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COAL AUCTIONS: MODI GOVT'S POLICY PUSH TO PRIVATE MINERS WILL COST CHHATTISGARH RS 900 CRORE A YEAR

Coal auctions: Modi govt's policy push to private miners will cost Chhattisgarh Rs 900 crore a year

The government has sold coal blocks for far cheaper prices than they fetched five years ago.

In 2015, the Narendra Modi government auctioned two coal blocks in Chhattisgarh. Gare Palma IV/1 fetched a bid of Rs 1,585 per tonne while Gare Palma IV/7 was auctioned for Rs 2,619. The bid for the first block was too low, the government claimed amid allegations of cartelisation, and cancelled it. In case of the other, it shelved the contract after declaring that the successful bidder had violated its conditions.

It auctioned the mines again in November 2020. This time, the first block, with 159.4 million tonnes of coal, was sold to Jindal Steel and Power Ltd for Rs 342.25 per tonne, a quarter less than the rate the government claimed was too low five years earlier. The second block went for nearly 60 percent less than in 2015.

Chhattisgarh, as a result, will lose over Rs 900 crore per year and potentially Rs 24,065 crore in total over a period equal to the life of the two mines – 19 to 50 years – than it would have if the 2015 bids were accepted, calculations based on government projections and records accessed partly under the RTI Act show.

In all, the government auctioned 19 mines in the middle of the pandemic last year and cost several states thousands of crores in potential revenue.

Why would the Modi government decline to sell the mines for "low prices" only to turn around and sell them for far cheaper?

The 19 coal blocks were auctioned under a new bidding method the government devised when it allowed private and foreign companies in any sector to dig mines and sell coal. Billionaire Gautam Adani's group and its subsidiaries bid for 12 of these mines, winning two.

Critics questioned the timing of the auction. Jharkhand, which has over 26 percent of India's coal reserves, labelled the entire exercise "farcical".

This is how lucky the private companies got: Chhattisgarh's Gare Palma IV/1 block had fetched the highest bid of Rs 1,585 a tonne from Vedanta's Balco in the 2015 auction. In 2020, the block with 159.4 million tonnes of coal was sold to Jindal Steel and Power Ltd for Rs 342.25 a tonne, based on its final offer of 25 percent share of the revenue.

Chhattisgarh will get at least Rs 14,174 crore less in revenue over the life of the mine than it would have if the Balco's bid were accepted.

Gare Palma IV/7, which holds 239.04 million tonnes of coal, was auctioned in 2015 for Rs 2,619 a tonne to Monnet Ispat. But the government cancelled the contract in 2018 on the grounds that Monnet had "failed to develop the mines as per the timelines" laid down in the agreement. Five years later, it accepted a 60 percent lower rate, costing Chhattisgarh an estimated Rs Rs 9,891 crore in revenue from the mine.

It's difficult to estimate the true commercial value of all the coal blocks on offer in 2020. In the case of the two Chhattisgarh mines though, the 2015 auction bids made doing the maths possible.

The 2020 auction drew criticism for letting miners get cheap deals at the expense of the states. They got help in two ways. First, the Modi government set the floor price too low through a complex formula and held the auction at a time when the power sector – which consumes nearly 85 percent of the coal produced annually – was ailing and losing appetite for the fuel.

Second, the nationwide lockdown during the first Covid wave had sent the economy into a tailspin which it's yet to emerge from.

Worryingly for states, the government is going with the same formula to calculate the floor price and revenue share for the ongoing second round of auctions of 67 coal blocks.

In a February 28, 2019 meeting at the Coal India office whose minutes we accessed under the RTI Act, a former secretary to the government and a senior Niti Aayog official declared that going forward commercial mining was the "ultimate aim".

That the power sector is still in bad shape only adds to the woes of the state governments.

The claim to coal reforms

In 2014, the Supreme Court of India cancelled the allotment of 214 coal blocks to private companies after finding the process arbitrary and illegal.

The Modi government, which had ridden an anti-corruption wave to power a few months earlier, amended the rules to legalise the allocations once held illegal by the apex court and brought in a new law providing legal cover to its discretionary policies.

After auctioning some mines between 2015 and 2019 under the new rules, the government touted that the states would earn more than Rs 3.35 lakh crore from these auctions and allocations. However, by mid-2018, reports pointed out, the states had earned merely Rs 5,684 crore.

In 2018, Coal India, a public sector company, published a study, Coal Vision 2030, assessing future demand in the coal sector. It projected that India could meet its coal needs from existing mines: "No new coal mines need to be allocated/auctioned beyond the current pipeline. In view of the likely demand (base case scenario), there's limited requirement of starting new coal mines except the ones already auctioned/allocated."

Yet, on June 18, 2020, amid the pandemic, Modi announced that India's coal sector was being freed "from decades of lockdown", a play of words on the phasing out of the stringent nationwide lockdown.

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For the first time since the coal sector was nationalised in the 1970s, private players would get to mine and sell coal in open markets at the price they wished. This would do away with Coal India's monopoly, and open the sector to domestic and foreign private players.

The union coal ministry then announced the auction of 38 mines, including the two in Chhattisgarh, but only 19 went on the block eventually.

Predictable failure

It was predictable that the 2020 auction would fare worse than the 2015 round.

