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## WITH A BILLION TONNE OF IRON ORE RESERVES, SAJJAN JINDAL FINALLY HAS HIS ARMOUR FULL

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## WITH A BILLION TONNE OF IRON ORE RESERVES, SAJJAN JINDAL FINALLY HAS HIS ARMOUR FULL

Even though Sajjan Jindal had led JSW Steel to the numero uno position of the Indian steel industry, topping Tata Steel, there was still one chink in his armour; something that had been rankling him since he commissioned the company's first unit in Karnataka's Viyanagar, in 1997.

It was this: JSW Steel didn't have its own iron ore mines.

That was a gaping hole for a business where having your own iron ore reserves meant lower costs and a much higher margin, something Tata Steel had been enjoying for over a century. Even Jindal's younger brother Naveen Jindal had seen the market capitalisation of his Jindal Power & Steel going through the roof in 2008, thanks to its power business and considerable mining assets.

Yes, in the last two years, JSW Steel had made some progress. Through auctions in Karnataka, it now owns six iron ore mines in the state. But these are small, with a combined annual production of up to eight million tonne. They would meet about 35 percent of the company's iron ore needs.



But on January 31, even as rest of the India Inc was busy reading the details of Economic Survey and looking forward to the Union Budget, news came that JSW Steel had won the Nuagaon mine in Odisha.

It was a major victory. JSW Steel had outbid scores of other competitors, including ArcelorMittal, Tata Steel and the Adani Group. The mine was the largest among those was on the block, with a reserves of around 790 MT. That is higher than the combined reserves of rest of the mines on offer.

These mines were auctioned by the state, ahead of March 31, when their leases would have expired.

Put together, JSW Steel now has access to about a billion tonne of iron ore.

"Both wins in Odisha, will give JSW Steel an annual supply of around 22 MT of captive iron ore for its plants. The C-category mines in Karnataka are now fully operational. So, around 30 MT of iron ore are now readily available to meet the company's requirements," said a senior industry executive.

The mines now make the steelmaker nearly, completely self-sufficient in its iron ore needs, as it can immediately start sourcing the raw material from the Odisha mines, which are operational.

To produce a tonne of steel, around 1.5 to 1.6 tonne of iron ore is needed.

But Jindal can't sit easy, not yet.

He is currently expanding JSW Steel's capacity. Later this year, 5 MT of additional capacity will come into use at the company's Dolvi facility. And if its acquisition of Bhushan Power & Steel materialises, then that will add another 3.5 MT of steel capacity. These will increase its iron ore requirement.

Can Jindal win a few more mines from the auctions in Odisha? In total, 18 mines are being auctioned. Though he has already got control of the jewel of the lot, the remaining mines have a combined reserves of about 500 MT. He will surely try to get as many as possible.

Also, JSW Steel doesn't have coal mines, either. On the other hand, Tata Steel has enough to meet at least half of its coal requirement. Jindal would be looking to bridge this gap too.

investors who could help make the vital sector efficient. Earlier only state-run miners such as the mammoth Coal India, or steel mills and power plants that use coal were allowed to lease and mine the mineral. Open trade in coal was also a strictly taboo subject. Though technically 100% FDI was allowed in coal, none of the big global players such as BHP

## OPENING UP COAL MINING WELCOME, BUT WILL IT HELP?

This week's Cabinet decision was prompted by the fact that India's coal imports were rising sharply though we have the fifth largest global coal reserves estimated at 319 billion metric tons.

In a welcome move, the Cabinet has opened up coal mining to all players without any of the old command economy restrictions in a bid to attract more investors, especially large

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Billiton, Peabody Energy and Arch Coal were interested in coming to India due to the restrictions.

This week's Cabinet decision was prompted by the fact that India's coal imports were rising sharply though we have the fifth largest global coal reserves estimated at 319 billion metric tons. Between April-Nov 2019, India imported 161 MT of coal. The number has been rising every year and is on course to rise by 33% this year compared to imports three years ago.

However, there is no guarantee that this move would enthruse large multinational miners to flock here. For one there is no clarity on pricing. Will firms be free to set prices or will it be done by a state authority? Without a remunerative price, few would be willing to invest billions of dollars in the latest mining techniques. Further, miners have to currently pay huge



amounts upfront to get a mine after winning an auction. This is such a big damper that auctions in the last few years either drew a blank or had a tepid response.

Despite promises for a single-window clearance, multiple layers of permissions from many agencies including the state government are needed, making starting mining operations an arduous task. The other problem is that coal has a 'dirty fuel' tag and few global lenders are willing to put their money into the sector. Under these circumstances we may see Coal India being

replaced by local business houses without the much-needed flow of foreign investment and technology into the sector that could perk up production and improve the quality of coal sold in India.

