## TOP EXPORT EARNERS

<table>
<thead>
<tr>
<th>Companies</th>
<th>Foreign exchange earnings (₹ crore)</th>
<th>Forex earnings-to-sales ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008-09</td>
<td>2009-10</td>
</tr>
<tr>
<td>IOCL</td>
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<tr>
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<td>Nalco</td>
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<tr>
<td>STC</td>
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<td>TN Newsprint</td>
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Source: Capital Line
Pvt captive miners upset with surplus coal price regulation

Noor Mohammad

New Delhi, Jan 1: Private captive coal mining companies have expressed dismay over the coal ministry’s new policy directive mandating sale of surplus coal to Coal India (CIL) at a price not higher than the cost of production.

They argue that this would not serve the national goal of increasing coal production to keep dependence on imports from rising sharply.

The coal ministry recently issued a policy note saying that any surplus coal produced from captive mines will be transferred to the nearest CIL subsidiary and the payable price will be the cost of production or the CIL-notified rate, whichever is lower.

“The need of the time is to have an enabling policy framework for accelerating and augmenting coal production. However, the coal ministry’s policy directive on disposal of surplus coal does just the opposite,” said Ashok Khurana in a letter sent to coal minister Srijakish Jaiswal recently on behalf of private power project developers. Khurana is director general of Association of Power Producers (APP), a representative body of private power producers like Tata Power, Reliance Power, Lanco and Adani Power.

“The policy does not provide incentive for large players to enter mining, utilise world-class technologies and increase their mining capacities since the cost of production or CIL-notified price would be highly inadequate to encourage investments in the sector,” Khurana argued.

He has also said that the coal ministry’s policy could also defeat the very purpose of the draft MMOR Bill 2010, which aims to ensure the support of the local community in acquisition of land for mining projects. The Bill has proposed making it mandatory for coal mining companies to pay 26% of their profit after tax (PAT) for the development of the local community.

“If entire surplus coal from captive mines is sold as per the ministry’s pricing methodology, the contribution from mining companies toward the local development fund would be very low, which could in turn negate the objective of the proposed legislation,” the APP director general said.

“Besides, the implementation of the ministry’s pricing formula would also hurt revenues of states from the sector as royalty on coal is payable on ad valorem basis,” the letter said.
CIL may form subsidiary for buying coal assets in S. Africa

Press Trust of India
New Delhi, Jan. 1

State-run Coal India Ltd (CIL) is likely to set up a subsidiary for buying coal assets in South Africa, as part of efforts to boost its output.

The Government of Limpopo, the northernmost province of South Africa, approached CIL a couple of months ago, requesting the PSU to form a joint venture with one of its public sector firms for acquiring coal mines there, a top official in CIL said.

The joint venture would be between the public firm of Limpopo and a subsidiary of CIL, he said.

THE JOINT VENTURE

“The proposal would come up for discussion in Coal India’s board and if the board of directors agrees to it then we will see how to go about it,” the official said.

A fortnight ago the board of directors of the public sector firm had approved a proposal of the mining firm to acquire stakes in unlisted firms overseas, provided the “offers were valid.”

The development comes in the wake of Finance Ministry approval last month for the public sector firm to go ahead with a buyout of overseas firms that are unlisted.

The PSU has put together a war-chest of Rs 6,000 crore for acquisition of mines.

CIL, which accounts for more than 80 per cent of the domestic coal production, recently revised its production target to 440 million tonnes from 452 mt fixed in the beginning of the ongoing financial year.

In October, inadequate supply of coal to power stations had resulted in acute power cuts in many parts of the country, including North India.

Dispatch of coal to power firms suffered a setback in August and September due to heavy rains in all the coalfields, adversely affecting production and transportation of coal from mines to railway sidings.
Illegal mining: new report may come in handy for Government

Special Correspondent

BANGALORE: The clean chit given by the Home Department to the police officers facing the charge of abetting illegal mining may come in handy for the Bharatiya Janata Party Government to trash the Lokayukta report on illegal mining.