"The 2015 auctions were held against the uncertainty arising from the Supreme Court's cancellation of 214 blocks. Players in the power sector and others were worried and tried to grab the resource at any cost," explained a retired bureaucrat who was a top official in the power sector during that period.

So, he said, some of them overbid.

By 2020, when Modi decided to open up the coal sector and kick off another round of auctions, the situation had changed vastly. The power sector, the largest consumer of coal in India, was in a crisis. Power distribution companies, called discoms, were in the red. The Modi government's Uday scheme, launched in 2015 to wipe off the debt of discoms and put them on a fiscal recovery path, had failed miserably. Discoms hadn't been able to either raise tariffs or reduce technical and commercial losses as Uday envisaged. Instead, losses mounted as the government spread the electricity network. The aggregate debt of discoms had risen from Rs 1.9 lakh crore in 2015-16 to an estimated Rs 4.5 lakh crore in 2020-21.

"By 2020, discoms owed a huge amount of money to power generation companies," the retired bureaucrat noted. "As a result, the power generation companies were strapped for cash. Their demand for coal was, therefore, impacted by the poor performance of the power sector."

Auctioning mines at such a moment would naturally draw lower bids.

To make matters worse, the nationwide lockdown crashed the economy and created uncertainty about economic recovery. Imported coal competed better with coal from India and the miners had to pay an additional levy to the district mineral foundations.

The retired official said a government cannot truthfully claim to maximise revenue from coal sales if it controls electricity prices.

"The government sees coal in the context of the power sector. All its decisions are determined by requirements of the power sector. This is because the pricing of power is very sensitive," he said, meaning politically sensitive.

He was pointing out the contradiction in claiming that coal was being auctioned to make maximise revenue when its biggest consumer was not allowed to raise the price of their product, that is electricity.

A floor so low

For the 2020 coal block sales touted as a major reform by Modi, auction rules were revamped. The bidder offering the highest share of revenue from the coal they dig up and sell won. Four percent of the revenue was set as the base for bidding.

The government devised two ways to calculate a company's monthly revenue. One was to calculate how much it actually earned in a month. The second was to determine the notional market price of the coal for a specific period and multiply that with the total coal sold in the period.

The higher of the two numbers would be used to decide the state government's takeaway based on the share of revenue promised in the bid.

To understand how much a state would actually earn in a year from coal auctions, we ran calculations using the government's formula to arrive at the floor prices in rupees per tonne and compare them with the 2015 benchmark year. As previously reported, the floor value was over 50 percent lower than the 2015 benchmark of Rs 150 per tonne.

Notional price is arrived at after adjusting the average market price of coal with the National Coal Index, which was created in the run-up to the auctions to capture the true market value of the commodity

The representative price and the notional price vary according to grade, a jargon for the quality of coal. For the first round of auctions, we considered the representative prices from March 2020. Based on these values, the floor price for these grades, at 4 percent of revenue share, would be as shown below.

Assuming that the Representative Price and National Coal Index of relevant basket of Coal Grade on the date of Representative Price are as follows:

Particulars	G11	G12	G13
Representative Price (Rs./tonne) (A)	1640	1420	1380
National Coal Index of the relevant basket of Coal Grade – latest available as on the date of issuance of Tender Document (B)	105	105	105
National Coal Index of the relevant basket of Coal Grade on the date on which royalty becomes payable (C)	115	115	115

Grade of Coal	Quantity of coal on which the statutory royalty is payable during the month (MT) *(D)*	Notional Price (Rs./tonne) (A*C/B)	Actual Price (Rs./tonne)	Max of Notional Price & Actual Price (Rs./tonne) *(E)*	Revenue Share (Rs. Crore) *(D*E*Final Offer/10)*
G11	0.50	1796	1800	1800	9.00
G12	0.70	1555	1550	1555	10.89

Gare Palma IV/1 with a G12 grade was auctioned off with a floor price of Rs 54.76 per tonne while the IV/7 block with an average

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grade of G11 had a threshold value of Rs 58.96 per tonne.

In 2015, both these blocks had a uniform floor price of Rs 150 a tonne.

Enter commercial coal mining

Jindal Steel and Power Ltd won Gare Palma IV/1 by committing to share 25 percent of its revenue with Chhattisgarh. Based on this, documents show, the union government calculated that Chhattisgarh would get a revenue share of Rs 205 crore every year. With 114 million tonnes of mineable coal in the block, the state government would make Rs 3,895 crore in total from the mine.

If the union government had stuck to the 2015 revenue figure of Rs 1,585 a tonne, the state would have earned Rs 951 crore a year, or Rs 18,069 crore over the mine's lifetime. The difference in income to the state is a staggering Rs 14,174 crore.

For Gare Palma IV/7, the government estimated a revenue of Rs 118 crore per year. The block has mineable reserves of 60.47 million tonnes, which means Chhattisgarh will earn Rs 5,946 crore.

Going by the 2015 rate of Rs 2,619 per tonne, the state would have earned 314.28 crore per year, or Rs 15,837 crore over its life. The difference is Rs 9,891 crore.

That's a total estimated loss of Rs 24,065 crore.

'Cannot compare'

On February 8, 2021, Congress MP Vivek Tankha asked in the Rajya Sabha if the income for Chhattisgarh from the twin Gare Palma blocks in 2020 would be less than that in 2015 based on auction rates. If so, he asked the coal minister to estimate the annual loss to the state government.

