deposit the due on or before December 31.

While the state government imposed about Rs 60,000 crore penalty on mines for illegal mining between 2000 and 2010, the Central Empowered Committee, appointed by the apex court, has recommended that at least 30% notional value may be realised from the mining companies.

"The amounts determined as due from all the mining lease holders should be deposited by them on or before December 31, 2017. Subject to and only after compliance with statutory requirements and full payment of compensation and other dues, the mining lease holders can re-start their mining operations," the court said.

The court's direction came on the basis of a Public Interest Litigation filed by the watchdog group Common Cause, which demanded action against lessees that had been pointed out as violating the law by the Justice MB Shah Commission on illegal mining.

The bench also refrained to direct a CBI inquiry into the mining scam in Odisha.

It suggested formation of an exert Committee headed by a retired Supreme Court judge to look into the factors that made rampant illegal mining possible in Odisha and elsewhere.

"For the present, we do not propose to direct an investigation or inquiry by the CBI for the reason that what is of immediate concern is to learn lessons from the past so that rapacious mining operations are not repeated in any other part of the country."

"This can be achieved through the identification of lapses and finding solutions to the problems that are faced," said the court.

The court also directed the Centre to have a fresh look at the National Mineral Policy, 2008 and complete the exercise by December 31.

The Odisha government has maintained that it would realise the penalty from the lease holders for excess mining after taking legal opinion on the Supreme Court order.

"We had imposed a fine on the excess production of minerals for mining beyond approved limit. Even though the court has ordered for 100% fine, we have to examine the court order. We will take legal opinion over this. We would recover the amount from the mining companies by December 31," said mines director Deepak Mohanty.

He, however, did not disclose what would be the amount to be realised from the lessees. He said the department may revisit the

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demand notice sent to the mining companies after legal consultation.

Reacting to the court order, Eastern Zonal Mining Association (EZMA) general secretary Prabodh Mohanty said since out of 187 mines, 102 are closed, the lease holders are not in a position to pay the penalty to the state government. “We are examining the court order. If required, we may move the Supreme Court and file a review petition in this regard,” said Mohanty.

MINISTRY TO BRING OUT PROPOSED DRAFT CHANGES TO MINERAL AUCTION RULES

The union mines ministry will bring out proposed draft changes to the Mineral Auction Rules, 2015 within August with a view to make mineral block auctions more effective thereby removing small glitches highlighted by bidders and industry associations at a meeting held last month, a top ministry official said at anASSOCHAM event in Delhi on Friday.

"When we put it out on the net, there will be again an occasion to give in your suggestions," said Arun Kumar, secretary, Ministry of Mines while inaugurating ASSOCHAM India Mining Summit 2017.

On the issue of environment clearance, Kumar informed that Mines Ministry has given 20-page suggestions on how the environment can be protected and rules can be made to expedite the mining process. "So more with a view to streamline the procedure we have given those suggestions and we will be taking it up with theMinistry of Environment so that simplification and cutting down on delay should be passed on," he said.

On the issues pertaining to change in definition of captive, he said that captive definition will stay for the existing leases but for auctions the Ministry will see how it can tweak the system legally to allow for a certain percentage of the minerals to be traded as well.

"I would like to say that captive as a definition for the existing leases has been put in the Act and I do not see, in the very short or medium term, the Act changing and therefore the definition of the captive will remain as it is," said Kumar.

"However for end use stipulations, which the states are putting now for auctions, we want to examine and see whether we can make it more flexible, because if you are getting an auction, you are paying for the material as per the terms of the auction," he added.

Conceding there is a need to focus more and speed up exploration, but it is not that dismal as has been pointed out. "The Government is very serious to accelerate exploration, we are well aware of those deficiencies and we are trying to address them."

On the issue of number of blocks coming forth for auction and pricing, he said that pricing has been aggressive for 29 blocks in relation to the quantum of mineral which was on the block.

"That is the whole purpose of auctions, the industry chooses the price which they feel is fair to bid and I certainly cannot or anyone for that matter would not like to put a ceiling which would again tend to have issues of allegations of favouritism because everyone would be at that level and so the only way left then is to have a computer-generated lot, which again would not be very suitable for various reasons," said Kumar.

The ministry is also concerned about speeding up the pace of auctions. "For that purpose, the Ministry has had various consultations, while some states like Karnataka, Rajasthan, Odisha, Gujarat have really rolled it out. There are other states that have not rolled it out in the desired manner."