The Home Department absolved the officials based on the report submitted by Deputy Commissioner of Police (Intelligence) V.S. D’Souza. He was directed by the Director-General and Inspector-General of Police to conduct a preliminary inquiry into illegal mining, storage, transportation and export of illegally mined ore.

The report on illegal mining, submitted by N. Srinath Hegde in July 2011, had indicted major political leaders, 100 companies and 787 officials.

As a damage-control exercise, the Government set up a committee headed by IAS officer K. Jairaj to review and submit the report. The committee recommended disciplinary action against the officials named in the Lokayukta report.

The Government asked the Lokayukta to rework on its report as it had failed to cover the period between 2000 and 2006.

Also, the DG-IGP asked Mr. D’Souza to conduct an inquiry into various aspects of illegal mining.

Mr. D’Souza, in his report submitted a few days ago, concluded that there was no illegal mining, storage, transportation and export of illegally mined ore in the State.

Contrary to what has been said in Chapter 28 of the Lokayukta report, ‘Kharapudi’ Mahesh, one of the key figures in the illegal mining scam, did not receive any illegal gratification from miners nor did he pay money to officials, the report submitted by Mr. D’Souza said.

The report absolved 191 police officers, including eight Superintendents of Police (SPs), two additional SPs and 21 deputy SPs, who have been indicted in Chapter 28 of the Lokayukta report, citing lack of “sufficient evidence”.

In his 30-page report, Mr. D’Souza said that disciplinary action could not be initiated against the police officials as the Lokayukta report was “based solely on the copy of the contents of a pen drive”.

The report stated U. V. Singh, the architect of the Lokayukta report, based his findings, listed in Chapter 28, on the contents of the pen drive seized by income tax officials, and since it cannot be made out as to who was the owner of the pen drive and author of the documents stored in it, it cannot be said that Mahesh is the author.

“We have statements of Shiva Selvi, income tax officer, and witnesses, including Mahesh, to substantiate the findings,” Mr. D’Souza said in the report.

Holding Mr. Singh responsible for not taking printouts of the documents directly from the pen drive, the report said that latter had admitted that the printouts were taken after the documents were re-arranged in his personal computer.

This means that Chapter 28 does not contain the original contents of the pen drive, the report said.

Mr. Singh failed to collect documentary evidences with regard to collection and distribution of illegal gratification and no ‘mahazar’ was conducted by Income Tax Department officials during the seizure, the report said.
CIL may Form Subsidiary to Buy Coal Assets in SA

State-run Coal India (CIL) is likely to set up a subsidiary for buying coal assets in South Africa, as part of efforts to boost its output.

The government of Limpopo, the northernmost province of South Africa, approached CIL a couple of months back, requesting the PSU to form a joint venture (JV) with one of its public sector firms for acquiring coal mines there, a top official in CIL said.

The joint venture would be between the public firm of Limpopo and a subsidiary of CIL, he said.

“The Chief Minister of Limpopo Government had approached us in June asking us to form a JV with one of its public enterprises for exploring the coal assets. In this JV, CIL will have majority share while the public enterprise of Limpopo will have at least 20% stake,” he said.

The Limpopo government has also handed over its draft memorandum of agreement on the proposal to CIL.

“The proposal would come up for discussion in Coal India’s board and if the board of directors agrees to it then we will see how to go about it,” the official said.

A fortnight back the board of directors of the public sector firm had approved a proposal of the mining firm to acquire stakes in unlisted firms overseas, provided the “offers were valid”. The development came in the wake of Finance Ministry approval last month for the public sector firm to go ahead with a buyout of overseas firms that are unlisted.

The PSU has put together a war-chest of Rs 2,000 crore for acquisition of mines. The world’s largest coal miner has invested in three unlisted overseas coal assets for acquisition.