

## CURRENT NEWS

April, 2008

### Mineral policy amendments to be delayed

**New Delhi, Apr 14, 2008:** The implementation of the new National Mineral Policy (NMP) is likely to be delayed again. The working group set up by the mining ministry comprising officials of mineral-rich states is yet to reach a consensus over the proposed amendments to the Mines and Mineral (Development and Regulation) Act, 1957 (MMDR Act). Amendment to the Act is an integral part of the recently-cleared NMP, without which the policy merely remains a toothless piece of initiative on paper. Amendments would have to be separately cleared by the Cabinet before its introduction in Parliament. "The working group on the new mineral policy is holding extensive meetings with all the stakeholders (mineral-rich states) to evolve a consensus over various provisions. The states still have a few doubts over some of the provisions of the policy and want to incorporate changes in the Act that suit their interest. This could delay introduction of amendments in Parliament, thereby delaying operationalising the policy," a source said.

"In any case, the report of the working group would form part of a separate Cabinet note that would be issued by the mines ministry to carry out amendments in the MMDR Act. The policy would finally get operational only after Cabinet okays these amendments that is to be later passed by the Parliament," the source added. The Cabinet has cleared the policy despite objections from states such as Chhattisgarh, Madhya Pradesh, Rajasthan and Orissa. States have sharp differences with the Centre over the proposal to continue exports of iron ore, curb powers of states by allowing seamless transfer of mineral licence, restriction on denying automatic approval for extending mineral licence, conditional permission allowing states to seek value addition from mineral concession applicants and limited permission to states for reserving mineral areas for public sector units.

"At all stages states were consulted before finalising the policy proposals. It is wrong to say now that their concerns have been ignored," mines minister Sis Ram Ola said while giving details of the policy. The mines ministry also allayed apprehensions of steel industry and state governments on iron ore availability, saying the country has enough ore to last for 200 years.

[Source: <http://economictimes.indiatimes.com>]

### Mining firms among top tax payers in India

**Kolkata, 12 Apr 2008:** Soaring iron-ore, coking coal, manganese and chrome-ore prices may lead to an unprecedented hike in steel prices, but it has turned mining companies like Coal India (CIL) and National Mineral Development Corporation (NMDC) into one of the top contributors to the government exchequer. Sources in the income tax department said mining companies could end up paying a total tax of Rs 15,000 crore in 2007-08, the highest-ever in the industry's history. The figure could be more than the combined tax paid by corporate giants like ITC, HUL, ONGC and Reliance Industries, they said.

Sources said public sector behemoths CIL and NMDC have featured in the national top-10 corporate tax payers list for the first time. CIL CMD Partha Bhattacharyya said, "CIL, along with its subsidiaries, paid close to Rs 3,500 crore as tax

in 2007-08. This is the highest in CILs history." CIL itself paid Rs 485 crore as tax in West Bengal.

NMDC CMD Rana Som said the firm paid Rs 1,700 crore as tax in 2007-08, its highest. "We are the 9th largest tax payer in the country," he said. The I-T department in West Bengal, which houses the headquarters of Coal India and leading private sector mining companies like Essel Mining & Industries (EMIL), has mobilized over Rs 1,500 crore from mining companies in 2007-08.

Essel Mining of the AV Birla group paid Rs 294 crore as tax in the last fiscal, which too is the highest paid by the company. Kolkata based Rungta Mines Ltd deposited Rs 328 crore to the central exchequer by way of income tax. Orissa Minerals Development Company belonging to the Bird group had a tax outgo of Rs 82 crore in 2007-08. This company has a paid-up equity of less than Rs one crore.

[Source: <http://timesofindia.indiatimes.com>]

## **Indian door open to Aussie firms**

**Christian Kerr | April 11, 2008**

India is being touted as the new land of opportunity for Australian infrastructure and resource companies, with business opportunities worth more than \$50 billion available in the next 12 months. "The Australian Government is committed to raising the trade and economic relationship with India to a new level," Trade Minister Simon Crean said yesterday, launching a new Austrade report on business opportunities in India. "Australian business has the expertise and capacity to pursue the tremendous opportunities that India presents in the infrastructure and resources sectors." Mr. Crean said trade between Australia and India had been growing by more than 30 per cent per year, and India was now Australia's fastest-growing export market.