"Comparison cannot be made in the premium income as there are different bidding parameters," coal minister Pralhad Joshi replied. "In the auction in 2015, bidding methodology was on the basis of rupees per tonne auction for captive consumption. For the auction in 2020, it was percentage revenue for sale of coal and there was no restriction on utilisation of coal."

We accessed the internal projections based on which Joshi had said on November 10, 2020 that the states would earn over Rs 7,000 crore from the coal auctions. According to this sheet, the Chhattisgarh government alone would earn Rs 323 crore a year as its revenue share from the two blocks.

Gare Palma IV/1, with a final offer of 25 percent revenue from Jindal Steel and Power, would account for Rs 205 crore a year, while Gare Palma IV/7 would fetch Rs 118 crore from Sarda Energy's 66.75 percent bid.

II. Bid Parameter: The discussion paper prescribed minimum floor price (4%) of the revenue share payable to the Government.

Comments: Report of High Level Committee (HLC) as well as Pratyush Sinha committee did not prescribed any minimum floor price of the revenue share. HLC had not prescribed either the maximum revenue share or any base. Fixing floor price may make some blocks uneconomical. Therefore, Ministry of Coal may remove minimum floor prices condition.

III. Auction process: The discussion paper prescribed two stage auction process i.e. Technical bid & Financial Bid.

Comments: Discussion Paper has rejected the recommendation of HLC to move towards single stage bidding process indicating the reasons that two stage bidding provision comes from CM (SP) Rules 2014 and CBA rules 2017. This is a clear recommendation of both HLC & Pratyush Sinha Committee that bidding process should move towards single stage. Adaptation of two stage bidding process indicates focus on revenue maximization. However, Ministry of Coal in its discussion with the Vice Chairman, NITI Aayog informed that let the two stage bidding is tried in the first tranche of bidding for about 200 MT capacity. It can be changed later if response is poor.

We compared this with the 2015 offers. The IV/1 block, with a bid of Rs 1,585 per tonne, would have added Rs 951 crore per year to the state government's coffers. This works out to a loss of Rs 726 crore a year.

For the IV/7 block, Monnet's 2015 bid of Rs 2,619 per tonne would have meant an income of Rs 314.28 crore per year to Chhattisgarh. Compared to 2020, this is a loss of Rs 196.28 crore a year.

A total loss of Rs 922.28 crore a year.

To assess the loss to Chhattisgarh over time, we calculated and compared these figures with the latest market prices of coal. Even with an optimistic 10-point increase in the National Coal Index value, the state would still lose over Rs 909 crore a year.

Maximising revenue not a goal

The Modi government's think tank, NITI Aayog, was against maximising revenue from coal sales, going by its comments on the coal ministry's discussion paper on commercial coal mining, accessed through RTI.

The Aayog highlighted significant deviations in the ministry's plans from the recommendations that a committee led by its vice chairman had made for reforming the coal sector. The think tank wanted to do away with the 4 percent floor price because it might make some blocks uneconomical.

The Aayog also wanted the coal ministry to ditch the current two-stage bidding process in favour of a single-stage process. Currently, the bidding company is screened for its technical capabilities before its bid is considered. A single-stage process will do away with the technical evaluation, making room for new entrants. The ministry has since suggested it will move in this direction depending on the response to the ongoing auctions.

We sent detailed questions about the auctions to top officials in the coal ministry, but haven't received a response yet.

-Source : NEWSLAUNDRY

- By Shreegireesh Jalihal & Tapasya

Odisha mining auction: 123 companies in race for 11 mineral blocks

As many as 123 companies are in the race for 11 mineral blocks in Odisha.

The state government has decided to auction 11 mines in the state. Tuesday was the last day to submit the bids for the mineral blocks.

The steel and mines department has targeted to complete the auction process by September-end.

Official sources in the Steel and Mines department said major players in the mining and metal sectors like Jindal Steel and Power, JSW, Tata Steel, ArcelorMittal, Essel Mining and Industries Limited, Rungta Mines Ltd, MSPL, Vedanta and OMDC have evinced interest to participate in the bidding process. They have participated in the tender process.

According to the mines official, the companies, which would qualify the technical bidding process will be allowed to participate in the financial bidding process set to begin from September 16.

On July 7, the government issued notice for auction of 11 mineral blocks including seven iron ore blocks, two composite blocks of iron ore and manganese, one composite block of iron ore and dolomite and a bauxite block for auction.

The blocks are Nadidih (BICO), Purheibahal, Chandiposhi, Jumka Pathiriposhi Pahar, Dholtapahar, Netrabandha Pahar (West), Gandhalpada, Nadidih (FEEGRADE), Teherai, Kasia and Karlapat.

It is for the first time a bauxite block is going to be auctioned by the state government.

Sources said as many as six players are vying for the bauxite block.

The last auction of any mineral block was done in January and February 2020.

The current mining auction in Odisha is being done in accordance with the new auction rules issued by the Union mines ministry.

Recently, JSPL Managing Director V R Sharma said the company will participate in the forthcoming auction of iron ore mines in Odisha.

“Irrespective of the auction’s outcome, we are confident the state government would make all out efforts to protect the raw material security for industrial units in the state,” he said.

