Mining Bill set to push 26% equity for locals

ArcelorMittal among companies opposed to the move; Ficci cautions the proposal will hit investments in the sector

Neeraj Thakur NEW DELHI 55/729

In a move that would irk corporates such as ArcelorMittal, the world's largest steelmaker, a group of ministers (GoM) appointed to finalise the draft of Mines and Minerals Development and Regulation Act 2010 is ready to implement a clause that moots offering 26% equity to local people in mining projects.

The condition was vehemently opposed by mining companies and industry body Ficci. The GoM has also sorted out the differences between the ministries of mines and steel over the issue reservation of areas by government to grant prospecting/mining lease for public sector undertakings.

"There was some discussion about 26% equity sharing and on how best we can ensure that revenue/income go to the people affected by mining. We looked at what fine-tuning can be done so that it (the 26% clause) does not remain on a piece of paper and is translated into actual income for people who have lost their land and livelihood because of mining," said Santhu Sheela Nair, secretary of mines and minerals.

On Thursday, ArcelorMittal chairman L N Mittal had told news agency PTI. "(it is) very difficult to make a comment on whether it is positive or negative, but I think instead of equity participation there should be a fair settlement in acquisition of land."

Mittal is planning to start work on one of his Rs 1.5 lakh-crore project in India in early 2011 for which several mining leases are required.

Ficci secretary general Amit Mitra in a letter to the finance minister had said that "investments in the sector would take a hit as "no shareholders would like to invest where 26% of the shareholders do not make any contribution to the company."

The GoM has also approved setting up of a tribunal that will look into all reservation of land for the public sector undertakings. The steel ministry was of the view that reservation of areas by government to grant mining lease for public sector undertakings should continue. Now the decision would be taken by the Tribunal and would be acceptable for all. The same tribunal would be in-charge of renewing licensing agreements with the firms and for checking illegal mining.

Vedanta may mine bauxite in Orissa by year-end

Vedanta Resources Plc, battling criticism from environmental groups and some shareholders over plans to extract bauxite in the Niyamgiri mountains in southern Orissa, said it may begin mining at the site as early as the end of the year. "All is going well," Vedanta chief executive officer Mahendra Singh Mehta said in an interview in London. "It shouldn't take more than three weeks for the government to decide" on approvals after it receives an environment ministry report scheduled for this month.
Mineral regulation authority on anvil

_Bangalore:_ The Centre on Saturday said it is planning to set up an authority to check illegal mining.

A Group of Ministers discussed at a meeting in Delhi on Friday the outlines of the proposed mineral regulation authority and the powers to be vested with it to deal with illegal mining, according to Union Law Minister M Veerappa Moily. However, he refused to commit himself to a timeframe on introducing a Bill for the authority. The authority would have powers to regulate mining, granting of mining leases and filing of cases against violators, as a deterrent against illegal mining of minerals. _PTI_
खान मंत्रालय खनन लॉबी के कब्जे में

नई दिल्ली। गृहमंत्री ममता बनर्जी, पूर्वी अमितश्रम सोनिया गांधी और खान मंत्री को हिस्से बनाने के बाद भी कदमों के बरसर सांसदों ने अपने संसदीय क्षेत्र में मैकसैट का खनन करने से विरोध रखा। देखते हैं कि खान मंत्रालय द्वारा विश्वासप्रद रूप से 10 कंपनियों को मैकसैट के खनन की अनुमति देने से पहले संसद के आदेशों का जीवन त्याग हो जाएगा और तीन नियमों के संबंध में अंतिम फैसला लिया जाएगा।

पिछले दिनों में कई सैकड़ों लोगों ने खान मंत्रालय के खनन के लिए संसद में रैली करके उत्साहित किया। वहां देखा जा सकता है कि इसे हमने अंतिम कसरत दिखाए हुए है। देव ने कहा कि अंतिम फैसले के लिए तैयार हैं। वहां देखा जा सकता है कि इसे हमने अंतिम कसरत दिखाए हुए है। देव ने कहा कि अंतिम फैसले के लिए तैयार हैं। वहां देखा जा सकता है कि इसे हमने अंतिम कसरत दिखाए हुए है। देव ने कहा कि अंतिम फैसले के लिए तैयार हैं।
Govt for ban on iron ore exports

indo-asian news service
BANGALORE, 31 JULY: The Central government is planning to ban iron ore exports or restrict the quantum of export to protect the rich mineral wealth of the country, steel minister, Mr Virbhadra Singh said today.