## MINING SECTOR'S GDP SHARE SEES DECLINE DUE TO DISRUPTIONS IN GOA, KARNATAKA

Closure of mines and disruptions due to changes in legislations has thrown the sector out of gear, curtailing production and endangering jobs

The contribution of mining sector to the country's GDP has been on a steady decline primarily on intermittent disruptions in operative mines in the key producing states of Odisha, Karnataka and Goa.

From a share of 1.93 per cent in FY13, the mining sector's contribution to the GDP has substantively declined to 1.63 per cent in FY19. The share of mining sector to India's GDP is woeful compared with South Africa (7.5 per cent) and Australia (6.99 per cent).

Closure of mines and disruptions due to changes in legislations has thrown the sector out of gear, curtailing production and endangering jobs. An analysis by the Federation of Indian Mineral Industries (Fimi) reveals that despite its immense employment potential, the mining sector has witnessed massive job losses. The combined job losses both direct and indirect, as a fallout of mining bans in Karnataka and Goa is pegged at 1.28 million. In 2011, 166 mines in Karnataka concentrated in Bellary, Chitradurga and Tumkur, had faced shutdown. Goa has faced a total closure in mining operations since March 15, 2018 after a sweeping order of the Supreme Court declared operations of 88 mines working under the 'deemed extension' clause illegal. Likewise, in Odisha, scores of mines found it profoundly difficult to sustain operations after the apex court ordered payment of hefty compensation worked out by the SC-appointed central empowered committee (CEC). Mine leaseholders in Odisha were asked to pay up Rs 17576 crore for overproduction beyond the approved statutory limits.

Mining sector boasts of the highest employment elasticity after construction (1.13 per cent) and real estate (0.66 per cent). With an employment elasticity of 0.52 per cent, mining has the potential to create 13 times the jobs created by agriculture and six times over manufacturing for every one per cent growth in GDP.

Another appalling trend is the escalating imports of minerals since 2014-15. At the end of 2017-18, imports of minerals and metals excluding coal and gold were valued at Rs 4.91 trillion, four times over the domestic production worth Rs 1.12 trillion.

India is a net importer of an array of minerals - copper ores and concentrates, platinum alloys, nickel ores, diamond, gold, tungsten ores & concentrates, asbestos, flourspar, cadmium, silver, molybdenum, rutile, coal, graphite and others. The country has 100 per cent import dependence on copper ores and concentrates, platinum alloys, nickel ores, diamond, gold and tungsten ores & concentrates.

Despite being endowed with a repository of minerals, India has not been able to tap the potential wealth. India ranks among the least explored countries compared to other leading resource rich nations and mining jurisdictions. Only 10 per cent of the country's Obvious Geological Potential (OGP) has been explored of which a measly 1.5 per cent is mined.

In terms of exploration spending too, India occupies the lowest rungs in the pecking order dominated by Chile, Australia, Canada, United States, China and Brazil. Data by Fimi shows that in FY16, FY17 and FY18, India incurred Rs 13 crore, Rs 15 crore and Rs 17 crore respectively on mineral exploration.

## BUDGET 2020 DASHES HOPES OF MINING SECTOR WITH NO REFORMS OR DUTY CUTS

India's low grade bauxite have become unviable for the producers in international trade

The Budget for 2020-21 has dealt a body blow to the expectations of the mining sector. The sector is almost untouched with no reforms or duty cuts announced.

“The Budget has failed to provide any relief to the mining sector. None of our concerns raised in the run up to the Budget have been addressed”, said RK Sharma, secretary general at Federation of Indian Mineral Industries (Fimi).

Ahead of the Budget for 2020-21, Fimi had sought waiver of the steep duty of 30 per cent on exports of baser grade iron ore up to 62 per cent Fe. In its pre-Budget memorandum submitted to the Union finance ministry, Fimi held that the inventory of iron ore at mines heads had climbed to 162.85 million tonnes (as on March 31, 2019).



A preponderance of this accumulated ore is in Odisha and Jharkhand. Most of the iron ore comprises Fe grade between 58 and 62 per cent, the exports of which still attract 30 per cent duty while duty has been exempted for iron ore up to 58 per cent Fe grade.

Fimi had also pitched for exemption of the existing 15 per cent duty on exports of non-metallurgical grade bauxite. India has ample availability of inferior grade bauxite- the production of the mineral ore trumps the domestic demand. Low grade bauxite is mostly mined in Gujarat and Maharashtra. Besides effective utilization and conservation of the mineral resource, exports of low grade bauxite have helped the country in amassing foreign exchange. But due to levy

of 15 per cent export tax, India's low grade bauxite have become unviable for the producers in international trade, leading to

## AUCTIONS FAIL TO GET MINE BLOCKS RUNNING, ONLY FIVE LEASES INKED IN 5 YEARS

Analysis by Fimi shows how auctions have lulled mining from virgin blocks

Five years into the amendment of the Mines and Minerals (Development & Regulation) Act and enunciation of Mineral Auction Rules in 2015, mining leases (ML) have been executed for only five mineral blocks.