India has experienced rapid growth, averaging 7.6 per cent over the past five years and 9.4 per cent in 2006-07. Indian gross domestic product is projected to grow at 8.7 per cent in 2007-08, a growth rate that makes India the world's second-fastest-growing economy. "The Indian Government has identified that, to sustain a growth rate of 8 to 9 per cent over the long term, significant infrastructure development is required," Mr. Crean said. "Investments in the order of \$US500 billion (\$536.6 billion) are expected to take place in coming years for developing ports, airports, roads, railways and real estate." The report, prepared for Austrade by KPMG India, says the Indian Government is creating an infrastructure policy framework increasingly conducive to private investment, with several opportunities for public-private partnerships. The paper says the minerals sector will experience significant growth, driven by overall industrial growth.

"The size of the metals and mining sector in India has more than doubled to \$US45 billion in 2007 from \$US20.3 billion in 2001 and a similar pattern is expected to be maintained in the years to come. "This will demand increased efforts and investments in exploration and extraction activities," the report finds. But KPMG has warned that Australian companies must act swiftly. "Some of the larger Australian companies are working in India and some are in the process of entry, but others need to move fast to compete with companies from the UK, USA and Spain which have expertise in this area and are very keen to participate in the Indian market," said Kumar Parakala, KPMG Australia's India business practice national leader. Australian infrastructure and resources

companies already working in India include Leighton, Hydro Tasmania, BHP Billiton, Rio Tinto, Thiess and BlueScope.

[Source: <http://www.theaustralian.news.com.au>]

### **Sis Ram Ola announced detail achievements of the Ministry of Mines**

**April 10, 2008: The Minister for Mines Shri Sis Ram Ola today announced the details of the National Mineral Policy.**

#### **Broad features of the new National Mineral Policy, 2008:**

In order to attract investment, both domestic and FDI, the new National Mineral Policy, 2008, seeks to introduce a shift in policy from a Conservationist approach (primarily conserving the minerals for current and future domestic use) to an appropriate-use-of-resources approach (i.e. most economic use of each mineral whether for domestic processing, for import substitution or for exports). The new National Mineral Policy, 2008 has suggested policy measures like seamless transition, transferability of mineral concessions and transparency in allotment of concessions to reduce delays and discretionary powers which are seen as impediments to investment and technology flows in the mining sector in India. The Mining policy also seeks to develop a sustainable framework for optimum utilization of the country's natural mineral resources for the industrial growth in the country and at the same time improving the life of people living in the mining areas, which are generally situated in the backward and tribal areas of the country.

#### **Important features of the new initiatives taken in the National Mineral Policy, 2008:**

Absolute right of a prospector to obtain a Mining Lease in the areas where they have done requisite work, implying seamless transition from regional exploration (RP) to prospecting (PL), and to mining (ML), except for National Security/ specified Public Purpose:

- ◆ Unbundling of prospecting from mining, whereby prospector may invest, find and sell data.
- ◆ Encourage competitive exploration with state-of-art technology and investment with introduction of two new concessions, i.e. Non exclusive reconnaissance operations (NERP) and Large Area Prospecting Licence (LAPL)
- ◆ Introduce Competition and level playing field by ensuring an arms length between the Government as a regulator and Government as a miner
- ◆ Promote auction of ore bodies fully prospected at public expense for transparency in allotment, recovery of cost of exploration borne by the Government & generate additional resources for the States.
- ◆ Allow State Governments to give preference to a “value adder” in case of multiple applicants for a concession subject to other eligibility requirements. At the same time State Governments cannot hold back grant of mineral concession if no “value adder” is available.
- ◆ Reduce delays in the grant of mineral concessions.
- ◆ Promote welfare of the local community and mainstreaming of the people in mining areas situated in backward and tribal areas by:

- Introducing a Sustainable Development Framework for India based on ICM model keeping in view the Court judgements on NPV & compensatory afforestation, Resettlement & Rehabilitation package of the Government and Social infrastructure.
- Allow funds from mining companies to be routed to receiving beneficiary projects with local participation and NGO support
- Mining companies to spend a percentage of turnover on social infrastructure as Corporate Social Responsibility
- Promote mining companies to grant stakeholder rights to project affected persons in project companies.
- ◆ Ensure fair compensation to the State Government by:
  - Moving to an ad valorem basis royalty system.
  - Propound increase in dead rent on escalating scale on unused areas, to dissuade idle holding of resources.
  - Allow levy of fees on transfer of concessions.
  - Propound several fold increase in penalties on illegal mining.
- ◆ Promote growth of Infrastructure in mining areas.