Adding that the Ministry has identified the most-potential district in the states that have not rolled it out in the desired manner and has sent GSI (Geological Survey of India) and IBM officers to sit in those districts and make out blocks.

"We will have a report by September and with that data, the state government will be more responsive, so against 21 blocks auctioned out by the end of March, by this approach, we hope to achieve the target of having 100 blocks auctioned in 2017-18," further said Kumar.

More so, as with a report, map and co-ordinates, the state bureaucracy would find it very difficult to say that there is no data availability. "As and when more blocks come-in, there would be more fair competition and more reasonable bids," he added.

Talking about the issue of 2020, he said the ministry held discussion with the states on June 2 and had asked the states to give a plan of action by September.

"We would be insisting that the existing leases, do their exploration, give those reports and we would be requesting the states to see that those blocks are auctioned out before January 1, 2020 and formalities which need to be done can be taken in hand for a smooth transition," said the secretary.

Though the Centre has overall responsibility for mineral administration, the actual administration takes place in the states as the minerals belong to them. "So, subject to state government clearances, we are very open to notifying additional limits under 6(1)(b)."

On the issue of price control, he said "I think, industry should realise that there can be no artificial way in which prices should be controlled because it is going to be an auction scenario and the person who had bid for the auction has bid on the open market expectations."

He added, "There is no scarcity, there is enough material available and therefore I do not see a rationale for price controls." As far as major minerals are concerned, India is a net exporting country and shall continue in this regard.

INDIA TO GIVE CAPTIVE MINING DEFINITION MORE FLEXIBILITY

India's Mines Ministry will put out draft amendments to the Mineral Auction Rules 2015, which will make it easier for bidders to participate in mineral block auctions and will also tweak the definition of captive mining.

According to a Ministry official, the draft amendments will be published for public discussion later this month. Input has already been sought from industry.

One of the most significant proposed changes will be the definition of captive mining as currently stated in the rules. The definition and current restrictions will remain unchanged for existing mining leases, but the government plans to incorporate a more flexible definition for newmining leases granted through auctions. Under current rules, a captive mining leaseholder is only permitted to use the production for its own linked end-use. However, citing examples from captive thermal coal blocks, a Mines Ministry official says that in many cases, a thermalpower company does not optimise production from its captive mine beyond the fuel requirement of its linked thermal power plant, resulting in suboptimal miningoperations. Hence, the government aims to allow several captive mining lease holders, particularly on coal, to engage in merchant trade of the production that is excess to their requirements. With the introduction of private enterprises in the coalmining industry earlier this year, the Mines Ministry also believes that there is little rationale to have two categories of miners in the coal sector. It was pointed out that since both categories are securing coal blocks under the same auction rules and since the price is determined through competitive bidding, both are paying for the same materials, but one category is restricted in terms of the sale of production.

Meanwhile, on the slow pace of auctions, the Mines Ministry has held a series of consultations with mineral-bearing states and has sought a report on the status of various stages of exploration of blocks that could be put up for auction in the current financial year.

Once the report is ready next month, the Mines Ministry will draw up a list of blocks and forward them to provinces to expedite their allocation through auctions.

By March this year, various provinces had auctioned 21 mineral blocks and the Mines Ministry will push the provinces to achieve a target auction of 100 blocks by March 2018, the official says.

GOVERNMENT TO TAKE LEGAL ADVICE ON SC ORDER ON ILLEGAL MINING

Uncertain about the quantum of penalty to be collected from mining lease holders for extraction of minerals in violation of norms, the State Government has convened a meeting on August 8 to discuss the Supreme Court order on illegal mining."We will take a decision on the issue after consulting legal experts. We are analysing legal aspects of the apex court's judgment. The whole amount can be assessed by next week. The judgment will impact Odisha Mining Corporation (OMC) among others," Chief Secretary AP Padhi said.The State Government has imposed a penalty of `2,142 crore on OMC for excess mining of ore and violation of forest and environmental norms.