What's disquieting is that all are brownfield blocks and no virgin block has been opened up for mining yet.

This is in glaring contrast to the pace of mineral concessions awarded and MLs executed in the pre-auction regime. In its latest publication titled 'Indian Mining: A Synopsis', Federation of Indian Mineral Industries (Fimi) notes that before introduction of auctions to award mineral assets, 2754 MLs were executed between 2006 and 2010, most of which were greenfield blocks. Though the count dwindled in the period from 2010 to 2014, still 494 ML deeds were executed.

To this date, 70 freehold or virgin mineral blocks across states have been put to online auctions since 2015-16. The estimated value of these resources is Rs 2.52 trillion and the host states



are tipped to gain total revenue worth Rs 2.02 trillion over the lease period spanning 50 years. But, the euphoria on auctions has not generated the alacrity on getting these blocks mining ready.

“What has held back the opening of the virgin mineral blocks is the labyrinth of clearances that the new lessees have to obtain.

Though the Union government has set up the Post-Auction Mining Clearances and Approvals Facilitator (PAMCAF), an inter-ministerial group to hasten clearances, it hasn't proved to be of much help. And, in some case, there have been unexpected problems cropping up like successful bidding firms turning insolvent”, said a mining industry source.

In Odisha, the first three iron ore blocks to be successfully auctioned - Ghoraburhani-Sagasahi, Kamalang (West) and Netrabandha Pahar have gone to companies that turned bankrupt and were admitted to the National Company Law Tribunal (NCLT). Of the three, the resolution of Essar Steel and Bhushan Steel Ltd (BSL) have been completed under an NCLT monitored process. The other firm - Bhushan Power & Steel Ltd (BPSL) is still in the throes of insolvency

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resolution.

Fimi, however, believes that auctions have halted extraction of minerals from new blocks. Data compiled by the mineral body illustrates that India is among the chosen few mineral rich nations or jurisdictions where auctions are the preferred method of grant of mineral assets. Most resource rich nation still swear by the time honoured First Come First Served (FCFS) allotments.

China, for example, has mix of both auctions and FCFS allotments. FCFS is meant for unexplored areas whereas auctions are applicable only to explored mineral deposits. Leases are

granted for tenures ranging from 10 to 30 years depending on the quantum of deposits. Mozambique follows the same strategy as China's granting mineral blocks for 25 years with provision to renew by another 25 years.

Indonesia has the auctions regime for metallic minerals and coal. For non-metallic and rock minerals, FCFS is still the preferred option. Peru has mainly the FCFS system in place and auctions are invoked only if multiple applications are filed simultaneously on overlapping mining areas. Brazil conducts auctions only for cancelled mineral blocks.

## SC ADMITS PETITIONS OF 2 FIRMS SEEKING MINING RESUMPTION

The Supreme Court has issued notices to the concerned parties including the Goa government on petitions filed by two mining firms seeking resumption of mining operations in the state as per lease renewal period of 50 years under the Mines and Mineral (Development and Regulation) Act.

As per the Goa, Daman and Diu Mining Concession Abolition Act, 1987, the 50-year period of mining lease renewal will expire in 2037 and the petitioners - Vedanta and Geetabala Parulekar - have sought resumption of mining as per the 1987 Act.

The apex court has issued notices to the concerned parties including the Goa government in the mining lease extension matter for 50 years and scheduled the next hearing after four weeks.

Solicitor General of India Tushar Mehta will appear for the state government and the central government. Vedanta will be

represented by senior advocate P S Narsimha and team, while senior advocate Shyam Divan and team will represent Parulekar.

Advocate General of Goa Devidas Pangam told this daily that the state government has received notice from the apex court on the mining matter. He said that the Goa government will file its reply as soon as possible.

Mining operations have come to a halt in the state since March 2018 after the apex court quashed 88 leases and banned extraction of fresh iron ore.

Interestingly, the review petition filed by the state government is already before the apex court.

Goa Mining People's Front (GMPF), an umbrella body of mining dependants, has also been demanding amendment to MMDR Act, 1957, or Goa Daman and Diu Mining Concession Abolition Act, 1987 to allow renewal of leases till 2037.

## 'NO GOING BACK' — AUSTRALIA SAYS ADANI'S \$16BN COAL MINE PROJECT SET TO BE OPERATIONAL

Outgoing Australian High Commissioner to India Harinder Sidhu says work on Adani's Carmichael coal mine project has started, also asks India to reconsider RCEP.