**Some additional proposed initiatives flowing out of the New Mineral policy:**

- A. Creating an empowered-cum-coordination committee at Central & State levels to work as pressure point to reduce delay in grant of mineral concessions.
- B. Setting up of a Mining Administrative & Appellate Tribunal, which can be approached by an applicant in case of failure of the Centre and State Government to adhere to time limits.
- C. Enlarge the role of existing State Level Mineral Development Corporations as Mineral Infrastructure Development and Finance Corporations (MIDFICs) for financing/promoting mining infrastructure projects through Joint ventures and special purpose vehicles.

A Mineral Development Fund (MDF) to be created in every State by the State Government by earmarking a portion of the annual royalty. Government of India would make matching contribution to MDF.

The Minister also spoke about the revision of royalty rates and dead rent. **The main highlights of the revised rates** are as follows:-

- Royalty rates for minerals amphibole asbestos, china clay/kaolin [including ball clay, white shale & white clay], graphite, iron ore, quartz, silica sand, moulding sand and quartzite and uranium to be shifted from tonnage basis system of royalty to ad valorem basis.
- Royalty rates for 9 minerals, Chrysotile asbestos, dolomite, limestone, lime kankar, lime shell, monazite, ochre, slate and tungsten, would continue to attract unit of production based royalty because it was held that shifting over to ad valorem rates for these minerals is not administratively feasible.
- For base metals (copper, zinc, lead etc.) and bauxite & laterite dispatched for extraction of alumina and aluminium, the rates of royalty would continue to

be linked to the international benchmark metal prices. This would ensure higher royalty payment for high grade ore and lower royalty payment for low grade ore. However in case of bauxite and laterite dispatched for non metallurgical uses royalty would be levied on ad valorem basis as per the national benchmark price published by IBM.

- For fixation of dead rent the existing grouping of minerals into precious metals and stones, high value, medium value and low value minerals would continue, but steep increase in the rates of dead rents from second year of lease is proposed in order to discourage dormant holdings.

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[Source: <http://pib.nic.in>]

### **Tata, MMTC to float JV for mine hunt**

**New Delhi, April 9, 2008:** In yet another major public-private partnership, Tata Steel will float a joint venture company with state-owned MMTC Ltd for acquiring mining projects in India and abroad. The JV will focus on African countries like Angola and Namibia and central Asian countries like Kazakhstan and Uzbekistan to bid for gold and diamond mines, besides acquiring coal and iron ore mines. The board of Tata Steel, which met on Wednesday, has approved the proposal to form a JV with MMTC. While Tata Steel will hold 74% stake in the venture, MMTC will have the balance 26% equity. MMTC is taking the proposal to its board on April 17. Confirming the move, the minister of state for commerce and power, Jairam Ramesh, who was in Angola last week, said, “The governments of Angola and Namibia have already offered a diamond mine each to India for exploring and developing. Considering that we are the largest importer of gold and diamond, this provides us with an excellent opportunity.”

Sources close to the developments said the JV will also focus on non-ferrous metals and other minerals which India imports. “The JV will be the main company for all such projects. However, each project will be taken up separately and an individual company will be set up for implementing each project. The concrete details are yet to be worked out and the process may take 2-3 months,” an industry source revealed. MMTC, an international trading house of the Indian government, had already revealed its plans to acquire coal mines in Indonesia and Australia, besides its interests in acquiring coal mines in India. The company is a leading importer of coal for the country's power utilities and steel plants.

A number of mining Companies, having leases for coal mines, have offered MMTC a stake in those mines. The company has been mulling importing steam coal from Indonesia and metallurgical coal from Australia. The Tata group has also been scouring the globe for natural resources to secure supplies. Tata Steel has entered into an MoU with Riverdale Mining in Australia. Under the agreement, Tata Steel would acquire a 35% interest in two of Riversdale's key Mozambique exploration tenements.