"We will ban iron ore exports. If that is not possible, we will restrict it," Mr Singh told reporters at the Jindal steel plant in Tornagol near Bellary, about 320 km from here.

Endorsing the Karnataka government’s decision to ban iron ore export from the state, he said it was imperative to ensure that the mineral reserves were first used for value addition to produce steel.

The government has set a production target of 140 million tons of steel for this fiscal (2010-11) to meet the growing demand for the metal by multiple sectors.

Welcoming the state ban on iron ore export, JSW Steel Ltd vice-chairman and managing director, Mr Sajjan Jindal said the government should encourage setting up new steel plants for first use of the rich iron ore in the region.

"The ban should be in phases of five years so that new steel plants can come up to utilise the iron ore for value addition," Mr Jindal said.

In a related development, the Central government has proposed to set up a national mineral regulatory authority to monitor mining related activities and curb illegal mining.

The decision is based on the suggestion by the group of ministers headed by the finance minister, Mr Pranab Mukherjee.

"The government has decided to introduce the ‘Mines and Minerals (Development and Regulation) Bill in the current session of Parliament,” law minister, Mr M Veerappa Moily told reporters here."
Gold may go above $1,200 an ounce

GOLD OUTLOOK

B G SHIRSAT

Gold futures for December delivery rose $12.70 on Friday to settle at $1,183.90 an ounce from the day's low of $1,167.98 as worse-than-expected US second-quarter GDP data revived demand for safe-haven assets. The most active gold contract for December delivery moved in a wider range, hitting a low of $1,169.98 in early trade, and bounced back to the day's high of $1,184.50 on short-covering.

Market picture data show short-covering above $1,175. The participants bought the 1,200-strike call options of the December series, paying a $7.50 premium on expectation of the price moving above $1,200. The 1,190-strike put options of the series saw strong selling, indicating support.

The time-price opportunity support for gold is expected at $1,156 while volume-based support is at $1,162. Gold is likely to get strong technical support at $1,150 and 21 days moving average resistance at $1,200.

The lower-than-expected data confirmed investors' speculation that the US economic recovery had lost momentum. This sparked a return of demand for safe-haven assets, which offered solid support to gold on Friday.

"Gold is beginning to catch some traction," said Adam Klopfenstein, a senior market strategist at Lind-Waldock in Chicago. "The correction may have run its course and for long-term holders, this may be a buying opportunity."

The five per cent price drop in July is the first monthly decline since March, and gold has fallen 6.5 per cent from its June 21 record of $1,266.50 an ounce. Holdings in the SPDR Gold Trust, the biggest exchange-traded fund backed by bullion, declined 1.5 per cent this week, heading for the biggest weekly drop since April 2009.

Hedge-fund managers and other large speculators increased their net-long position in New York gold futures in the week ended July 27, according to US Commodity Futures Trading Commission data.
Centre to set up Mineral Regulation Authority

Bangalore, Jul 31: With the illegal mining issue in the spotlight, the Centre on Saturday said it is planning to set up an authority to check the menace.

A Group of Ministers discussed at a meeting in the capital on Friday outlines of the proposed Mineral Regulation Authority and the powers to be vested with it to deal with illegal mining, Union law minister M Veerappa Moily said here.

"We have discussed it. There are lot of issues to be looked into," he told reporters, refusing to commit himself to a timeframe to introduce a Bill in Parliament for establishing the authority.

When set up the authority would have powers to regulate mining, granting of mining leases and filing of cases against violators, as a deterrent against illegal mining of minerals. Moily slammed the Karnataka government for not checking illegal mining and illegal exports of minerals, saying "It is unfortunate though the Centre has given all the powers to states, it has not been exercised. "They have failed to prevent illegal mining and regulate mining activity," he said. Meanwhile, stepping up its attack, Congress demanded resignation of chief minister BS Yeddyurappa for his government's "failure" to check illegal mining and illegal export of iron ore in the state.

"They have no right to govern even for a minute," Congress spokesperson Abhishek Singhvi told reporters here, claiming that in a span of three months from January about 3.5 lakh tonne of iron ore was illegally exported from the state ports "and that too under the nose of the chief minister".