The controversial \$16 billion Carmichael coal mine project by Indian mining giant Adani will be operational soon, Australia said Wednesday.

The renewed commitment to the mega project comes amid fresh questions by critics and activists following the raging bushfire crisis faced by Scott Morrison's government.

The outgoing Australian High Commissioner to India,

Harinder Sidhu, said in New Delhi: "It is my understanding that work on the mine has begun ... It is moving on to be operational."



The Carmichael project, located in the Galilee Basin in central Queensland, is one of the world's largest coalmines, but is controversial because it is located near the environmentally-sensitive Great Barrier Reef. It has faced relentless protests and backlash from environmental groups in Australia, but Sidhu said the project has already secured all the required approvals, and there will be "no going

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back" on it as it entails substantial investment and will generate jobs for Australians.

Local news reports have stated that the Adani Group has had to shell out millions of dollars to the Queensland government by way of financial security to rehabilitate the site should there be

environmental damage.

The High Commissioner's remarks come at a time when the Scott Morrison government has been facing scathing criticism for its coal policy. Australia is the world's fourth-largest coal exporter after China, India and the US.

## CENTRE GIVES PUSH TO EXPLORE GOLD RESERVES AT PALAKKAD AND WAYANAD-NILAMBUR BELT IN KERALA

In 2006, Bengaluru-based Deccan Gold Mines (DGM) had carried out explorations in Attappadi, after identifying potential areas of gold reserve.

Kerala's chances of striking gold have turned brighter as the Geological Survey of India (GSI), in association with the Department of Mining and Geology (DMG), has given a fresh push for exploration in the reserves in Palakkad and on the Wayanad-Nilambur belt.

Though the GSI had zeroed in on a minor gold reserve in the 1990s - primarily in Attappadi, near Palakkad, and Wayanad-Nilambur regions, the exploration lost its steam in due course of time. Mining in Wayanad was abandoned early in the 20th century after the discovery of the rich Kolar Gold Fields in Karnataka.

The DMG, however, feels the fresh venture is promising. "Exploration studies are on at Attappadi and Wayanad. The GSI, which has indicated the prospects of gold reserve in the areas, is conducting a detailed survey. It is expected to submit a report to the state government for granting prospective licence for mining," said DMG Director K Biju.

In 2006, Bengaluru-based Deccan Gold Mines (DGM) had carried out explorations in Attappadi, after identifying potential areas of gold reserve. The Exploration Report published by DGM in 2006 and 2008 had mentioned the studies conducted at the site.

Gold: Nod for only limited test drilling

In the 2008 report, the company sums it up stating it conducted the exploration across 834 sq km between January 2006 and December 2008. Remote sensing studies, regional geological mapping, stream sediment sampling and regional rock chip sampling were carried out in areas except those covered by protected forests.

"Among the targets identified, only limited test drilling could be undertaken in Vannanthara and Karaiyur areas because of the restrictions on the number of boreholes under the reconnaissance permit. The results in Vannanthara and Karaiyur Prospects were not encouraging. The Karadippara prospect, towards west of the known Puttumala prospect, appears to be worth taking up further for a detailed investigation, once the prospecting licence is granted.

## ARCELORMITTAL BAGS IRON ORE BLOCK IN ODISHA

ArcelorMittal India Pvt Ltd has bagged the Thakurani iron ore block in Odisha, said an official on Monday. The company won the iron ore mines committing to pay 107.55 per cent of its sale value of ore to the state government when production starts, said the official.

Besides, the company will pay taxes, district mineral foundation fund and other mining specific levies. Thakurani iron ore block has an estimated reserve of about 179 million tonnes, the official said. The auctioning of Balda iron mines will be held on Monday. Earlier, JSW Steel bagged two iron ore mines with a total

reserves of 980 million tonnes.

It won Nuagaon mine, which is the largest iron ore block in the auction with a total estimated reserve of around 790 million tonne. JSW Steel also won Narayanposhi iron block with 190 million tonnes' reserves.

As many as 19 blocks have been put on auction as lease period of these blocks will end on March 31. The letter of intent to the successful bidders will be issued after the auction process is over on February 18, sources said.

## ODISHA MINING AUCTION: SERAJUDDIN AND CO RETAINS BALDA IRON ORE BLOCK

Serajuddin and Co has retained the Balda iron ore block in the action in Odisha, said an official on Tuesday.

Serajuddin and Co retained Balda mines in Keonjhar district committing to pay 118.05% of its sale value of ore to the state government.

The auction went on through the day till 2.41 AM, the official said.



