Mining industry seeks easy licence regime

Our Bureau

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The mining industry, in its pre-Budget presentation to the Finance Ministry, has sought easy grant of mining licences and their transferability at a premium.

While 100 per cent foreign direct investment is allowed in mining, a complex licence regime has discouraged investment.

"Our representations are based on those made by the Hoda Committee," said Mr R.K. Sharma, General Secretary of the Federation of Indian Mineral Industry. The Anwarul Hoda committee was set up by the Planning Commission to review mining policies.

The committee has favoured making mining leases seamless. It will guarantee mining lease on the basis of a first-in-time principle from the time reconnaissance-exploration permit is given. The mining industry is in favour of the recommendation as the usual time for obtaining licences is anywhere from 5-10 vears. Since major mining States have poor infrastructure, investment on a largescale would be required to promote mining.

Higher depreciation allowance at 40 per cent against the current rate of 20-25 per cent has been sought on the use of mining equipment, said Mr Sharma. The industry has said the royalty charged by the States on mining is sometimes higher than the cost of production of certain minerals and wants it to be on the lines prevailing in Australia and Brazil.

The mining industry, which contributes 2-2.5 per cent to GDP, has a good potential following the international boom in prices of various base metals.

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