The Supreme Court has noted that notices have been issued in 146 cases to various lease holders for recovery of mined ore as per Section 21(5) of the MMDR Act.In the Koira circle, notices have been issued to 55 lessees for recovery of more than `13,000 crore while in Joda circle, 72 lessees have to pay over `44,000 crore.Similarly, notices were issued to four lessees in Keonjhar circle for recovery of about `1,065 crore, three in Koraput for `44 crore and one in Balangir for recovery of `29.5 crore.In Baripada circle, notices were issued to 11 lessees for recovery of more than `467 crore. The State Government had issued notices to the lessees for recovery of more than `59,000 crore.

According to the CEC, the total notional value of minerals produced without an environmental clearance or in excess of the environmental clearance at the weighted average price of minerals as proposed by the Indian Bureau of Mines (IBM) comes to about `17,091.24 crore for iron ore and about ` 484.92 crore for manganese ore making a total of `17,576.16 crore.Meanwhile, the BJP accused the State Government of creating confusion on the amount of fine to be imposed to protect the interests of the erring mining companies."It is clearly mentioned on page 29 of the Supreme Court judgment that Odisha

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Government has issued notice to lessees to recover a total `59,000 crore. Why is the State Government creating confusion again?," wondered State BJP general secretary Bhrugu Baxipatra.

He alleged that the Government is creating confusion over the content of page 16 of the judgment copy which only mentions `17,576 crore penalty for violations pertaining to environmental clearances.

Refuting the BJP allegations, Minister of State for Steel and Mines Prafulla Mallick said there is no confusion in it and the Government's stand is clear. Strict action will be initiated as per the court order.

GOA GOVERNMENT DISPUTES MINING SCAM LOSS FIGURE OF RS 35,000 CRORE

The Goa government has disputed a judicial commission's projection of Rs 35,000-crore loss caused due to illegal mining in the state from 2005 to 2012.

Chief Minister Manohar Parrikar today told the assembly the figure of estimated loss due to illegal mining put out by the Justice M B Shah Commission was not correct.

"As such, the assumed figure of about Rs 35,000 crore loss based upon lease encroachment was found to be not correctly projected," he said.

Parrikar said the state government has not yet completed investigations into mining illegalities which took place during that period (2005-2012).

Illegal acts were being investigated on a case-to-case basis, he added. Parrikar said the CAG has not quantified loss from 88 operational leases.

"The commission has directed the government to assess, with the help of experts, the actual loss caused to the state from each mine and other illegal mining activities based on ground realities," he said, responding to a question tabled by Leader of Opposition Chandrakant Kavlekar (Congress).

Iron ore extraction in Goa was stopped in September 2012 by the Supreme Court after the commission, which probed the mining scam, submitted its report. The apex court lifted the ban two years later but put several riders.

HOW SAJJAN JINDAL, TATA GROUP MAY GAIN FROM ACQUIRING STRESSED STEEL ASSETS

Three of the four steelmakers identified by the central bank for insolvency proceedings may attract stronger peers for their assets if valuations are attractive, rating agency ICRA Ltd. said.

Bhushan Steel Ltd., Monnet Ispat & Energy Ltd., Essar Steel Ltd. and Electrosteel Steels Ltd., among the 12 companies referred for resolution under the new bankruptcy law, contribute half of the steel sector's bad loans.

JSW Steel Ltd. has already expressed its interest in Monnet Ispat, with State Bank of India Ltd., which heads the lenders' consortium, objecting to a deal in its current form.

The Sajjan Jindal-led company had also submitted a Rs 25,000-crore bid to banks for the debt-laden Bhushan Steel in January, Business Standard had reported.

The company had informed exchanges that it continues to look for organic and inorganic opportunities to achieve its long-term vision.

JSW Steel and Tata Steel Ltd. are probably the only two Indian companies in a position to acquire the distressed assets, Rakesh Arora, market expert and a long-time watcher of the metals sector, had said in June. BloombergQuint looks at which of these are the best fit for JSW Steel and Tata Steel.

Why JSW Steel

JSW Steel has a record of acquiring and turning around stressed assets. Ispat Steel that it bought in 2010 is a case in point. The company has created a war chest of $1 billion to acquire stressed assets in the steel sector, PTI quoted Jindal as saying on the sidelines of the company's annual general meeting last month.

Jindal, the company's chairman and managing director, had told BloombergQuint in an interview in January that a majority of the steel assets in India are up for sale and JSW Steel hopes to ink a deal over the next six to eight months.

The company plans to spend Rs 26,815 crore on capex over three years, Seshagiri Rao, joint managing director and group chief financial officer, had told BloombergQuint after the earnings for the quarter ended March.

