

India : Cabinet approves Ordinance for Mines Auction – PTI

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“The Cabinet on Monday approved an ordinance for auction of iron ore and other minerals, yet again opting the emergency route that was adopted for coal, insurance and land acquisition reforms.

“The cabinet has approved promulgating an ordinance to auction iron ore and other minerals,” a government source said after the meeting of the Union Cabinet chaired by Primary Ministry Narendra Modi here.

The ordinance would pave the way for introduction of competitive bidding for allocation of iron ore and other non-coal mines. It will also enable creating District Mineral Funds for the welfare of the project-affected people.

The need for taking the ordinance route was felt as the government was finding it difficult to allocate mines, because the Mines Ministry could not able a Bill in the Winter session of Parliament to amend the Mines and Minerals (Development and Regulation) Act, 1957.

The government intends to bring in transparency and wants to continue mining in the country. There are a lot of pending cases and for the past 4-5 years, iron ore sector has been facing crunch in terms of mining. The lease will last for 50 years and there will be no deemed extension or renewal. Any renewal case which is pending will get 15 years of moratorium for captive users and 5 years for non-captive users through PSUs which have these mines would not be affected.