

Chinese firm paid record fee for Dhading limestone mine

A Chinese company has acquired a license for detailed exploration of limestone in Dhading paying Rs 600 million - a record fee that any mine and mineral company have paid.

Department of Mines and Geology (DoMG) awarded the license for exploration in Panikharka of Dhading to Huaxin Cement Company of China.

Huaxin has received approval from the government to invest Rs 15 billion in a cement plant.

The company bid the highest amount in an open bidding for 15 mines, including three mining licenses. This was the first time that the government invited bids for limestone mines, asking interested companies to submit their financial proposal.

“Rs 600 million is a record fee paid by any company for the license in our mining history. We could get such a huge fee, thanks to fierce competition amongst companies,” Ram Prasad Ghimire, deputy director general of DoMG, told Republica.

“This time, we asked companies to submit their financial proposal with their bid. In the past, we used to evaluate only the technical proposal and award license by charging a fee spent by the government while identifying limestone mines and few other costs,” explained Ghimire.

As many as six cement companies, including Dangote Cement Nepal Pvt Ltd and United Cement Pvt Ltd, had participated in the bidding. United Cement bid only Rs 120 million for the mine, while Dangote Cement Nepal was disqualified in the technical evaluation.

Huaxin has already signed a preliminary agreement with Investment Board Nepal (IBN) to set up a cement plant in Dhading having capacity to produce 3,000 tons of cement per day.

As finding new limestone deposit is almost impossible, companies interested to set up cement plant often buy license from others. Many limestone mines are held by some individuals and firms for years.

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United Cement, which lost the Panikharka mine to Huaxin, managed to get another mine in Kailash in Dhading by paying about Rs 60 million.

Highest bidder fails to turn up for final agreement

Shree Nepal Swabhiman Pvt Ltd has failed to turn up for signing agreement for mining license of Lakharpata limestone deposit in Surkhet.

According to Department of Mines and Geology, the company had bid the highest price of Rs 140 million for the mining license. But it failed to turn up at the department for final agreement within the given timeframe of a month.

“We are now preparing to publish a notice, asking the second bidder to come and sign agreement for the mining license,” said Ram Prasad Ghimire, deputy director general of the department.

The second bidder, Bishal Cement Pvt Ltd, has bid Rs 70 million for the license.

Source: MyRepublica, 3rd January 2018