Proposed amendments to Coal Bearing Areas Act will change land acquisition for mining: Experts

The proposed amendments are likely to grant more control to private corporations, make tribal land acquisition easy, say experts

Climate change is an undisputable reality and countries are striving to reduce carbon emissions to move towards more environment-friendly fuels. Amid the scenario, the Indian government is pushing for high-carbon emission fuels such as coal for its energy requirements: It is planning to propose a new amendment bill this monsoon session to make coal production easy, said experts.

The proposed bill seeks to amend the existing Coal Bearing Areas (Acquisition and Development) [CBA] Act, 1957. The draft of the proposed amendment bill has neither been made public, neither has the Union government sought any public opinion on it.

Some information regarding new amendments, however, has been made public in the Lok Sabha Bulletin part-II.

Although new amendments are proposed for a constitutionally enacted law of 1957, it is being speculated that the 1957 Act carries the shadows of colonial objectives. The core and sole purpose of this central government law is land acquisition; environment and public interest were never a part of it, according to experts.

The law was primarily meant to facilitate the acquisition of coal reserves for Coal India Limited, a public undertaking with a significant role in India’s energy production.

The laws passed in the public interest and that are being circumvented by the proposed amendments are:

- The 73rd, 74th amendments to the Constitution (1993)
- The PESA Act for the Fifth Schedule Areas (1996)
- Samatha judgment (1996) by the Supreme Court
- The Forest Rights Recognition Act (2006)
- The land acquisition law (2013)

These laws came after 1957 (The PESA Act came into force 25 years ago), and yet, the CBA Act has maintained its supremacy over them.

In 2013, under the United Progressive Alliance’s tenure, the Right to Fair Compensation

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and Transparency in Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013 was passed. However, it did not include coal bearing areas as these areas are included in the 1957 act.

What are the proposed amendments?

According to the Bulletin-II on Lok Sabha's website, the new amendment bill will bring three important changes.

The new amendments are likely to change the federal structure of the coal sector. The central government, after the bill is passed, would be responsible for the acquired land. However, once the acquisition is done, the land and mining rights would be delegated to the states which can lease the acquired land or coal deposits to an eligible company.

The second big change would be regarding the use of acquired land. It could be used for constructing coal-related infrastructure, allied activities or other public purposes. The 1957 Act did not allow this.

In fact, it clearly stated that the land acquired for the mining of coal could only be used for the extraction of coal. Apart from this, under the MMDR (Mines and Minerals Development and Regulation) Act, the miners are obligated to restore the land to its former condition after the completion of mining.

Although it is not mentioned in the available notes, changes can also be made in the MMDR Act. In addition, the lease limit of the land can also be increased.

Lignite (low-grade coal minerals) could now be mined along with coal. To this end, appropriate changes will also be made in the Colliery Control Rules, 2004 and Coal Blocks Allocation Rules, 2017.

How will the amendments change land acquisition for coal mining?

Alok Shukla, member of the Chhattisgarh Bachao Andolan convenor board, sees the proposed amendments as "an easing of the system for rampant plunder of the tribal lands."

"More than 80 per cent of the country's coal reserves are in tribal areas. Most of them come under the Fifth Schedule of the Constitution. Both PESA and Forest Rights Act are applicable over this land, making prior consent of the local Gram Sabhas a constitutional provision. The process of land acquisition in these areas is being made easy throught these amendments by circumventing the existing laws."

Moreover, the acquired land would be allowed to be used for other purposes. The 1957 Act restricted land use for only coal mining. Coal India Ltd has acquired a lot of lands for coal mining. But now it could be used for building infrastructure and 'public purpose' projects.

The new changes may also be applied to the previously acquired land, added Shukla.

The new amendment would make tribal land acquisition easy for big corporations, according to Kanchi Kohli, researcher at Centre for Policy Research.

She said: "The 1957 Act did not exempt permanent structures or projects. Through these proposed amendments, once the lease is granted, private companies would continue to have control over the acquired land even after mining activities are completed and will be able to continue ancillary activities.

The proposed amendments are a way for states to open up coal mining for private corporations, journalist Shreya Jai wrote in a report in Business Standard September 23, 2020.

In the same article, she wrote that the states would be provided with two options for land acquisition after the amendments; first, by using the conventional Land Acquisition Act, 2013 or by using the new Coal Bearing Areas Act, 1957.

The current Bharatiya Janata Party-led Rashtriya Janata Dal has been against the 2013's LARR Act that repealed more than a century-old Land Acquisition Act, 1894. In December 2014, an ordinance against this law was brought by the central government. However, due to mass protests, the ordinance did not turn into a law.

But why did the Centre want an ordinance? Shukla said: "Because these laws had provisions like consent from the affected communities, social impact assessment, environmental impact assessment etc. Land acquisition becomes tough due to these provisions."

What is the point of the new amendments when the Union government already approved the auction of coal reserves for commercial use of coal in 2020, Shukla said.

Amulya Nayak of Orissa's Adivasi Chetana Sangathan (ACS) said the new amendments have a bigger objective to give the "land permanently to the capitalists". The companies would maintain mining ownership over the leased land for a certain period. Later on, they would be able to use the land for their profitable projects in the name of public purpose.

"The proposed amendments are an attempt to woo private companies for commercial mining," said Priyanshu Gupta, a fellow researching the issue.

