Panel removes green hurdle to coal mining

OUR BUREAU

New Delhi, May 30: A ministerial panel, headed by finance minister Pranab Mukherjee, today decided to do away with the controversial “go, no go” classification of coal blocks and recommended conditional forest clearances to Reliance Power’s Chhatrasal and Essar-Hindalco’s Mahan coal mines in Madhya Pradesh.

The “go, no go” classification is estimated to have impacted 650 million tonnes of annual coal production.

“The GoM today decided to do away with the go, no go classification and the environment ministry will issue appropriate orders in this regard,” an official, who attended the meeting, said.

In 2009, the MoEF had categorised 203 coal blocks as “go” and “no go” on environmental grounds. In “no go” areas, mining was disallowed.

Meanwhile, the expert panel set up by the ministry of environment and forests (MoEF) had suggested clearances for the Chhatrasal and Mahan coal blocks subject to certain conditions.

“The report of the MoEF expert committee has been accepted by the GoM,” the official said.

Anil Ambani group firm Reliance Power was allotted the Chhatrasal mine for its 4,000MW project at Sasan. The Mahan coal block was jointly allocated to Essar and Hindalco for a power project.

Sources said the approvals were subject to conditions, including mandatory spending of 5 per cent of the total project cost in corporate social responsibility activities.

Among other conditions are rehabilitation of displaced people affected by the projects and contingency plan to mitigate disturbance caused to ground water.

Sources said the approval to the Chhatrasal block — which could have a peak production of five million tonnes per year — provided fuel security to the Sasan power project.
Reddy’s mining firm caused Rs 480-cr loss to Karnataka: CBI

Probe agency says AMC mined 40,000 tonnes of ore illegally

BANGALORE: The CBI, in its charge sheet in the illegal mining case pertaining to the Associated Mining Company (AMC), has quantified the loss caused to the State exchequer at Rs 480 crore.

The CBI had registered an FIR in the AMC case on October 1, 2011 on the directions of the Supreme Court against Jaynardhana Reddy and 22 others. The CBI has filed the charge sheet in the case against seven people – former minister Jaynardhana Reddy, his wife G Lakshmi Aruna, former IAS officers and then Mines and Geology Directors M E Shivalingamurthy and S P Raju, Reddy’s personal assistant Meftuz Ali Khan, Range Forest Officer Mahesh Patil and Deputy Conservator of Forests S Muthiah. It has stated that investigations are still in progress against others including former Mines and Geology Minister V Muniyappa, Jindal Steel Works and 13 other companies. The CBI has stated that it will file supplementary charge sheets as and when investigations against them are completed.

The CBI officials submitted the 28-page charge sheet and 18,327 pages of annexure documents supporting the charge sheet on Wednesday as the 90-day period of Reddy’s arrest by the Karnataka CBI ended on Wednesday. CBI officials brought the huge cache of documents in nine large iron boxes. The seven accused have been charged with cheating, criminal conspiracy, criminal breach of trust, theft, forgery, falsification of accounts under Prevention of Corruption Act.

The CBI has accorded with the observations made by the Lokayukta report on illegal mining on the AMC case.

The CBI has accused M E Shivalingamurthy, the then director of the Department of Mines and Geology of illegally extending AMC’s mining lease for 10 years from 2000. He is also accused of ratifying the illegal takeover of the company by Reddy and his wife G Lakshmi Aruna, from its original owners K M Parvatamma and family on August 1, 2008.

The investigating agency has stated that during the course of the inquiry, it conducted a ‘3D laser survey’ of the mining lease area and quantified the illegal mining at 40,000 tonnes. However, the CBI stated that while 40,000 tonnes of ore was mined from the lease area, several lakh tonnes of ore were mined from other mining lease areas in the name of AMC.

Payments have been made towards these from the AMC accounts. Taking into account all these, the CBI quantifies that the company made a windfall gain of Rs 480 crore, the loss caused to the State exchequer.

The CBI has accused then Deputy Conservator of Forest S Muthiah, Range Forest Officer Mahesh Patil and S P Raju of aiding illegal mining in the forest area and also issuing transit permits for ore mined illegally elsewhere, in the name of AMC.

