

## Odisha to oppose Mining Ordinance

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Business Standard reported that the Odisha government has decided to object introduction of new provisions in the Mines and Minerals Development & Regulation - MMDR Amendment Ordinance, 2015 at a meeting convened by Union mines minister Mr Narendra Singh Tomar on January 19th in New Delhi.

Mr Prafulla Mallick Odisha's steel and mines minister, said that "The Union mines minister has convened a meeting on January 19 to discuss about strategies for implementing the Ordinance. We will raise the issues which hamper the interest of Odisha. We are currently in touch with the law department to identify the issues which are against the interest of the state."

Mr Mallick said that "We will lose huge amount of money because of the Ordinance. And, the decision to auction those leases was in line with Supreme Court's order to dispose pending mining lease renewal cases. We may even go to the court if the law department advises us to do so."

The MMDR Ordinance, which became effective on January 12th, contradicts Odisha government's resolution to auction lapsed mining leases. The Ordinance extends the validity of all lapsed leases to 2020 in case of non captive mines and till 2030 for mines used for captive purpose. The Ordinance does away with the provision of renewal of mining leases and instead, has inserted clause to provide lease for a period of 50 years, contrary to 30 years mentioned in the earlier law. After completion of the lease period, the lease will be put up for auction again.

The state government had planned to auction 18 lapsed leases, to shore up its shrinking mining revenue collection, which has been affected by court and regulatory body orders in past couple of years. It was expecting that the 18 leases would have fetched the state government an incremental revenue of INR 5,000 crore every year for a period of 5 years in terms of royalty and auction money.

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