At least 67 coal blocks were brought for auction during the last year, but only eight coal blocks have been auctioned by the government so far, said Gupta. The government, however, has learnt the wrong lesson from its failures.

The real reason behind these failures is not the existing law, but the demand and supply system of coal, he added. If demand, consumption and production of coal are properly analysed, there won't be any purpose in allocating new mines.

Coal India Ltd validated Gupta's claims. According to a statement by Coal India on India Environment Portal, coal blocks with an annual capacity of about 510 million tonnes were allocated between 2015 and 2020.

Of these only, 110 million tonnes per annum have been used so far. Allocating more coal blocks in the name of energy requirement is a mere facade.

Coal India's vision document, Coal India Vision-2030, also stated that India did not require allocation of new coal blocks or mines for the next 10 years.

The proposed amendments are a "political tool" said Nand Kashyap of the Chhattisgarh

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Bachao Andolan. He added: “The Centre appears to be addressing the grievances of the states regarding commercial coal mining through these amendments. The state governments objected to the Centre’s monopoly over coal because coal is a state subject. Through these amendments, the Centre is trying to serve its political interests by giving lease allocation rights to states.”

It has given the right to allocate leases for coal mining to states, but also wants to control the entire process of acquisition. This is a little contradictory, but ultimately it can give the illusion to the states that their revenue will increase.

However, without support from states, land acquisition won’t be easy for the Centre, Kashyap added.

Ashok Shrimali of Mines, Mineral and People, a non-profit, said the new amendments are a way to bring private companies into the coal sector.

Until now, people could resort to protest or approach court against the forceful land acquisition. This would be more difficult after the new amendments. These amendments incapacitate the constitutional foundations which supported public participation and mass movement.

The central government has sought to pass this bill in the current monsoon session of the parliament. As many as 12 bills have received the nod from the parliament in 10 days in the monsoon session, with about seven-minute discussion on each bill.

It’s possible that this bill would also be passed in the same manner. The opposition for a long time has been accusing the government of curtailing discussions and reducing the Parliament session for just passing bills. Opposition alleged that they were not given the draft for reading before the discussion.

-By Satyam Shrivastava

JSW Steel seeks consent to surrender Gonua iron ore mine in Odisha

In an aggressive bidding, JSW Steel emerged the preferred bidder for Gonua iron ore block with an offer to pay a premium of 132 per cent.

Sajjan Jindal-led JSW Steel has offered to surrender one of the four iron ore mines it bagged through e-auctions last year at steep premiums. In its August 11 surrender notice to the Director of Mines, the steelmaker has expressed its inability to operate Gonua iron ore mines in Sundargarh district due to low grade ore and logistics problems.

"We intend to surrender the entire area of Gonua iron ore mining lease under Rule-21 of Mineral Concession Rules (MCR), 2016 with effect from August 12, 2022 and we will submit the final mine closure plan before IBM," said the authorised signatory of the company in the notice.

JSW had executed the mining lease deed on June 27, 2020 and commenced mining operation on July 1, 2020. "The mining operation has become economically unviable due to high shale in bottom benches, low grade mineral in top benches and serious logistic issues due to space constraint," the notice said.

As Gonua iron ore block is a working mine with an estimated reserve of 118 million tonne (MT), the company has requested the State government to accept the surrender proposal and clarify IBM in case any query raised by it while processing the approval of final mine closure plan.

In an aggressive bidding, JSW Steel emerged the preferred bidder for Gonua iron ore block with an offer to pay a premium of 132 per cent.

The steelmaker with a production capacity of 18 million tonne per annum (MTPA) had also bagged Nuagaon iron ore with highest reserve of 792.93 MT, Narayanposhi iron ore block with a stock of 190 MT and Jajanga block with a reserve of 39.42 MT.

JSW Steel has proposed to set up a greenfield steel project of 12 MTPA near Paradip in Jagatsinghpur district at an investment of over Rs 53,000 crore.

Sources in the mining industries said JSW may give up its right to Jajanga iron ore block for reason similar to Gonua. In both the cases, the lessee failed to achieve Model Mine Development and Production Agreement (MDPA) under which the mines owner have to produce at least 80 per cent of the average production of the previous two years.

On August 13, Joda Joint Director of Mines served a notice to Jajanga iron ore block of JSW Steel citing demand on shortfall in despatch vis a vis the minimum dispatch required under Sub Rule 1 of 12A of Other than Atomic and Hydrocarbon Energy Mineral Concession Rules, 2016.

The company is learnt to have paid stamp duty of Rs 110 crore for Gonua and a performance guarantee of about Rs 50 crore.

Source : The New Indian Express

- By: Bijoy Pradhan

MSMEs' SOS to Odisha govt. over iron ore scarcity

Industries that have not participated or been successful in auction need to get iron ore and the preemption policy is meant for such units. The state can direct the mining leaseholder to provide a certain quantity of ore for sale locally.

Amid the acute shortage of iron ore, industry experts and associations have appealed to the State government to expeditiously provide iron ore under its Pre-Emption scheme and save the sponge, pellet, and steel units in the state.

Closure of these plants in the MSME sector will have a serious adverse impact on the economy and livelihood of millions of people, they said in their fervent appeal to the State government.