DH News Service
मध्य प्रदेश में खानिज आधारित उद्योगों में मिला चार हजार बेरोजगारों को रोजगार

भोजपुरी, 31 मई (भाषा)। मध्य प्रदेश में फिर होता सात साल में खानिज आधारित 16 उद्योगों की ओर से लिए एक कुल 4.345 करोड़ रुपए के पुनर्निवेश के कारण इन उद्योगों में चार हजार से ज्यादा लोगों को रोजगार मिला है। खानिज विभाग के सूत्रों के अनुसार यह उद्योगों में एक फास्टेक्ट बेनिफिकेशन, आपरान और बेनिफिकेशन, सीमेंट संग्रह और मैंनेज आधारित फैक्ट्री मैंनेज लिध है। एक पालेस बेनिफिकेशन में ग्रमीण से एक पालेस बेनिफिकेशन विकास कर्मचारी ने रजत पाठी या रजत शहीद ने सुझाव दिया जा रहा है।

सीमेंट संग्रहों की स्थापना भी एक महत्वपूर्ण उद्यम है। युवा परिवार पहले वो महत्वपूर्ण था, लेकिन ताजहत बिच ही लोगों के पास था। अभ्यास और प्रशिक्षण भी बेसिट निर्माण संग्रह का काम करता है। कुल 310 करोड़ रुपए लगाए के संग्रह में 150 लोगों को रोजगार मिला है।

पूरी तरह से बदलता है कि अमृतसर इंडस्ट्रिज (स्माज आपार) ने सीमेंट में 108 करोड़ रुपए लगाए के पालेस की स्थापना की है जिसमें 200 लोगों को रोजगार मिला है। बाहराइच में 50 करोड़ रुपए लगाए के नया संग्रह निर्माण होगा है। इसमें 150 लोगों को रोजगार मिला है। उनकों से कहा कि हम नगर जेपी सीमेंट की ओर से करियार (सीमेंट) में 872 करोड़ रुपए की लागत में स्थापित संग्रह से 150 लोगों को, श्रीमती सीमेंट युनिट-पो (स्माज) के 950 करोड़ रुपए की लागत में संग्रह से 700 और निर्माण इंडस्ट्रिज, जमशेदपुर की 30 करोड़ रुपए की लागत में स्थापित इंडस्ट्रिज में 70 लोगों को रोजगार मिला है।

मिला विकास सीमेंट के मैनर (स्माज) में 112 करोड़ रुपए की लागत में स्थापित इंडस्ट्रिज का रोजगार मिला है।

केंद्रीय सीमेंट के भी मैनर (स्माज) में 2065 करोड़ रुपए की लागत में संग्रह में 1200 लोगों को रोजगार मिला है। मध्य प्रदेश भारत एयर प्रोडक्ट्स (एक पालेस बेनिफिकेशन) की ओर से 35 करोड़ रुपए की लागत में स्थापित संग्रह में 35 लोगों को रोजगार मिला है।

मध्य प्रदेश में खनिज आधारित उद्योगों में रोजगार मिला है। यह आज दिन का लागत में 35 लोगों को राम की मिली है। एप्स इंडस्ट्रिज की ओर से वाणिज्य में 40 करोड़ रुपए की लागत में बनाए गए रोजगार इंडस्ट्रिज संग्रह में 95 लोगों को रोजगार मिला है। इसी तरह, लोटनम सीमेंट एंड एडवर्ड पोटेंटियल सीमेंट ने गिरावट चाल में 10 करोड़ रुपए निर्माण वेदर प्रोड्यूसर डायमेंड सीमेंट प्रोड्यूसर पालिंड्रोम में 35 करोड़ रुपए की लागत में भारत (जमशेदपुर) में संग्रह की स्थापना की है जिसमें 220 लोगों को रोजगार मिला है।
मध्य प्रदेश में खनिज आधारित उद्योगों में मिला चार हजार बेरोजगारों को रोजगार

भोजपुर, 31 मई (भारत). मध्य प्रदेश में पिछले साल शहादत में खनिज आधारित 16 उद्योगों की ओर से 800 एवं 1200 के बीच 4.345 करोड़ रुपए के सुधारीय संसाधन के कारण इन उद्योगों में चार हजार से ज्यादा लोगों को रोजगार मिला है। खनिज आधारित के सूची में भारत के इन दो उद्योगों में एक बालराज बेनिफिकेशन, आपराजित और व्यापारिक, सेंट्रल संघ और मैन्यमेजर आधारित फैशन मैंगिनी संघ है। यह प्रतिकृती सेंट्रल बालराज बेनिफिकेशन में गिरी रही करोड़ फाराकेट निवासस्थल का विकास कर रहे जा रहे हैं।

बीमारी संघों को स्वास्थ्य भी एक महत्वपूर्ण क्षेत्र है। लूट पश्चात पहले भी मप्पत उपलब्ध था, लेकिन लाइसेंस कम ही लोगों के पास था। अन्य देशों ने पन्ना में भी बोर्ड संदर्भ लगा दिया है। मैंगिनी आधारित फैशन मैंगिनी पहल का हास्य लोगों की स्वास्थ्य संपर्क बढ़ाने के लिए किया जा रहा है। वैश्विक सवारी संघ को जल्द बढ़ा दिया गया है। कुल 510 लोगों को रोजगार मिला है।