Ridiculing the measures announced by the Karnataka government in ordering closure of 10 ports and ban on issue of transport permits to check illegal exports, he said "they are closing the doors after allowing horse to escape".

Reiterating his party's demand for a CBI probe into illegal mining, he said "Why don't they file a simple FIR and transfer it to CBI? It is a nonsensical drama they are enacting." Yeddyurappa has rejected the demand for a CBI probe by the state Congress which is now on a 320 km padayatra, to mine-rich Bellary district to protest illegal mining. To a question, Singhvi said, "If Congress leaders are involved in illegal mining, let them be punished. We are not holding brief for anyone."
Centre considering ban on iron ore exports

Sajjan Jindal pitches for incremental ban over five years

BELLARY: Union Minister for Steel Virbhadra Singh said on Saturday that the Government was “considering” a ban on iron ore exports. “The other option is to consider taxes on exports as a deterrent,” he added.

Mr. Singh was presenting JSW Steel with the Steel Minister’s Trophy for the Best Integrated Steel Plant in the country in 2007-08.

The Union Minister said: “Ultimately, a decision would be taken by the Cabinet. Existing steel mills should get priority in the allotment of ore because they have to be assured of long term availability.”

Mr. Virbhadra Singh commended the State Government’s stand on stopping iron ore exports, but said it could only have “local effect.” He said: “We need a national policy on the issue.” The Group of Ministers, headed by Union Finance Minister Pranab Mukherjee, was studying the feasibility of giving a stake of 26 per cent to those who lose their land to mining companies. “This will have to be ratified by the Cabinet. There is no dearth of ore in the country, but we must ensure that domestic users get preference,” he said.

Sajjan Jindal, Vice-Chairman and Managing Director of JSW Steel Ltd., which runs one of the biggest integrated steel plants at a single location in the country, called for “a calibrated ban on exports.” Export of iron ore could be phased out over a five-year period by reducing exports by 20 per cent each year.

“Whatever Mr. Yeddyurappa has done is correct,” he said. “Other states may follow, but the Centre has not done anything on the issue,” he said.

Mr. Jindal said his company had been assured by the State Government that it would “get priority” before new players such as Arcelor-Mittal are awarded captive mines. He criticised the Union Government for favouring “foreign players” vis-à-vis Indian steel companies.

Mr. Jindal said: “Foreigners get preference in our country. Posco (the Korean steel company), for instance, was given more importance than Tata Steel when both wanted to establish steel plants in Orissa. I reserve the right to fight it in court if we are discriminated against.”

Ore becoming unviable

Mr. Jindal said the exports had contributed to the steep increase in domestic iron ore prices, driving them “to the point of making it unviable for Indian steel manufacturers.”

“India is exporting ore and importing steel from China, which is against the stated policy of the Government,” he said.

The influence of the “mining lobby” in the State “cuts across party lines, even though it has been portrayed in the media as a fight between the Reddy brothers and the Congress,” Mr. Jindal said.

By deliberately “under-valuing exports,” exporters either take funds overseas or plough them back into assets such as real estate, he said. There was no place for illegal mining in legitimate economic activity. “The very term ‘mine-owner’ is a misnomer,” he said. “The mines are actually owned by the Government, but it earns only a fraction of what the mine operator earns,” he said.

“The plight of the workers in the mines here is terrible, they are paid a pittance and they do not even wear shoes when they are working,” he said.
केंद्र गठित करेगा खिनिज नियमन प्राधिकरण
केंद्रगृह (एजेंसी)। अवैध खनन मामलों की सूची के बीच केंद्र ने जारी की है कि बहुत से बुरे रोज प्राधिकरण खिनिज मामले के लिए एक प्राधिकरण गठित करने पर विचार कर रहा है। यह प्राधिकरण की केंद्रीय कमान के बाहर चलने में आए है। यह प्राधिकरण अंतरराष्ट्रीय मामलों की सूची के बीच केंद्र ने जारी की है। यह प्राधिकरण अंतरराष्ट्रीय नियमों के अन्तर्गत चलने के लिए बेचे जाने वाले मामलों के बीच केंद्र ने जारी की है। यह प्राधिकरण अंतरराष्ट्रीय नियमों के अन्तर्गत चलने के लिए बेचे जाने वाले मामलों के बीच केंद्र ने जारी की है।
KILLED WITHOUT A CAUSE

Rathin Des | Ahmedabad

Gujarat has one of the highest number of RTI activists in India and they are up in arms against the administration and alleged killers of two activists murdered in February and July this year, respectively.