Earlier, ArcelorMittal India Pvt Ltd has bagged the Thakurani iron ore block in Odisha. Thakurani iron ore block has an estimated reserve of about 179 million tonne.

JSW Steel bagged two iron ore mines with total reserves of 980 million tonnes. It won

Nuagaon mine and Narayanposhi iron block.

## VEDANTA IMPLEMENTS RESOLUTION PLAN TO BAG FERRO ALLOYS VIA NCLT ROUTE

Company's foray into ferro alloy business to strengthen its steel business portfolio

Anil Agarwal-led Vedanta Ltd on Friday said it is implementing the resolution plan for the acquisition of insolvent Ferro Alloys Corporation Limited (FACOR) approved by the Cuttack bench of National Company Law Tribunal (NCLT).

The consideration payable for the acquisition of FACOR on debt and cash free basis under the approved plan stands at Rs 10 crore. Alongside, an equivalent cash balance in FACOR's subsidiary, FACOR Power Limited (FPL) is also payable upfront having zero coupon, secured and unlisted Non-Convertible Debentures (NCD) of aggregate face value of Rs 270 crore to the financial creditors payable equally over four years commencing March 2021.

Vedanta Limited will acquire management control and as per

approved resolution plan as it will hold 100 per cent of the paid-up capital of FACOR, Vedanta said in a regulatory filing.

Through the NCLT route Vedanta Ltd had recently acquired insolvent Electrosteel Ltd.

FACOR owns a ferro chrome plant with capacity of 72,000 tonne per annum, two operational chrome mines and a 100 MW captive power plant through its subsidiary, FACOR Power Limited (FPL). The chrome plant and the mines are located in Orissa and its turnover in FY 2019 stood at Rs 580 crore.

The acquisition will complement Vedanta's existing steel business as the vertical integration of ferro manufacturing capabilities and has the potential to generate significant efficiencies that will help Vedanta increase steel business portfolio, said the release.

## SC ALLOWS SMPL TO RESUME MINING AT THAKURANI IRON-ORE MINES IN ODISHA ON PAYMENT OF DUES

In a major relief to Sarda Mines Pvt Ltd (SMPL), the Supreme Court on Wednesday allowed it to resume mining operations at its Thakurani iron-ore mines at Keonjhar district of Odisha provided it pays around Rs 933 crore towards environmental compensation to the state government.

The Thakurani mines of SMPL was a supplier of a high quality ore to Naveen Jindal led Jindal Steel and Power Ltd (JSPL) plant.

A bench of Chief Justice S A Bobde and Justices B R Gavai and Surya Kant granted one month time to SMPL to deposit the dues amounting to around Rs 933 crore as assessed by Central Environment Committee (CEC).

The top court also asked SMPL to file an undertaking to comply with all the rules, regulations and other mandatory provisions for carrying out mining operations.

It said that upon fulfilment of these conditions--payment of dues and filing of undertaking-- SMPL can resume its mining operations in the leased -area for the remainder of its lease period.

The SMPL had contended before the top court that it has suffered irreparable injury and highlighted how it has already lost more than five and half years, and hardly six months of its lease -period was left for them.

Expressing its willingness to furnish an undertaking or bank guarantee equivalent to its dues as assessed by the CEC, the mining firm has sought permission to resume mining operations.

Odisha government and the CEC had expressed no objection to the prayer of SMPL provided it deposited the assessed dues and strictly complying with all other mandatory rules,

regulations and conditions for conducting mining operations.

Meanwhile, in another case filed by Odisha government against JSPL, which relates to transportation of ores worth Rs 2000 crore, allegedly stacked at one corner of SMPL, the top court asked the mining firm to furnish an undertaking by January 16 for payment of its dues to Odisha government.

The top court made it clear that it will allow JSPL to transport iron ore only if SMPL give its undertaking that it would comply with the directions of the court and pay the outstanding amount.

"Your ore kept at mines is the guarantee that SMPL will pay the outstanding amount towards environmental compensation to the state," the bench told senior advocate Mukul Rohatgi, appearing for JSPL.

Rohatgi said, that JSPL should be allowed to lift iron ore material from its long term supplier Sarda Mines as it is affecting its business.

"This mine used to supply me ore for nearly 15 years but five-years back, the mine was closed. Since then my extracted ore is lying at one corner of the mine. I have taken loan of Rs 2000 crore from State Bank of India to purchase the ore from Sarda Mines but I cannot transport it due to the stay orders," he said, representing the JSPL.

The bench said it is listing the matter for Thursday for furnishing of an undertaking by SMPL.

The top court, also allowed M/s Mideast Integrated Steels Ltd, which was granted a mining lease for over 104.68 hectares of Roida-I iron -ore mines in village Tinto-Barbil near Keonjhar, Odisha, valid till March 31, 2020 to sell the iron ore already mined and stacked by it before January 1, 2018.