रुझ ने बताया कि फ़िरमा इंडियन (सर्कुल आपराजित) में सीटी में 105 करोड़ रुपए लागत से पहले भी स्वास्थ्य की स्वास्थ्य की स्वास्थ्य भी रोजगार मिला है। भलायाघर में 60 करोड़ की लागत से स्वास्थ्य पहले ऐंड प्लेन (पेप्सी मैंगिनी) स्वास्थ्य की स्वास्थ्य भी रोजगार मिला है। इसमें 150 लोगों को रोजगार मिला है। उन्होंने बताया कि इसी तरह जैवरी संघ की ओर से करीय सक्षम (सीटी) में 872 करोड़ की लागत से स्वास्थ्य संस्थान से 150 लोगों को, प्रिमियर सेंट्रल यूनिट (रुझ) के 950 करोड़ की लागत में 700 और विश्वविद्यालय इंडियन, जबलपुर की ओर से 30 करोड़ की लागत से स्वास्थ्य इंकार में 70 लोगों को रोजगार मिला है।

विराट क्रिकेट रोड्स में मैहर (रतन) में 112 करोड़ की लागत से स्वास्थ्य संस्थान के कारण 200 लोगों को रोजगार मिला है। केजे एससी में के के मैहर (रतन) में 1065 करोड़ रुपए की लागत में 1200 लोगों को रोजगार मिला है। मध्य प्रदेश एवं प्रौद्योगिकी (एक प्राकृतिक बीमिसिफिकेशन) की ओर से 35 करोड़ की लागत से स्वास्थ्य संस्थान में 50 लोगों को रोजगार मिला है।

रुझ ने कहा कि इसके अलावा 888 रुपए की लागत में 500 करोड़ की लागत से स्वास्थ्य संस्थान में 700 लोगों को रोजगार मिला है। जैवरी प्रौद्योगिकी ने 300 करोड़ (अबनकुल) में आपराजित बीमिसिफिकेशन पहल की स्वास्थ्य की स्वास्थ्य भी रोजगार मिला है। कुल 10 करोड़ लोग के इन संबंध में 35 लोगों की रोजगार मिला है। उन्होंने कहा कि एप्सन मैंगिनी एंड फैशन्रेटों के दस करोड़ की लागत वाले सिस्टम्स बायवे मैंगिनी संस्थान में 70 लोगों को रोजगार मिला है।

पूर्वात्मक मिनरल इंडस्ट्रीज में जबलपुर में आपराजित बीमिसिफिकेशन संस्थान में 35 लोगों को रोजगार मिला है। कुल 10 करोड़ की लागत के इस संबंध में 35 लोगों को रोजगार मिला है। एनईआई बायोटेक की ओर से बालराज में 40 करोड़ की लागत से बनाए गए एक प्रौद्योगिकी संसाधन से 95 लोगों को रोजगार मिला है। इसी तरह, पोर्टल सिटी औं अर्थशास्त्री फैशन रोड्स में बालराज में 10 करोड़ रुपए करीय सेंट्रल एक्सप्रेस इंडियन संसाधन प्रौद्योगिकी पहल में 33 करोड़ की लागत से वालराज (अबनकुल) में स्वास्थ्य की स्वास्थ्य की स्वास्थ्य भी रोजगार मिला है जिसमें 220 लोगों को रोजगार मिला है।
CoalMin identifies 54 blocks for allocation

PRESS TRUST OF INDIA
New Delhi, 31 May

Amid controversies over allegations of irregularities in allocation of coal mines, the Coal Ministry has identified 54 blocks to be allocated to various sectors, including power, steel and cement.

Of the 54 coal mines, a maximum of 16 have been earmarked for the power sector, 12 for the steel sector, 12 for government firms and seven for the cement sector, five for sponge iron and two for surface gasification.

"The coal blocks earmarked for power sector are meant both for tariff-based bidding and central government companies engaged in production of power. Further earmarking would be done in consultation with the Ministry of Power and Central Mine Planning and Design Institute (CMPDIL)," an official document dated May 30 said.

The official document further mentioned that the reserves meant for government companies would be allocated for commercial mining. Applications will be invited for allotment of blocks after finalising the detailed terms and conditions.