About 60 percent of iron ore produced in the state is sold outside Odisha despite protests from state-based plants. There has been a huge gap in demand, supply, and price of iron ore in the State is highest in all of India.

NMDC, Ministry of Steel assists NINL to start iron ore mining

NINL, a Joint Venture Company of MMTC, IPICOL, OMC, NMDC and others set up a 1.1 MTPA Integrated Steel Plant at Dubri, Jajpur in Odisha.

NMDC under the Ministry of Steel has stepped in to provide technical and financial assistance to Neelachal Ispat Nigam Limited (NINL) for the resumption of their mining operations in Odisha. The operations of NINL iron ore mines at Mithirda mine block have resumed.

Under the aegis of the Ministry of Steel, Ministry of Commerce and DIPAM, NINL approached NMDC for support. To provide impetus to the supply of high-grade iron ore in the state of Odisha, NMDC signed an MoU to extend assistance to NINL. NINL, a Joint Venture Company of MMTC, IPICOL, OMC, NMDC and others set up a 1.1 MTPA Integrated Steel Plant at Dubri, Jajpur in Odisha. The company acquired the mining lease for captive production of iron ore in January 2017. NINL received permission for merchant sale of iron ore for one million ton per year for two years to augment the iron ore production in the state and meet the expenses of the company.

Atomic Minerals Directorate looks for lithium in Karnataka, Rajasthan

The Atomic Minerals Directorate for Exploration and Research (AMD), a constituent unit of the Department of Atomic Energy (DAE), is carrying out exploration for lithium in potential geological domains in parts of Karnataka and Rajasthan.

AMD is carrying out subsurface exploration in Marlagalla area, Mandya district, Karnataka.

According to a written reply by Prahlad Joshi, Minister of Mines, Coal and Parliamentary Affairs, in Parliament two days ago, "Reconnaissance surveys have also been carried out along the Saraswati River palaeo channel, in the Jodhpur and Barmer districts of Rajasthan for locating lithium mineralization associated with brine (saline water in salt lakes)."

"Preliminary surveys on surface and limited subsurface exploration by AMD have shown presence of lithium resources of 1,600 tonnes (inferred category) in the pegmatites of Marlagalla – Allapatna area, Mandya district, Karnataka," he said.

As per the approved annual field season programme, the Geological Survey of India (GSI), an attached office of the Ministry of Mines, has taken up different stages of mineral exploration including reconnaissance surveys, preliminary exploration, and general exploration for augmenting mineral resource for various mineral commodities including lithium.

During FSP 2016-17 to FSP 2020-21, GSI carried out 14 projects on lithium and associated elements in Bihar, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Meghalaya, Karnataka, and Rajasthan.

During the current FSP 2021-22, GSI has taken up 7 projects on lithium in Arunachal Pradesh, Andhra Pradesh, Chhattisgarh, Jharkhand, Jammu & Kashmir, and Rajasthan. However, resource of lithium has not yet been augmented by GSI.

Increase in demand

Referring to the Production Linked (PLI) Scheme for Manufacturing of Advance Chemistry Cell to reduce import dependence on ACC Battery, the statement said, "As per analytics consultant, Global Data, the global demand for lithium is expected to more than double to 117,400 mt by 2024 from an estimated 47,300 mt in 2020, likely due to an increase in electric vehicle battery production."

The Government on 12.5.2021 has approved the PLI scheme for manufacture of Advance Chemistry Cell (ACC) batteries in the country with an outlay of ₹18,100 crore over five years. The scheme envisages establishing a competitive ACC battery manufacturing set up in the country (50 Giga Watt hours). Additionally, 5 GWh of niche ACC technologies is also covered under the scheme.

The scheme proposes a production linked subsidy based on applicable subsidy per KWh and percentage of value addition achieved on actual sales made by the manufacturers who set up production units.

-Source : The Hindu Business Line

Australian High Commissioner meets Chhattisgarh CM; holds talks on mutual cooperation

Stating that Australia has expertise in the field of mining, he discussed mutual participation in the fields of mining survey, exploration-mining technology, among other things with Bhupesh Baghel.

Australia's High Commissioner to India, Barry O'Farrell, called on Chhattisgarh Chief Minister Bhupesh Baghel at his residence-office and discussed possibilities of mutual cooperation in socio-cultural sector and also talked about investment, especially in mining and environmental protection, officials said on Friday.

The meeting took place on Thursday, the first day of Mr. O'Farrell's two-day visit to the state, they said.

During the meeting, Mr. O'Farrell showed keen interest in the schemes being implemented by the Chhattisgarh government under Mr. Baghel's leadership for the overall development of the state, uplift of tribal community and improvement in social indicators, an official statement said.

Mr. O'Farrell, also appreciated the efforts made by the government for prevention of coronavirus infection in the state. He expressed a desire to promote the bilateral relations between Australia and Chhattisgarh in various areas of development, it said.

Stating that Australia has expertise in the field of mining, he discussed mutual participation in the fields of mining survey, exploration-mining technology, among other things, the statement added.

During the meeting, Mr. Baghel said that Chhattisgarh is rich in minerals and forest wealth, and various types of resources are available in the state.

The Chief Minister expressed happiness over the socio-cultural partnership with Australia and the willingness of its entrepreneurs to invest industrial capital in Chhattisgarh. He assured all possible support by the state government on this.