[Source: <http://www.financialexpress.com>]

### **India's Govt. seeks to make mining sector more investor-friendly**

**April 9, 2008:** India's government is currently in the process of finalizing changes to mining legislation, which would hasten the granting of mining licenses and, in turn, open up the country to more foreign investment. Under the new changes, the granting of a mining lease will take six months instead of one year, and mining royalties will be calculated based on a value formula not tonnage, reports Business Day. Indian government representatives are planning to visit countries such as Canada and Australia to woo foreign investors and companies interested in the country's mining sector. Meanwhile, Navdeep Suri, India's Consul-General in Johannesburg, says, that De Beers and Anglo American already have sales offices in India as well as established relationships, reports Business Day. Suri also says that once his government has issued its new mining policy, the Indian consulate would encourage other South African mining companies to invest in India's mining sector. An amendment to the country's Mining Act is due to be passed this month, according to The Times of India. India has reserves of bauxite, coal, gold reserves, zinc, diamonds, manganese and chromite.

[Source: <http://www.diamondintelligence.com>]

### **CSE Book on mining released in Vishakhapatnam**

**April 8, 2008:** India's richest lands - with minerals, forests, wildlife and water sources - are home to its poorest people. Mining in India has, contrary to government's claims, done little for the development of the mineral-bearing regions of the country: says the latest publication from New Delhi-based Centre for Science and Environment (CSE) -- its 356-page 6th State of India's Environment Report, titled Rich Lands, Poor People -- **Is Sustainable Mining Possible?**

The report was released here today by Dr E A S Sarma, former secretary, expenditure, Government of India and convenor of the Forum for Better Vishakha. The release was followed by a panel discussion. The participants included Chandra Bhushan, associate director, CSE and lead author of the report; Ravi Rebbapragadda, executive director, Samata, etc. CSE's 'State of India's Environment' reports have been widely acknowledged as the most comprehensive and authoritative series of publications on the subject of environment and development in India. The report on mining lives up to the reputation and the promise of using knowledge for change. Extensively researched and richly illustrated, Rich Lands, Poor People details the issues of mining in different states of the country, impacts on environment and people, and policy reforms that are essential to practice more 'sustainable' mining.

The Vishakhapatnam release function, which was the fifth in a series of nation-wide releases, holds great significance for the region whose fragile ecosystem and forest-coastal communities are threatened by new, large-scale private mining proposals. Rich lands made poor "If India's forests, mineral-bearing areas, regions of tribal habitation and watersheds are all mapped together, they will overlay one another on almost the same areas," said Chandra Bhushan, speaking at the release function. The CSE report echoes him: "The three tribal-dominated states of Orissa, Chhattisgarh and Jharkhand are the most productive mineral-bearing states as well; also, the forest cover in these states is far higher than the national average," it says. The report goes on to point out that, of the top 50 mineral-producing districts in the country, almost half are tribal. The average forest cover in these districts is 28 per cent, much more than the national average of 20.9 per cent.

The report paints a horrific picture of the devastation that has been wrought by mining in the country. The statistics are shocking:

- Between 1950 and 1991, mining displaced about 2.6 million people -- not even 25 per cent of these displaced have been rehabilitated. About 52 percent of these displaced were tribals.
- For every 1 per cent that mining contributes to India's GDP, it displaces 3-4 times more people than all the development projects put together.
- Forest land diversion for mining has been going up. So has water use and air pollution in the mining hotspots.
- An estimated 1.64 lakh hectare of forest land has already been diverted for mining in the country. For instance, the forests in Bardhaman have been decimated by mining. Iron ore mining in India used up 77 million tonne of water in 2005-06, enough to meet the daily water needs of more than 3 million people.
- Mining of major minerals generated about 1.84 billion tonnes of waste in 2006 -- most of which has not been disposed off properly. Coal is the main culprit: every tonne of coal extracted generates 3-4 tonnes of wastes.

"The result of this large-scale ravaging of natural resources is emerging in the form of growing conflicts in India's mining zones," says Chandra Bhushan. A large part of these zones is in the grip of Naxalism: 40 per cent of the mineral-rich districts in the top six mineral-producing states are affected by the movement, which is opposing the lopsided 'development' mining brings in. The case of Andhra Pradesh accounts for 96 per cent of India's barytes, 40 per cent of its limestone and 30 per cent of its bauxite - and is heavily mined. About 16 per cent of India's mines are in Andhra Pradesh. About 2,06,250 hectares (ha) of the state is covered under mining leases. Nellore, Kurnul, Nalgonda, Kadapa and Guntur feature among the top mining districts.