"Applications for the blocks reserved for integrated steel for government companies shall be separately circulated after finalisation of terms and conditions. The remaining blocks meant for allocation through competitive bidding would be advertised once the bidding documents are ready," it said.
MinesMin seeks ₹4,000 cr for GSI restructuring

PTI ■ New Delhi

The mines ministry has sought ₹4,000 crore allocation from the government for restructuring the Geological Survey of India, the prime provider of basic earth information.
Kiln owners feel the heat
They now need clearance for extracting earth

RUCHIKA M KHAHNA/ TNS

CHANDIGARH, MAY 31
The inclusion of brick earth in the category of minor minerals could lead to a shutdown of the brick-kiln industry. Kiln owners will now be required to get an environment clearance for extracting earth to make bricks.

The deadline for environment clearance, as directed by the Supreme Court, ended on May 24. With officials asking them to stop excavating brick earth till they get environment clearance, the 5,000-odd kilns in the state face imminent closure. This could be disastrous for the infrastructure and real estate sectors. An average of 15 crore bricks are produced in Punjab daily. Kiln owners said they were required to get environment clearance to excavate earth from land (however small in size) leased out by them. “Getting environment clearance takes a minimum 13 months. Till then, we will have to stop production. This will lead to huge unemployment as over nine lakh workers work in Punjab’s kilns. The cost of bricks too will go up,” warned KS Makkar, president of the Punjab Brick-kiln Owners Association.

“The SC ruling also says that environment clearance is a must for land leased out for a minimum of five years. However, in Punjab, land to brick-kilns is given on lease for less than a year,” Makkar said.

Makkar said they had asked the state government to ask the Centre to exclude brick earth from the category of minor minerals. He also demanded a month’s time to take legal recourse before the department of Mines moves against the kiln owners.
Ministry identifies 54 blocks for allocation

New Delhi: Amid controversies over allocations of irregularities in allocation of coal mines, the coal ministry has identified 54 blocks to be allocated to various sectors, including power, steel and cement. Of the 54 coal mines, a maximum of 16 have been earmarked for the power sector, 12 for the steel sector, 12 for government firms and seven for the cement sector, five for sponge iron units and two for surface gasification units.

"The coal blocks earmarked for power sector are meant both for tariff-based bidding and central government companies engaged in the production of power. The further earmarking would be done in consultation with the ministry of power and Central Mine Planning and Design Institute (CMPDI)," a document dated 30 May said. PTI
FM: Negatives bottomed out, uptick soon

New Delhi, May 31:
Terming decline in the economic growth rate to nine-year low of 6.5 per cent in 2011-12 as “disappointing”, finance minister Pranab Mukherjee on Thursday said the government will take “necessary steps” to improve growth.

“The government will take all necessary steps to address imbalance on the fiscal front and on the current account. It would help in checking inflationary expectations and inspire confidence for improved capital inflows as well as recovery in domestic investment growth,” the minister said in a statement.

Mr Mukherjee was commenting on the GDP data which showed that the growth rate during 2011-12 declined to 6.5 per cent from 8.4 per cent in the preceding two fiscals.

Attributing the slowdown to tight monetary policy, rising interest rates, weak global sentiments and environmental issues in the mining sector, Mr Mukherjee expressed the hope that the situation would improve as “most of the factors have bottomed out”.

He further said, “The (interest) rate cycle has been reversed; mining sector growth has turned around; progress has been made on fuel linkage of coal-based power projects; a turnaround in the investment growth rate in the fourth quarter, which had been negative.”

— PTI
After go, no-go classification, inviolate area haunts industry

Kirtika Suneja & Subhash Karan

New Delhi, May 31: After a long hiatus, the ministry of environment and forests (MoEF) is back in action, taking strong measures to protect its stance on various issues pertaining to environment and forest clearances.

It has decided to introduce a new categorisation declaring a portion of mineral bearing areas as ‘inviolate’ for undertaking any mining activity. This will make the reprimand to firms from the suspension of the go-no-go norm temporary. The ministry has finalised the modalities to launch the new categorisation that is once again expected to impact a series of existing and forthcoming projects of the power, steel and cement sectors.

“We have defined the parameters for the inviolate areas based on the protected area status, crop diversity, biodiversity richness and the number of species there. We have developed the criteria for the inviolate areas as the group of ministers (GoM) on coal had asked us to,” said a senior ministry official.

Though the official refused to give further details, sources said that the new categorisation would impact existing projects as several coal block allocations have been made in areas where mining would be barred under new categorisation.

Based on a joint exercise by environment and the coal ministry in early 2010, the former decided to put 48% of the area under study (primarily in central and eastern India) out of bounds for mining or new areas. This categorisation attracted strong opposition from the industry which felt that the move would destroy their projects that use coal as input.