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The top court said that sale of iron ore already mined and stacked by Mideast should be done under supervision of an authority appointed by the State government subject to the sale proceeds being deposited with the Special Purpose Vehicle, Odisha Mineral Bearing Areas Development Corporation (OMBADC).

"The State Government shall appoint the Supervisory Authority within two weeks and the sale process shall preferably be completed within two months thereafter," the bench said.

Mideast's mining operations in Roida-I iron ore mines were stopped with effect from January 1, 2018, after it failed to deposit Rs 924.75 Crore towards compensation to the state government for illegal extraction of iron ore.

The mining company had also undertaken before the top court to pay the sale proceeds of its stacked iron ore towards the demand raised against it by the Odisha for illegal mining in order to augment the State's revenue as well as reduce its liabilities. PTI MNL ABA RKS RCJ

## NMDC LINES UP TO MINE MULTIBILLION-DOLLAR DIAMOND DEPOSIT

State-owned Indian miner NMDC is poised to win a multibillion-dollar contract to explore and mine diamonds at a large project abandoned by global miner Rio Tinto, a leading local government official told Reuters.

The central state of Madhya Pradesh has asked NMDC to explore the Bunder deposits, which could contain millions of carats of diamonds, Neeraj Mandloi, principal secretary at the state's Mineral Resource Department, told Reuters on Friday.

The State government last month awarded a smaller portion of the deposit to Essel Mining & Industries, part of Indian conglomerate Aditya Birla Group, Mandloi said. That area was valued at about \$9 billion, according to estimates by Rio Tinto and the state government.

"Our geological survey has shown that the entire area, which has largely remained unexplored, is rich in diamonds," Mandloi said of the Bunder deposit about 500 km (300 miles) southeast of New Delhi, adding that its output could be in the billions of dollars.

"We have requested NMDC to do a composite role of exploring and mining and the company has shown a preliminary

interest."

The Madhya Pradesh state, only diamond mining region in Asia, could be among the world's top ten diamond producers, studies have shown.

Rio Tinto spent about \$90 million over 14 years on the Bunder project, located in a forested area that is home to tigers and other wildlife. The company had plans to invest up to \$500 million but pulled out of the project after legal battles with green activists and delays in obtaining environmental permits.

NMDC already mines in the neighbouring Majhgawan mine at Panna, Madhya Pradesh, where the company has extracted about 1 million carats of diamonds, according to the company's website. The state has also asked NMDC to explore and mine diamonds in several other blocks, Mandloi said. "NMDC is enthusiastic and looking forward to taking on another mine in Madhya Pradesh," a company spokesman told Reuters.

Rio Tinto's decision to withdraw from the project was a blow to efforts by Prime Minister Narendra Modi's government to enlist the likes of Rio Tinto and Anglo American to help India to become a major minerals and precious metals producer.

## ODISHA SLURRY PIPELINE LENDERS PLAN TO STICK WITH ARCELORMITTAL'S BID

Thriveni's upgraded offer of 4000 crore for the asset appears to have left the lenders unmoved

Earlier this month, Tamil Nadu-based Thriveni Earthmovers had raised its offer for the distressed iron ore slurry pipeline to 4,000 crore

Lenders to Odisha Slurry Pipeline Infrastructure Ltd (OSPIL) intend to stick with ArcelorMittal's bid for the distressed asset, despite Thriveni Earthmovers's legal challenge. Thriveni's upgraded offer of 4000 crore for the asset appears to have left the lenders unmoved. Earlier this month, Tamil Nadu-based Thriveni Earthmovers had raised its offer for the distressed iron ore slurry pipeline to 4,000 crore. This was higher than the offer of 2,200 crore by the only other bidder ArcelorMittal. Thriveni's bid included an upfront cash payment of only 8 crore, while the rest of the amount was proposed to come in tranches.

When lenders rejected Thriveni's revised bid, the latter challenged the decision at the Cuttack bench of the National Company Law Tribunal (NCLT).

"If the committee of creditors (CoC) takes a decision on the resolution plan, it is final," a member of OSPIL's CoC told Mint on condition of anonymity. "That much has been settled by the courts. Thriveni has not made any material improvement to its bid. We don't think the court will favour their appeal." OSPIL owns and operates a 253-km pipeline that connects iron ore mines in Dabuna, Odisha, to a pelletisation plant in Paradip. Essar Steel, which had commissioned the pipeline, sourced about half of its iron ore needs for its plant in Hazira, Gujarat, from Dabuna. On 15 November 2019, the Supreme Court had approved the sale of Essar Steel to a joint venture between ArcelorMittal, the world's largest steel company by capacity, and Nippon Steel and Sumitomo for 42,000 crore. The steel company has since been renamed AM/NS.