The CM also apprised Mr. O'Farrell of the efforts being made by the government to promote organic farming and value addition of forest produce in Chhattisgarh.

State Industries Minister Kawasi Lakhma and officials were present during the occasion.

The Australian High Commissioner also met senior office-bearers of industrial organisations of the state, and held discussions at length about his country's participation in the fields of mining and environment, biofuel, technology, research, food processing, renewable energy and the possibilities of capital investment by entrepreneurs.

Source : The Hindu

Exercise due diligence in clearing mining leases, former bureaucrat urges A.P. govt

"No mining activity should be permitted without the consent of local Gram Sabhas," former Union Secretary E.A.S. Sarma told The Hindu.

Taking exceptions to media reports that the Department of Mines is trying to streamline the procedures for granting mining leases to reduce the clearance time to 30 days, former Union Secretary E.A.S. Sarma has said that it will be detrimental to people living in the proposed mining areas and may create huge environmental and ecological issues.

Speaking to *The Hindu* here on Tuesday, he said that it is understood that there are hundreds of mining lease applications pending and the intention is to expedite the clearances.

'Irreversible impact'

The mining activity may yield limited revenue for the State but in the long run causes irreversible adverse impacts on the local environment, if they are not complied with the PESA (Panchayat Extension to Schedule Areas) Act and Forest Rights Act (FRA).

He said that in most of the mining leases, the mining work is taken up often without prior clearance, mining area extends over the proposed lease area, minerals other than those approved extracted and mining undertaken indiscriminately violates the forest laws.

In a letter to Gopala Krishna Dwivedi, Principal Secretary of Mines Department, and Kantilal Dande, Secretary, Tribal Welfare Department, the former Union Secretary pointed out that no mining lease should be cleared without a public hearing and prior Environment Clearance (EC) issued by the Union Ministry of Environment, Forests and Climate Change (MoEFCC) under the Environment (Protection) Act and in the case where the mining leases are located within or adjacent to the forests, prior clearance should be obtained under the relevant forest laws from the Forest Advisory Committee (FAC) of the MoEFCC.

He said that if the mining activity is in the Scheduled Areas, it is imperative that the provisions of the Panchayat Extension to Schedul e Areas Act and the Forest Rights Act are complied with strictly.

"No mining activity should be permitted without the prior consent of the local Gram Sabhas. This position has been emphasised by the Supreme Court in the Vedanta case and no mining activity should be allowed to be undertaken by non-tribals in such areas, as emphasised by the apex court in the Samata judgment," he said.

According to him, broad-based tribal cooperatives alone should be permitted to undertake mining as per the Samata Judgement.

He urged the State government to to exercise due diligence in clearing the mining leases.

Source : The Hindu

Govt relaxes green norms for projects connecting mines

The ministry has, however, cautioned that all forest clearance proposals for mining shall have an additional column for the project proponent to certify that they have critically examined the mineral extraction pathways and that no new extraction path outside the mining area shall be proposed during the next five years.

Roads, conveyor belts, railway infrastructure etc. that connect mines to ports or other destinations can now be considered as standalone projects that can be approved by the regional offices of the union environment ministry, the ministry said in a letter to state governments.

"The State Government/User agency shall ensure that dispensation considered by the Ministry is not misused in any way and likely tendencies to detach linear projects from the main proposal of mining should not be encouraged. To the extent possible, linear infrastructure such as roads/railways/conveyor belts, etc. ancillary to mining should be included in the main proposal and under inevitable circumstance only, such proposals submitted by the user agency should be considered as standalone projects," the letter, dated August 23, stated.

It has, however, cautioned that all forest clearance proposals for mining shall have an additional column for the project proponent to certify that they have critically examined the mineral extraction pathways and that no new extraction path outside the mining area shall be proposed during the next five years. As far as possible existing roads, railway infrastructure should be strengthened to minimise forest and tree cover loss, the letter states.

The letter states that the ministry of coal had requested the environment ministry to consider the possibility of constructing new linear projects linking mines to dumping or loading sites.

As far as possible existing roads, railway infrastructure should be strengthened to minimise forest and tree cover loss, the letter states.

The ministry of coal launched an auction for mines last year. In the first tranche 38 were listed and in the second tranche 67 mines in Chhattisgarh, Jharkhand, Odisha, Madhya Pradesh, Maharashtra and Andhra Pradesh were listed for commercial coal mine auctions.

"Based on the recommendation of the FAC and approval of the same by the competent authority, the ministry hereby conveys that supplementary linear project linked to mining that are conceived after the start of the original mining, should be considered as a standalone linear project and decisions on according approval for those shall be made at the REC/IRO (regional empowered committee/integrated regional office of MoEFCC) concerned as per provisions provided in the Forest Conservation) Rules, 2003," the letter stated.

Transportation of coal is a contentious issue in many parts of the country where locals have opposed it due its large pollution footprint. For example, locals in Odisha's Sundargarh district have been opposing transportation of coal through their villages because heavy dust pollution caused by the transportation has been damaging our crop production continuously and children are avoiding school for the fear of being run over according to their petitions submitted to the forest advisory committee. "This delinking of linear infrastructure has to be seen along with the changes in mining laws that allow for mineral extraction without specifying end use. This means that evacuation routes and all the related impacts can continue to shift throughout the life of a mine. Our regulatory appraisal, compliance and monitoring protocols are not designed to address this dynamic demand. In the present case, the enabling conditions are drafted more as a request to user agencies not misuse this privilege and minimize damage. They also give a lot of discretion to the ministry's regional offices to determine the form and future of linear infrastructure linked to mining projects," said Kanchi Kohli, legal researcher, Centre for Policy Research.