“The new categorisation of inviolate areas may be as stringent but it would offer relief to the industry in the form of policy on giving alternate coal blocks. This means that even if a company loses its allocation under the new norms, it could be offered alternate coal block,” said an official in the Planning Commission.

In yet another show of its ability to take bold steps, the ministry has also rejected a proposal from the finance ministry to break the single forest advisory committee (FAC), that gives inputs to the ministry to accord forest clearance to industrial projects, into two or three committees so that the clearance process could be hastened. It has also rejected a proposal from the power ministry with regards to delegation of powers to regional offices for according forest clearance for the sector.

In fact, the finance ministry’s recommendation of setting up several FACs has not gone well with the environment ministry with the latter being in the process of rejecting this idea. According to the MoEF, there is no need for more FACs as the single advisory body has no pending cases on forest clearances— a feat it has achieved for the first time.

“We will tell the finance ministry that more FACs are not required because no project is pending with the committee. Applications are pending at the level of the divisional forest officer (DFO). In fact, state governments don’t even submit proper applications. What states do is not our responsibility but it is marked in our performance of delaying clearance,” the official added saying that more than 500 clearances are pending at the state level or with the project proponents for non-submission of essential information.
Essar-Hindalco, RPower coal blocks get nod, with riders

An empowered group of ministers (EGoM) on Wednesday gave Reliance Power and Essar-Hindalco the go-ahead to start mining at two coal blocks allotted to them, albeit with some riders.

The approvals were for Reliance Power to start mining coal from the Chhatrasal block and for Essar-Hindalco to start mining from the Mahan block.

Together, these two blocks will fire up a power capacity of over 10,000 mw.

The EGoM has, however, issued some 15 riders for these companies to follow once they start mining coal from these blocks.

The companies will have to shell out 5% of their project cost towards corporate social responsibility activities.

Also, they will have to mitigate their action through parallel means if they destroy any forest area and affect the wildlife and must undertake compensatory afforestation of land area equal to that destroyed by the mining activity.

The Mahan coal block, located in Singrauli fields in Madhya Pradesh, is estimated to have a reserve potential of 150 million tonne of thermal coal and will feed the upcoming power plants of Essar Power and Hindalco Industries, the flagship subsidiary of the Aditya Birla Group.

The coal block is currently held by Mahan Coal, a joint venture company equally held by Essar Power and Hindalco Industries. While Essar has an off-take agreement of 60%, or 5.4 million tonne per annum (mtpa), of coal from the block to feed its upcoming 1,200 mw power plant in the state, Hindalco will take the remaining to fuel its 750 mw power plant. Hindalco has an off-take agreement of 3.6 mtpa of coal from the coal block.

Hindalco's power plant will, in turn, supply captive power to its upcoming 359 kilo tonne per annum aluminium smelter— the Mahan Aluminium project—which is likely to be commissioned in the current fiscal.

"This is a big boost for Hindalco as without coal its aluminium smelter project would have been a loss-making exercise," an analyst had told DNA Money earlier.

Similarly, for RPower too, the EGoM nod provides visibility for two of its most ambitious projects coming up in the Madhya Pradesh.

Coal from Chhatrasal will be extensively used for its 4,000 mw Sasan ultra mega power project and the 4,000 mw Chitrangi project.

"At its peak production, Chhatrasal coal block would produce 5 million tonne per year. Along with Moher & Moher Anbori Extra coal blocks, the total coal production is expected to be 25 mtpa from Sasan mines," said a company note.
Mines Ministry
seeks Rs 4,000 cr
for GSI restructuring

Press Trust of India
New Delhi, May 31

The Mines Ministry has sought Rs 4,000 crore allocation from the government for restructuring the Geological Survey of India (GSI), the prime provider of basic earth information.

“We have sought Rs 4,000 crore for restructuring of GSI to be done in a phased manner by 2018. A proposal in this regard has been sent to the Planning Commission,” Special Secretary Mines S K Srivastava told PTI.

CATEGORISATION

The government, in October 2011, had approved restructuring of the GSI that includes induction of 300 geoscientists this fiscal.

Apart from this, the restructuring exercise will include categorisation in Geophysics, Chemistry and Engineering Science and Technology streams as organised services so as to bring them at par with the geology stream.
54 coal blocks on offer under bidding route

Sujay Mehulalji

NEW DELHI: The Government has short-listed around 54 coal blocks that would be put up on offer through the competitive bidding route. The Government had recently short-listed credit rating agency Crisil as consultants for putting in place a policy for competitive bidding after it came under attack for offering coal blocks in a non-transparent and biased manner, leading to windfall profits for private players. A draft report of the Comptroller and Auditor General (CAG) had pointed an accusing finger at the Coal Ministry for allowing private players to make huge profits at the cost of the exchequer.