Forests have been the natural victims. As per the statistics available for 1980-2005, Andhra Pradesh diverted more than 13,000 ha of forest land for mining - this was the third largest diversion for mining in the country during this period, after Orissa and Chhattisgarh. Not surprisingly, the state has been a hotbed of mining-induced conflicts -- says the CSE report - beginning with the 10-year struggle of Nimmalapadu, spearheaded by Samata. People are also up in arms over a proposed uranium mining project in Nalgonda and bauxite mining initiatives across the state, including in Vishakhapatnam. In fact, the report points out, Andhra Pradesh's "zest for bauxite can spell doom for the hills and water bodies of the Eastern Ghats".

Understanding these implications, Samata's campaign - titled 'Health of the Hills is the Wealth of the Plains' -- in four districts of north coastal Andhra Pradesh has activated farmers and urban populations to campaign for safeguarding water. The campaign has exposed the proposed diversion of large quantities of water for bauxite projects. Says Ravi Rebbapragadda: "While the Andhra Pradesh Mineral Development Corporation has been acting as a front for private companies to extract mineral wealth in violation of the Fifth Schedule and the Samatha judgment, the people have led the fight. About 98 per cent of the people in the region have testified against a proposed Jindal refinery at Boddavara, while strong protests have met the proposed Ras Al Khayma refinery at Makavaripalem...

This book reflects the voices of the communities and civil society in Vishakhapatnam who are raising critical questions about the sustainability of mining in the region." Poor people made poorer : Says Chandra Bhushan: "Mining is being promoted in the country for the wrong reason -- employment. All state governments -- including that of Andhra Pradesh -- justify mining arguing that the sector will provide employment, but this is a chimera. The formal mining industry in India employs just 5.6% people and this number is coming down." The CSE report uses government's own data to show how employment has fallen in the mining sector as a whole. It says the modern mining industry does not require people. Between 1991 and 2004, the value of mineral production in India increased four-fold - at the same time, employment plummeted by 30 per cent.

In fact, says Chandra Bhushan, "Modern industrial growth requires resources of the region - minerals, water or energy. It does not require people. Neither does it necessarily provide local benefits. If it provides employment benefits, it is outside the poor region in which it is based. It degrades the land and uses up local water, but does little to return back the wealth. Worse, the royalty on minerals goes to state exchequers, not to local communities. This will have to change."

### **Is sustainable mining possible?**

The CSE report points out that mining cannot be sustainable or truly environment-friendly: one, because all ore bodies are finite and non-renewable and two, because even the best managed mines leave "environmental footprints". But it also concedes that mining and minerals are necessary. Adds Chandra Bhushan "The issue is not whether mining should be undertaken or not. Rather, it is about how it should be undertaken. It is about ensuring that mining is conducted in an environmentally and socially acceptable manner."

The report goes on to recommend a range of policy initiatives that could help India meet this challenge. Some of its main recommendations include recognizing people's right to say 'no' (mining should not take place without the consent of the people); independent, impartial preparation of EIA reports; disallowing mining in forests; framing stronger mine closure regulations; and "doing more with less -- a key to sustainable development".

[Source: <http://www.mynews.in>]

### **South Africa: Miners See Opportunities in India**

**Johannesburg, April 8, 2008:** South African mining companies are starting to eye opportunities in resource-rich India, with its government finalising changes to mining legislation to make the country more foreign investor-friendly. The Times of India reported two weeks ago that an amendment to India's Mining Act was due to be passed this month. It would speed up the granting of mining leases to about six months from a year at present, and change the basis for calculating mining royalties from a tonnage to a value formula. Indian Mines Minister Subbarami Reddy said Canadian, Australian and local companies had expressed an interest in India's opportunities and Indian officials would visit these countries to encourage investment.

India is estimated to have 2,92-billion tons of bauxite, or 10% of the world's reserves, 23-billion tons of iron-ore, 276-billion tons of coal and 14000 tons of gold

reserves, although it mines only three tons of gold a year. The country also has substantial reserves of diamonds, zinc, manganese and chromite. Navdeep Suri, India's consul-general in Johannesburg, said miners such as BHP Billiton, Anglo American and De Beers already had sales offices in India and had built relationships. "Once the Indian government has issued its new mining policy, the Indian consulate will bring this to the attention of other South African mining companies and hope they will look at investing in India's mining sector," he said.

Anglo American's media relations manager, Pranill Ramchander, said Anglo had opened a new Indian office, with Bala Balakrishnan as CEO. "The purpose of our Indian office is to identify and evaluate potential partners; several major business houses are being considered," Ramchander said. BHP Billiton investor relations manager Alison Gilbert said the group did not have any operations in India at present. "We have looked (and continue to look) at a number of opportunities, but there is nothing further we can comment on at this stage," she said.