"The OSPIL asset has been fully provided for by banks," the lender quoted above said. "We would like to have the maximum capital unlocked so that we can reinvest this into the lending system. The legal challenge will extend the resolution process but not materially change anything."



## BENGALURU'S KOLAR GOLD FIELDS: VESTIGES OF THE GOLDEN PAST

On All Souls Day on November 2, hundreds of believers across faiths arrive at the many graveyards that dot the Kolar Gold Fields (KGF), some 100 kilometres from Bengaluru. "The man resting in this small space, six feet under, was once responsible for bringing up gold from nearly 8,000 feet underground," says Murugan with a wry smile. "He didn't wear even a scrap of gold in his life." The day brings back not just the memories of his grandfather but also of the bitter end to the work at the mines.

Decrepit iron shafts of former mines stand tall over the town. The gathering rust and the pervasive silence are a reminder of the fall of India's gold rush town. Gold was perhaps first mined in the area in 200 AD, and later, during the Chola period (900-1000 AD), it became a recognisable gold mine. With the arrival of the British Raj, and the introduction of machines, the town turned into a large-scale gold mine by the 1850s, the world's second deepest.

Profits were huge, and KGF became the site for many of

India's firsts: India's first hydroelectric power generation unit was created on the Cauvery to support the mining; the town was India's first to be electrified (second in Asia). Trains, electric trams, electric clocks, telephones, a golf course, and even filtered water were introduced here much before the rest of India.

By the 1920s, 24,000 people were working here, drawn from socio-economically backward communities in Tamil Nadu and Andhra Pradesh. KGF was contributing all of India's gold output, accounting for 2% of the world's gold generation. After 1947, KGF became Bharat Gold Mines Ltd., but gold production slowly became untenable and the town soon lost its lustre. By 2001, it had wound down. Despite some assurances, former workers were not resettled nor mining restarted.

Today, these labourers and their children continue to stay in shanties and in the former workers' colony, but their jobs are in Bengaluru, two hours away. KGF is a ghost town, peppered with crumbling godowns, buildings, clubs and grocery stores – vestiges of a golden past.

## CABINET APPROVES STRATEGIC DISINVESTMENT IN NEELACHAL ISPAT NIGAM LIMITED

NINL has set up an 1.1 million ton Integrated Iron and steel plant at Kalinganagar, Duburi, Dist-Jajpur, Orissa

The Cabinet Committee on Economic Affairs gave an in principle approval for strategic disinvestment in Neelachal Ispat Nigam Limited (NINL).

NINL is a joint venture of the Centre and Odisha governments through their public sector enterprises. The company has an equity shareholding of Central public sector enterprises (CPSEs) Minerals & Metals Trading Corporation Limited (MMTC) (49.78 per cent), National Mineral Development Corporation (NMDC) (10.10 per cent), MECON (0.68 per cent) and Bharat Heavy Electricals Limited (BHEL) (0.68 per cent) and Odisha government PSEs, Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) (12 per cent) and Odisha Mining Corporation (OMC) (20.47 per cent).

An official statement said that NINL will be divested to a

strategic buyer, identified through a two-stage auction procedure.

The proposed strategic disinvestment of NINL would unlock resources to be used to finance the social sector/developmental programmes of the Government benefiting the public.

Commenting on the decision, Union Minister Prakash Javadekar said that this will be a strategic disinvestment without transfer of management control.

NINL has set up an 1.1 million ton Integrated Iron and steel plant at Kalinganagar, Duburi, Dist-Jajpur, Orissa. Presently the main products are pig iron and LAM coke along with nut coke, coke breeze, crude tar, ammonium sulphate and granulated slag (phase - I).

It has become India's largest exporter of saleable pig iron since 2004-2005. The company supplies LAM coke to almost all steel plants of Steel authority of India Limited and Rashtriya Ispat Nigam Limited Vishakhapatnam.

## GOVT GIVES NOD FOR PACT WITH BRAZIL FOR COOPERATION IN GEOLOGY, MINERAL RESOURCES

The government on Wednesday gave its approval for signing of a pact between India and Brazil for cooperation in the field of geology and mineral resources.

The Cabinet under the chairmanship of Prime Minister Narendra Modi "has given its approval for the Memorandum of Understanding to be signed between Geological Survey of India (GSI), Ministry of Mines of the Republic of India and Geological Survey of Brazil - CPRM, Ministry of Mines and

Energy of the Federative Republic of Brazil on 'cooperation in field of geology and mineral resources'," the Mines Ministry said in a statement.

The pact will provide an institutional mechanism between both the nations for cooperation in field of geology and mineral resources, the statement said.