Officials in the Coal Ministry said that out of 54 coal mines, a maximum of 16 had been earmarked for the power sector, 12 for the steel sector, 12 for government firms, seven for the cement sector, five for sponge iron and two for surface gasification. “The coal blocks earmarked for power sector are meant both for tariff-based bidding and central government companies engaged in production of power. Further earmarking would be done in consultation with the Ministry of Power and Central Mine Planning and Design Institute (CMPDIL),” according to a document of the Ministry.

The reserves meant for government companies would be allocated for commercial mining. Applications will be invited for allotment of blocks after finalising the detailed terms and conditions. “Applications for the blocks reserved for integrated steel for government companies shall be separately circulated after finalisation of terms and conditions. The remaining blocks meant for allocation through competitive bidding would be advertised once the bidding documents are ready,” it said.
Methane to be extracted from Coal India mines

But coal major must get Petroleum Ministry nod for projects

Pratim Ranjan Bose
Kolkata, May 31

The Union Ministry of Petroleum and Natural Gas (MoPNG) has decided to allow extraction of mine methane from Coal India mines. The Ministry was engaged in a turf battle with the Coal Ministry on the issue for more than a year now.

The proposal was mooted by the coal major in early 2011 for safe mining, and ensure gainful use of the greenhouse gas which was otherwise released in the atmosphere leading to environmental impact.

According to sources, the draft Cabinet note prepared by the Ministry in this regard comes with a rider. CIL should take prior approval from MoPNG for initiating any such project. In line with the CBM policy, the mine methane extraction agency is also required to pay production-linked-payments (PLP) to the Union Government.

In line with the CBM policy, the mine methane extraction agency is also required to pay production-linked-payments to the Union Government.

According to sources, methane gas is proposed to be extracted from existing CIL leasehold area and is outside the ambit of the CBM policy. Accordingly, the Coal Ministry was pushing for an umbrella policy and the regulatory guidelines, if any, for the extraction of gas.

However, the draft proposal if implemented would add to the red tape.

“Mine methane extraction projects are small in nature. Considering the vast mining operations of CIL, the proposed policy would only ensure Petroleum Ministry’s control over the company on every de-gasification bid,” a source said.

In April last year, Coal India decided to invite private participation for extraction of methane from five extremely gassy and “unsafe” underground mines in Jharkhand. The project was estimated to help unlock nearly 100 million tonne of medium grade coking coal and 25 billion cubic metre of methane.

The tender attracted interest of a large number of private players from India and abroad, but could not be awarded due to objections raised by the MoPNG.
Steel futures post steepest monthly fall since October

Reuters

Singapore, May 31

China steel futures steadied on Thursday, but posted their steepest monthly fall in eight months in May after losses fuelled by worries over weak steel demand in top market China that sent iron ore to its worst showing since October.

But this week’s gains in steel prices, both spot and futures, have raised hopes iron ore prices may rise further as Chinese mills rebuild stockpiles after staying out of the market in recent weeks.

The most-traded rebar contract for October delivery on the Shanghai Futures Exchange closed nearly flat at 4,103 yuan ($650) a tonne. On a continuous basis, the contract fell more than 4 per cent in May, the most since September.

Spot iron ore prices edged higher and traders see more gains ahead.

“We believe further upside is possible because mills have not been buying for the past four weeks,” said a Hong Kong-based iron ore trader.

“We are also seeing a jump in enquiries since this morning, looking for Australian material arriving into China in June.”

A 100,000-tonne cargo of Australian 62-per cent iron ore fines was traded on the Global Ore platform at $137 a tonne, up from $124.50 on Wednesday when GlobalOre began trading, traders said.

GlobalOre, backed by top iron ore miners BHP Billiton, Vale and Rio Tinto and Chinese steelmakers including Baoshan Iron and Steel, began trading less than a month after China launched its first iron ore physical trading platform in a bid to boost its price-setting influence in its biggest commodity import by volume.

REVIVING APPETITE

BHP, Vale, Rio Tinto and Baosteel, along with other miners and steel producers, are also members of the China Beijing International Mining Exchange (CBMX) which runs the Chinese platform that debuted on May 8.

Traders said they have not heard of any deal so far on CBMX after two cargoes, one Australian and one Brazilian, were sold on the platform on Wednesday.

Since CBMX’s debut, a total of 1.6 million tonnes have been sold on the platform, Mr Dong Chaobin, president of the exchange, told an industry conference in Singapore.