[Source: <http://allafrica.com>]

### **Vedanta Resources plans to invest \$15 billion in Indian Mining Sector**

**Jaipur, April 3, 2008:** London-based Vedanta Resources is planning to invest \$15 billion in the mining sector in India and Africa by 2010. Vedanta Resources executive chairman Anil Agrawal told ET that the company is planning to become the largest producer of metals in the world. "We are targeting at achieving the 1 million tonnes per annum production capacity in copper and zinc while in Aluminium, where we have already touched the magical 1 million figure, we are trying to scale it up to 3 million tonnes per annum," he said.

The mining major is also focussing on ramping up the silver production to 500 tonnes per annum to become the largest producer of silver in Asia. "We are investing Rs 500 crore for enhancing the silver production from 200 tonnes per annum to 500 tonnes per annum at our Udaipur-based facility in Hindustan Zinc. We would not only restrict ourselves to upstream activities but also explore markets for local consumption," Mr. Agrawal said.

Vedanta Resources is active in copper, aluminium, iron ore and zinc. Now, it wants to foray into gold mining also. "We want to acquire gold mines like Bharat Gold mine or Hatti Gold mine to expand our canvas. In fact, we are interested in public sector companies, which are on block—even if it's Nalco, Hindustan Copper Limited or IFCL. We have proved that we can transform sick PSUs into profit making companies," Mr. Agrawal said.

The group's optic fibre cable manufacturing subsidiary, Sterlite Technologies, is also planning to invest Rs 500 crore to ramp up the optic fibre production capacity to 12 million km from existing 4 million km. "The expansion would take place at the company's subsisting plants in Aurangabad and the commercial production is expected by June 2009," Mr. Agrawal said. The company enjoys 45% optic fibres share in the domestic market, and 4% share internationally.

[Source: <http://economictimes.indiatimes.com>]

### **Impart scientific guidance for coal mining**

**Dimapur, April 2, 2008:** The Nagaland Geoscientist Association today suggested the state government to initiate action about imparting proper technical and scientific guidance for systematic and economically beneficial coal mining, which will also be helpful in the generation of revenue in the state. A press release issued by the Literary Secretary of the Nagaland Geoscientist Association, T Mar Imchen, while responding to the new item that appeared in this paper April 2, made some supplementary remarks about the coal deposits and mining activities in the state. He said that 'agencies' like Geological Survey of India and CMPDIL, etc., have recorded the total reserves of coal as not more than 10 million tonnes which has been calculated only from a small area of 22 sq kms.

However, it is expected that the state may have coal reserves in an area of about 800 sq km extending for about 3-3.5 kms beneath the surface. Mar Imchen confirmed that the Nagaland coal, as any other tertiary coal of the north eastern region, has high sulphur content; however, he stated that the high sulphur content may be regarded as highly valuable due to its low ash content and high calorific value. Mar stated that some advanced countries are extracting oil from high sulphur coal and that it has been shown that higher the sulphur content, the more the yield of oil. Generation of thermal power up to 25 MW is also possible from high sulphur coal and either by modification of boilers or by treating the coal, it can find many uses as fuel both in the industrial and domestic sectors, the release stated. However, the release disclosed that almost all the mining activities in Nagaland are being carried out by non-local businessmen who are not concerned about the welfare of the people and the mineral. It asserted that taking advantage of the ignorance of the local landowners, these businessmen lure the people with meager amount of easy money and extract the coal by the easiest means without any safety measures.

In this regard, the Nagaland Geoscientist Association suggested some measures to be adopted while extracting coal in Nagaland. It stated that 'open cast and semi mechanized coal mining activities being carried out in some parts of Mon district are more destructive that covers larger areas (the picture which appeared in this paper about coal mining is an example of open cast mining). The release also stated that 'Rat-Hole mining' activities presently being carried in almost all of the coal bearing areas of Nagaland can penetrate only up to 50-60 metres from the surface and though it causes landslides and subsidence, the open cast mining cause more environmental impacts as compared to 'rat-hole mining', it asserted.

In this regard, the Nagaland Geoscientist Association opined that with proper technical guidance and more benefits given to the private landowners, the local people might cooperate with the government agency." The need of the hour is to impart proper technical and scientific guidance towards systematic and economical coal mining and also for revenue generation," the release asserted.

[Source: <http://www.morungexpress.com>]