The first murder was that of Vishram Laorman Dodya of Ahmedabad. However, his killing did not become public till the second RTI activist, Amit Jethwa, was shot by unidentified assailants opposite Gujarat High Court on July 20, 2010.

Jethwa was, as an environment activist, known for his efforts to protect the Asiatic lions at Gir. He is said to have been killed by the limestone mining mafia in Saurashtra.

Dodya had filed an RTI application to get details of the illegal electricity connection by Torrent Power. He could not get any information. On February 11, 2010, he was found murdered, shortly after he met company officials. While three persons were arrested, his son is yet to receive information on the progress of the case.

There are many success stories to Jethwa’s credit that brought trouble to the high and mighty in Junagadh and Kodinar, where illegal mining of limestone is intense.

Just days before his gruesome killing, Jethwa had got action initiated against limestone miners in Kodinar. Jethwa’s activism ranged from dragging the State Government to High Court for not appointing a Lokayukt, to return of Government land from illegal miners and acceptance of Indian Postal Orders as fee for RTI applications.

Jethwa’s father Bhikhubhai Sapatwala holds the mining lobby responsible for his son’s murder. A shop owner in Khamba, he says Amit had, in a letter to the State Home Minister, IGP (Junagadh) and the DSP named the man to be held responsible. In case he or anyone in his family was killed.

Amit, his father said, had been threatened over phone by an MLA for his campaign against illegal limestone mining.

His activism had hit illegal mobile phone tower business of the MLA’s nephew.

Amit’s brother Jignesh said: “We do not have money to take the case to Supreme Court.” But his father is determined to fight for justice, at least in the High Court. Amit’s wife, 7-year-old son and 9-year-old daughter have gone to their village in Khamba.

As founder of the Gir Nature Youth Club, Amit had campaigned against actor Aamir Khan for killing a chinkara during the shooting of Lagaan. He was instrumental in sounding the alarm about poaching of Asiatic lions in Gir in 2007 following which a gang of poachers from Madhya Pradesh was caught and prosecuted.
How to pin down the price of gold

Ian Salibaby
At $1,168 an ounce, gold has had a good run — but gauging whether it is overpriced is more art than science. Judging the right price for any asset is difficult. For gold, that magic number is truly ineffable because its value relies on the vague notion that it has always held value before.

In theory, stock and bond prices are anchored to payments that investors expect in the form of dividends or interest. Gold doesn't generate these types of payments, and the dynamics that define the values of other commodities, such as the demand for jewellery or industrial uses, are only part of the picture.

Mr Brian Lucey, a finance professor at Trinity College Dublin who writes on gold prices, "A huge amount of irrational psychology is involved."

Price movements do follow patterns, tending to shoot higher in uncertain times, then slowly slip or stagnate as assets like stocks and bonds catch up. But those dynamics don't ultimately mean gold should be at $1,200, or $120, said Mr Lucey, who described pegging a theoretical price as "a poker game."

Toronto-based asset manager DundeeWealth Inc values gold based on where it has traded relative to other assets historically and current economic factors, such as interest rates and inflation, that can drive the price above or below those norms.

Despite the big run-up, gold remains close to its 30-year average value relative to goods like oil, copper and silver and other commodities, according to the company. It is also well below the price it touched during the bull market of 1980, roughly $2,300 in today's dollars. "There are at least 10 ways you can narrow in on a price," said DundeeWealth Chief Economist Martin Murenbeeld. "Most suggest the price for gold is about where it should be or higher."

Historical comparisons require investors to have faith these relationships will hold up next time, however, and there is no guarantee.

For some, the difficulty of forecasting gold prices doesn't disqualify the metal from serving another role in investors' portfolios, that of a hedge against financial calamity.  

Dow Jones
Gold rises on global cues, silver rebounds

Press Trust of India
Mumbai, July 31

Gold prices firmed up smartly on the bullion market on Saturday on renewed buying by stockists and jewellers amidst firm global trend. Silver rebounded sharply on fresh demand from stockists and industrial users.