Mr Dong declined to say what kind of volumes CBMX expects to draw in the future but said: “We believe we will have satisfactory results.”

Benchmark iron ore with 62 per cent iron content climbed 1.7 per cent to $134.80 a tonne on Wednesday, but is down more than 7 percent so far in May, its steepest decline since October.

Traders expect Chinese appetite for iron ore to revive, with steel mills still running at full capacity, which should keep daily crude steel output near record highs at around 2 million tonnes in June.

That could remain a drag on steel prices with demand slow to pick up.

“While the Chinese steel market has seen prices rallying over the past few days on Beijing’s promises of stimulus, we do not see a fundamental turn in pricing in China as production is likely to continue to outpace demand,” Steel Market Intelligence said in a note.

“We believe that Chinese steelmakers are unlikely to make meaningful production cuts with weaker raw material prices, reluctance to layoff trained workers, and ‘hope’ that Beijing will create demand.”

To prevent a further slowdown, China announced a series of policy steps in recent months, including allowing banks to set aside less money as reserves and fast-tracking approval for infrastructure projects.

Hopes are rising Beijing could unleash a massive stimulus budget, but the country’s top policy advisers said the country does not need one since aggressive spending now could do longer-term harm.
Green Tribunal seeks Ministry’s response to plea on projects in Western Ghats

Press Trust of India
New Delhi, May 31

The National Green Tribunal has sought a reply from the Union Ministry of Environment and Forests (MoEF) on a plea against grant of any clearance to new projects in the ecologically sensitive Western Ghats.

The Tribunal also issued notices to the State Governments of Maharashtra, Karnataka, Goa, Kerala, Gujarat and Tamil Nadu seeking their replies on the plea for implementation of the report by Western Ghats Ecology Expert Panel (WGEEP) on the protection and preservation of Western Ghats.

In the plea by two NGOs, Goa Foundation and Peaceful Society, the Tribunal was informed that the MoEF had set up the WGEEP in March 2010, given the environmental sensitivity and ecological significance of the region.

The WGEEP in its report to MoEF dated August 31, 2011 has designated the entire Western Ghats as an ecologically sensitive area and categorised the whole region in three classes, according to their ecological sensitivities.

The NGOs sought to restrain the authorities from granting fresh nods to projects in regions in the first two categories which include 97 taluks in 44 districts of six states.

The WGEEP had, in its report, recommended that no mining should be allowed in the Western Ghats in Goa.

For mining activities in other areas in two categories, the report had recommended that no new licenses should to be given and where mining exists, it should be phased out in five years, by 2016.

The committee had also recommended that no new polluting industry should be allowed in the regions of the first two categories and non-polluting industries may be allowed with strict regulation and social audit.

The NGOs have sought an interim order seeking directions that no fresh clearances be granted to projects in the two categories.

Terming the Western Ghats as “hotspots of biodiversity”, the petition stated that the region harbours the largest global populations of the Asian Elephant and besides other mammals such as tiger.

“By and large the Western Ghats have been subjected to a rapid erosion of natural capital with the building up of man-made capital, regrettably imposing excessive, unnecessary environmental damage in the process, accompanied by a degradation of social capital as well,” the petition said.
J'khand mulls mining in Ho tribe's homeland

Nitin Sethi | TNN

New Delhi: The Centre's Saranda Action Plan for "all-round development" of the Noel-dominanted 890 sq km patch in Jharkhand could soon come to naught with the state government planning to open iron ore mines in nearly 300 sq km of the largest sal forest in Asia.

TOI has documents showing that the Jharkhand government has sought and received applications for mining in more than 300 sq km of the dense forests - home to the Ho tribe that the Union government wants to bring development to. Around 80 sq km of the forest is already leased out for mining. Union rural development minister Jairam Ramesh had said and got a Rs 150 crore special package to develop roads, community centres, healthwards, schools, provide jobs and set up CAPE camps in the heart of the dense forest that has remained an impenetrable zone for the administration - with the government finding several 'lost' villages just recently.

But much of this could become redundant if the Jharkhand government's plans come true with almost the entire green patch wiped clean with coal pits dotting the landscape and a few Ho villages left scattered around. Of course, it would also be flooded with a new world of contractors, labour and all the paraphernalia of the mining industry.