Why Jindal Is Looking At Bhushan Steel

Bhushan Steel, just like JSW Steel, makes value-added automotive steel products. It manufactures flat products, hot rolled and cold rolled coil, besides a galvanised coil and sheet line. Hyundai Motors India Ltd., Ford Motors India, Mahindra & Mahindra Ltd., Eicher Tractors and Ashok Leyland are among its clients.

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SW Steel has 18 million tonnes per annum capacity in the west and south – Maharashtra, Karnataka and Tamil Nadu – while Bhushan Steel has a 5.6 MTPA plant in Odisha.

A potential acquisition of Bhushan Steel would help JSW Steel increase its market share in high-end customised automotive products and improve realisations, said Chakraborthy.

JSW Steel Eyeing Monnet's Assets

Monnet Ispat has a plant with 1.5 MTPA capacity near Chhattisgarh's capital Raipur.

JSW Steel had in March made an offer to buy a controlling stake in the debt-laden steelmaker through the strategic debt restructuring route, PTI had reported.

Monnet Ispat has a business portfolio of manufacturing and marketing sponge iron, steel and ferro alloys. It's also engaged mining coal and iron ore. Acquiring Monnet will help JSW Steel establish its presence in central India

Jayant Acharya, director, commercial and marketing at JSW Steel, in reply to BloombergQuint's emailed query, said it was too premature to comment and the company was still assessing the possibility of taking over any of the stressed assets.

Why Tata Steel May Consider Essar Steel

Tata Steel is predominantly present in the east where it is looking to ramp up capacity. It has a 13 MTPA capacity in Odisha and Jharkhand. Essar Steel, however, has a 10 MTPA integrated steel facility in the west – Hazira, Gujarat.

Essar Steel has a large capacity in the flat steel segment with a coastal plant. A prospective buyer therefore would consider the geographical presence and product mix of Essar Steel and see what strategic fit that will have with the acquirer's management objectives for growth.

Jayanta Roy, Senior Vice-President, ICRA

Besides providing capacity in the west, the plant could help improve Tata Steel's revenues from exports. Costs of importing coking coal are also cheaper since it is located close to a port.

Acquiring Essar Steel may not bring as much synergy for JSW Steel, which already has 5 MTPA capacity in Dolvi, Maharashtra and plans to spend Rs 15,000 crore to double it by 2020.

A potential buyer will need to consider the technology and raw material mix used in Essar Steel's plant since its steel making operations reportedly faced challenges because of input-related issues, said Roy.

TO BOOST MINING IN RAJASTHAN, GOVERNMENT RELAXES LICENCE NORMS

To encourage mining in the state, government relaxed the license fee of quarry and mining leases and reduced payment of premium fee from 50 years to just one year by amending Rajasthan minor mineral concession rules (2017), As per the new amendments, holders of the Letters of Intent (LoI) or clearance certificates would have to pay yearly premium dead rent (minimum royalty per year) or license fee only once during the lease period instead of 50 years. It would be charged at 2.5 times of the license fee. According to the officials decision was taken as this charge was too hefty for the lease owners.

Providing another major relaxation, performance security for the mining leases and quary licenses, which was 100% of the license fee or dead rent in the rules of 2017, has now been halved. This is expected to benefit thousands of mines licensees.

In accordance with the intent of Center, the state government declared to save the LoIs issued on khatedari land or those issued through the draw of lottery such. Earlier there was no such provision. It will benefit more than 500 LoI holders are likely to benefit from this move.

Along with it scheduled dead rent would be charged from the newly approved mines only while old license-holders would continue paying dead rent as per the previous rates upto August 31, 2017. In the previously announced rules of 2017, dead rent was scheduled to be charged from March 1, 2017 onwards on all old and new mines leases.

For old license holders Dead Rent would be revised from September 1, 2017 onwards and the charges for it would be either double of old Dead Rent or the new scheduled rate, whichever is less. In the amended rules, royalty on bricks of non-commercial uses has now been forgiven. This would be relief for those who make bricks for their own use in the rural areas.

Also, the maximum amount of premium to be charged from the miner for transfer of ownership in the name of her or his spouse or children had been reduced from 10 lakh to 50,000 rupees. Against the previous provision of yearly advanced payment, government has now allowed a miner to now pay the dead rent in four quarterly installments.

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