Standard gold (99.5 purity) rose Rs 100 for ten gm and ended at Rs 17,870. Pure gold (99.9 purity) shot up by Rs 105 for ten gm and finished at Rs 17,965.

Silver ready (.999 fineness) strengthened by Rs 385 a kg and settled at Rs 29,210.

**Chennai:** Bar silver (a kg): Rs 29,415; retail silver (a gm): Rs 31.45; standard gold: Rs 17,965; retail ornament gold (22 carat): Rs 1,671.

**Kolkata:** Silver ready: Rs 28,800; Gold ready: Rs 18,160.
REDDYS JOLTED: YEddy BANS IRON ORE EXPORT

The move is seen by many as a tool to show the Reddy brothers, who are mining barons, their place and at the same time hit the Congress leaders who are involved in mining.

The government justified the ban saying this was necessary to protect natural resources and check illegal mining and illegal export of minerals. In an official statement, the Commerce and Industries Department said the ban has been made "to protect the natural resources and to check illegal mining and illegal export of minerals, it has been decided to stop issue of Mineral Dispatch Permit with immediate effect."

The ban also comes in the wake of a padayatra launched by the Congress from Bangalore to Bellary.

Prior to the ban, the government two days ago ordered for closure of 10 ports to curb illegal export of iron ore.

The ban has not been taken lightly by the controversial Reddy brothers—Tourism Minister G Janardhana Reddy and Revenue Minister G Karunakara Reddy. Even Congress MLA Santosh Lad, another mining baron, has opposed such decisions of the government and declared he would challenge them in court.

Meanwhile, the Chief Minister has said he has absolutely no concern for mine owners losing business because of ban on export of iron ore from the State-bound ports. “My concern is only to ensure that iron ore is not exported. And domestic steel plants should get the natural resources to manufacture steel,” he told the media here.

“If the natural resource is used for value addition, thousands of youths will get employment. Now we import steel. If the steel plants in the State get the ore, we will be in a position to export steel,” he said.

But iron ore exporters have decided to challenge the ban in the courts and take legal steps, sources said.
GoM drops plan for 26% free stake to land losers in mining

NEW DELHI 26/7

UNDER pressure from the industry, a ministerial panel on Friday dropped a proposal to give 26% free equity in mining ventures to persons, whose land is to be acquired by corporates, in the new law being framed.

The decision to modify the proposal was taken by the Group of Ministers headed by Finance Minister Pranab Mukherjee at its meeting here. The GoM decided that under the new law, the mining companies would be required to share 26% of the post-tax profit with the land losers. According to the earlier draft, it was proposed that the mining firms would be liable to allot to the land losers free shares equal to 26%, through promoters' quota.

In case, the land was acquired by a person and not by a company, an annuity equal to 26% of profit was to be given to the land owners.

The GoM decided that the proposal for mandatory allotment of 26% equity be dropped. However, in a symbolic measure, each member of the displaced family may be given one share each. The dilution in the earlier proposal came in the wake of industry opposing the move and it had lobbied hard with the government. However, Mines Secretary Santha Sheela Nair, said that there was "no dilution" in the government's stand. — PTI
आईआरसीटीसी अब फूड फैक्ट्रियां खोलने की तैयारी में

आर्डिस सिंह

नई दिल्ली। रेलवे कैट्रिगर का आयोजन पूरा नहीं हुआ है। दिल्ली की खाद्य चोटियों पर रेलवे की व्यवस्थापन प्रणाली की सरकार ने की गई है। मार्ग इन कैटरिंग हॉल में रेलवे चुनौतियों की ब्रज निश्चित नियोजन और सरकारी संस्थाओं, कारोबारी समिति द्वारा शासित रेलवे स्टेशनों पर उन्नयन के अनुसार आदेश में सुधार किए जा रहे हैं।

अभिव्यक्तियों के मुताबिक सालों के दौरान दिल्ली में छत्तीसगढ़ राज्य के गढ़वाल लोकसभा क्षेत्र में बूढ़े फैक्ट्रियों के लिए आईआरसीटीसी का स्थानांतरण हो गया है। इसके एक बार में 500-800 लोगों का जीवन बिताने के लिए फैक्ट्रियों की निर्माण के बाद सेवा शुरू की जा रही है। आईआरसीटीसी की दूसरी मंडल में फूड फैक्ट्रियों को अपनी गार्ड भर्ती करने का आदेश दिया गया है।