## THE 36TH INTERNATIONAL GEOLOGICAL CONGRESS IN MARCH 2020

India is all set to host the 36<sup>th</sup> International Geological Congress in the National Capital Region (NCR) during 2-8 March in 2020.

Popularly described as the Olympics of Geosciences, the event is being jointly funded by the Ministry of Mines and the Ministry of Earth Sciences, Government of India and supported by the Indian National Science Academy (INSA) along with the science academies of neighboring countries – Bangladesh, Nepal, Pakistan, and Sri Lanka. Geological Survey of India is the nodal agency for organizing the event. It is a matter of pride that India is the only Asian country to host the Congress twice. The event is expected to be attended by nearly 6000 delegates from across the world.

### Field trips

Our exciting field trips covering the geological superlatives of India, Nepal, Bangladesh and Sri Lanka are in store for the delegates. The field trips will be held both Pre and Post Congress.

**Geological Field Excursion to the Jharia Coal field** – This field trip is a Tribute to Sir Cyril Sidney Fox (A legacy of 125 years of Indian Mining and Mineral Industry).

Being organized from 27 Feb to 01 March. The Jharia Coal Field was mapped by well-known geologist Sir Cyril Sidney Fox, a fellow of Indian National Science Academy. The coalfield contains one of the best-exposed section of the lower Gondwana Formation. The coalfield is also witness to some of the innovative mining practices in terms of mine mechanization, land reclamation, and coal fire mitigation. **Geotourism spots** around Jharia Coal Field include Maithan Dam, Panchet Dam, Parasnath Temple, and Baidyanath Temple, Deoghar.

The Congress is designed to offer a platform for intensive Geoscientific discourse including nearly 3000 oral and 2000 poster presentations, a premium Geo-exhibition, 70 field visits covering the geological superlatives of the subcontinent and many other attractions including high-level business meetings with the international opinion-makers.

Regarding the 36<sup>th</sup> IGC, Prof. V. P. Dimri, President, 36<sup>th</sup> International Geological Congress said “It is a wonderful opportunity for the country to host such a significant event aimed at the development of Earth Sciences. 36<sup>th</sup> IGC has been designed to enable the participation of meritorious geoscientists worldwide and give them the opportunity to explore the best of the geological wealth of the Indian Subcontinent”. “The Congress will witness debates and discussions on a wide range of issues affecting the world, namely sustainable development, climate change, water and mineral resources, and much more”, he said.

Speaking about the event, Dr. Rasik Ravindra, Secretary-

General, 36<sup>th</sup> IGC said “The excitement of the grand scientific spectacle unfolding in March 2020 is building up! It is an honor for us to host the largest geoscience event in India. This event will prove beneficial not only to the geoscientific community but also to the society at large”.

The event will offer a host of opportunities to the mining & mineral and the allied industries of the country apart from the scientists, researchers and academia. The Central Ministries, State Governments, PSUs and the corporate sector can tap these opportunities to showcase their profile, capabilities, achievements, innovations, interests and aspirations to the scientific community through promotional stalls, business meetings, media interactions, advertisements etc. They can also use the opportunity to attract investors from across the globe in a big way.

### Highlights of 36<sup>th</sup> IGC



### Science Program

Sustainability seems to be the key word in every sphere of life which includes science. The Science Program of the 36<sup>th</sup> IGC is,

thus, built on the theme ‘Geosciences: The Basic Science for a Sustainable Future’. The program includes 45 themes and 287 symposia. It also includes 13 Plenary Talks and one Public Lecture by internationally renowned geoscientists. The program is expected to usher in an opportunity for cooperative and multidisciplinary scientific research to address contemporary and challenging issues to ensure sustainable development.

### GeoHost

The GeoHost Program of the 36<sup>th</sup> IGC is a unique financial support program designed to enable young and financially disadvantaged geoscientists to participate in Congress. It offers unprecedented support for travel, registration and local hospitality to 1000 delegates in each of these three categories.

### Geo-exhibition

A state-of-the-art geo-exhibition has been planned alongside the Congress where more than 200 leading global agencies of the geoscience sector will be exhibiting their products and services. The expo has a mix of pre-fabricated booths and raw spaces suiting to a wide range of budgets.

### About International Geological Congress (IGC)

The International Geological Congress (IGC) is a prestigious geoscientific event held quadrennially under the aegis of the International Union of Geological Sciences (IUGS). The first session of IGC took place in France in 1878. Since the inception of IGC, 35

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Congresses have been hosted by 24 countries throughout the world. India had the privilege of organizing the 22nd session of IGC in New Delhi in the year 1964. This was the first IGC in

India. The IGC is returning to the Indian soil after a gap of 56 years much to the enthusiasm of the entire geoscientific community.

**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.

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