"All linear projects are considered by regional offices. In this case the ministry has very specifically said that the need for supplementary infrastructure shouldn't arise at least for the next five years because transportation should be considered by the mining project. If it does arise then regional offices can critically examine the impact of such supplementary projects," said a senior environment ministry official.

Source: Hindustan Times

39 mining projects of Coal India face delays

This assumes significance in the wake of the country's power plants grappling with depleting stocks at their end.

State-owned CIL's 39 coal mining projects are running behind the schedule on account of delays in getting green clearances and issues related to rehabilitation and resettlement (R&R).

This assumes significance in the wake of the country's power plants grappling with depleting stocks at their end.

"114 coal projects with a sanctioned capacity of 836.48 mty (million tonnes per year) and a sanctioned capital of Rs 1,19,580.62 crore are in different stages of implementation out of which 75 projects are on schedule and 39 projects are delayed," Coal India Ltd (CIL) said in its report.

The major reasons for delays in implementation of these projects are delay in forest clearances and possession of land and issues related to R&R.

CIL's nine coal projects, with a sanctioned capacity of 27.60 million tonnes per year and a sanctioned capital of Rs 1,976.59 crores were completed with a total completion capital of Rs 1,958.89 crore during 2020-21.

Four of these projects belong to Western Coalfields Ltd (WCL), three of Central Coalfields Ltd (CCL) and two of Mahanadi Coalfields Ltd (MCL).

WCL,CCL and MCL are subsidiaries of Coal India.

One project with a sanctioned capacity of 1.4 million tonnes per year and a sanctioned capital of Rs 143.63 crore had started coal production during the year 2020-21, the report said.

CIL arm South Eastern Coalfields Ltd (SECL) is the mining project that started production during FY21, it said.

Coal India accounts for over 80 per cent of domestic coal output.

CIL has envisaged one billion tonne coal production in the year 2023-24 to meet the coal demand of the country.

Source: The Indian Express

SWASTHA

A GEMCOKATI EMPLOYEES INITIATIVE

CONQUER PERFECTIONISM BEFORE IT CONQURES YOU

In the words of a famous writer -

I used to struggle to start writing. I fell prey to the 'First-Line-Syndrome'— I fear that, if I couldn't catch my reader's attention immediately, they'll click away. However, the more I tried to find the perfect line, the more I got stuck.

That's a big problem with perfectionism – the focus is mostly on what's missing, or broken, thus making the progress difficult. The truth of being perfect is an illusion because we believe, it's making us better, but actually its destroying us. Striving to be the best is entirely different from trying to be perfect.

According to THE WORLD HEALTH ORGANIZATION, the pressure to become better and better has turned into an EPIDEMIC. It has linked severe anxiety disorders to extremely unrealistic standards we have set for ourselves. In organizations, the pursuit of perfectionism is affecting both leaders and teams alike. According to a clinical psychologist a perfectionist is a person "who strives for flawlessness, for a perfect creation, outcome or performance. They find it difficult to delegate, even if that means neglecting their health, relationships, and wellbeing for a 'perfect' outcome". Working hard to achieve high standards isn't a bad thing if we approach it properly.

But now the generation which is always aiming high, has turned the concept of perfectionism into an unhealthy habit eventually used as a shield to protect themselves against the pain of being vulnerable – they don't want to be blamed or judged by others. Unhealthy perfectionism has lead to eating disorders, depression, high blood pressure, low self esteem and thoughts of suicide. Today's dominant thought everyone nurtures is 'I have to excel at everything I do' followed by an intense self criticism of a complete failure if I fall short. There is a constant pressure to appear flawless due to fear of failure, along with our desire to be loved and admired. With the growing influence of social media, across the globe, it has projected itself as a space to perceive and achieve perfection – the more likes you get, the closer you are to feeling perfect.

An increasing trend among young people seen is they hold irrational standards for themselves by creating unrealistic expectations with regard to their academic and professional achievement, looks and possessions, thus creating a modern myth that their lives should be perfect. Studies among North American teens, exhibits rise in unhealthy perfectionism, thus endangering lives of youngsters. A paradox of perfectionism is that it's an impossible goal, as the more you try to win someone else's validation, the worse you become. In the words of Greek philosopher –"Pleasure in the job puts perfection in the work". Rather than seeking for perfection, he argues that we must find meaning in our lives filled with value or worth. A grave mistake most people make is that a meaningful life needs to be perfect, thus not allowing them to see the value in ordinary things.

How to get perfection out of your way:

We must change the lens. Do the hardest to be at the top of the game, improve every aspect you can until the last possible second, then let it go. Don't over think it .It will never be perfect as perfection is overrated. Never was a business idea, design or article good enough in your head- just launch it. Once you have launched, avoid distractions and analysis. Keep the momentum going on, just focus on making progress and enjoy the journey while you reach your destination. The key is to realize that an endeavor can be worthwhile even if it's not perfect.

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