At the moment, some of the leased out mines are not operational and most of them lie on the eastern fringe of the sal forests. But once all the proposed mines become operational, the forest, which is also a critical elephant terrain, could be fragmented beyond recognition. The Union environment ministry had previously given clearance for Chiriya mines inside the Saranda forests despite internal views against the move and now SAIL has come back for more.
Stop Mining in Naxal-hit Areas: Deo

URMI AGOSWAMI
NEW DELHI

Government should consider a freeze on mining in Naxal-hit areas, tribal affairs minister V Kishore Chandra Deo has said. Deo clarified that he was not against the industry or economic development, but unresolved land rights and mining were prime causes of alienation among tribals. This gave Maoists a foothold to exercise control over the area and local population.

"To a certain extent, unrest among the tribal population can be traced to ownership of land, access to forest produce and problems arising out of mining. There is a need to get to the bottom of these issues. Unless we sort out these issues, there will be no long-term solution to the Maoist problem," Deo said.

Acknowledging that industry needed coal and minerals, the minister said that there was a need to work out a roadmap for mining resources. "Naxal affected areas are not the only areas where we have mineral resources. These areas are rich in natural resources, but also home to tribals and other extremely poor and marginalised populations. The local population has no stake or share in the mining proceeds. The Mines and Mineral (Development And Regulation) Bill, 2011, seeks to address this issue, but Deo is of the view that it doesn’t provide a real solution. The proposed legislation makes it mandatory for mining lease holders to pay compensation to every person or family holding occupation or rights of the land for which the licence has been given. It also requires the holder of a mining lease to pay a percentage to the District Mineral Foundation, which will be used for those affected by mining.

This amount would be 26% profit in the case of coal and lignite and 36% of royalty paid in the financial year in case of major minerals. “How much is royalty? We are talking about 10% market rate, and 26% of that is a small amount," Deo said.

Experts are apprehensive that the final sum provided to the Foundation may be low, as under reporting of quantities mined was prevalent. Not only does mining not benefit the local population, it results in large numbers of marginalised people being rendered homeless. With no established rights, receiving any compensation becomes difficult, if not impossible.
Domestic Copper Majors Worried as Base Metal Plunges to Record Low

RUSTY: Copper cathodes in a warehouse in Shanghai

RAKHMAZUMBAR
KOLKATA
Copper plunged to its lowest level in 2012 on Thursday as Spain’s debt woes cast a fresh shadow over base metal prices. Three-month copper dipped $2.25 on the London Metal Exchange as investors tried to move away from base metals to safer havens. Prices fell to $7,472 per tonne after hitting a low of $7,422, its lowest since December 29.

China’s low demand, less than encouraging news from the US property market, in addition to continuing Eurozone crisis, have hit investor sentiment in base metals.

For domestic copper majors, including the likes of Sterlite Copper and AV Birla group’s Birla Copper, which buy copper concentrates, the fall in rupee has affected input costs.

"Major domestic copper companies rely on purchase of copper concentrates and hence a falling rupee will raise in put costs. A sole exception would perhaps be Hindustan Copper, which operates captive mines in India," said S De Sarkar, CEO of Indian Copper Development Centre.

"To add to their worries, a fall in metal prices has so far not led to a hike in demand at home. As P Ramanath, CEO of Sterlite Copper said: "We are feeling the pinch in terms of higher input costs. Also, as metal price drops, it has not translated into a rise in demand at home. We export 30-35% of our products but we would rather sell at home where we get much better price realizations."

The slowdown in investment is taking its toll on copper demand. "Copper prices are linked to dollar rates. Even as metal prices have gone down, domestic demand for copper has not gone up to that extent due to a slowdown in infrastructure investment. This is having an impact on copper companies at the moment," said Pranav Goel, an independent mining and metals analyst.

However, in case of HCL, the fall in rupee has acted as a cushion to offset the adverse impact of a price fall. "In last few months, a dip in copper prices has been offset largely by the appreciation of the rupee against the US dollar. The net impact has been around 5% up or down," said Shakeel Ahmed, chairman and managing director, Hindustan Copper.

"While copper prices are estimated to be range-bound between $7,500 and $8,000 per tonne in 2012, prices are likely to be around $7,000 per tonne in 2013," said Ahmed, while commenting on the price outlook.
जीएसआई के पुनर्गठन के लिए 4,000 करोड़ रुपए

नई दिल्ली। खान मंत्रालय ने भारतीय भूगर्भ संरक्षण (जीएसआई) के पुनर्गठन के लिए सरकार से 4,000 करोड़ रुपए का आवेदन किया जाने की मांग की है। विशेष खान मंत्रालय के अध्यक्ष ने कहा, "हमने जीएसआई के पुनर्गठन के लिए 4,000 करोड़ रुपए की मांग की है। पुनर्गठन का यह काम चरणबद्ध रूप से 2018 तक किया जाना है।"