1,980 project set to move out of Konkan

Environmental, land issues cited as reason; MahaGenco looking for site in Vidarbha

Dhaval Kulkarni

The state power generation utility is planning to relocate its proposed 1,980 MW Dhopawre project from the Konkan coast to Vidarbha due to environmental issues and opposition to land acquisition.

Confirming the shift, a senior official from the Maharashtra State Power Generation Company Limited (MahaGenco) said that officials had been asked to scout for alternative sites in the region as well as water linkages.

The Western Ghats Ecology Expert Committee (WGEEC), set up by the Ministry of Environment and Forests (MoEF) and headed by ecologist Madhav Gadgil, had recommended that the moratorium on development of coal-based power projects and mining projects on the Konkan coast be continued till the environmental impact of such projects was surveyed.

The Dhopawre project, which was supposed to have three units of capacity 660 MW each, was to use 10.32 million metric tons of coal annually from the Machhakatta coal mines in Odisha which was to be brought to the site by sea. Vidarbha is being considered as an alternative location due to low costs of transporting this coal.

The joint venture project will help bring in money and efficiency, and transfer risks to the partner who is also supposed to take on the risks involved in importing coal.

—A senior MahaGenco official

MahaGenco plans to develop the project through a joint venture with a private partner, in case the state government expresses its inability to pitch in with equity for the power plant. This is MahaGenco's first such approach to a project. A tariff-based competitive bidding route is also being considered.

If they go ahead with this model, the official said that they are planning to keep 26-49 per cent of the shares with MahaGenco, with the private partner having control over 51 per cent or more of the stake. He added that this route would "help bring in money and efficiency, and transfer risks to the partner."

The private partner is also supposed to take on the risks of importing coal.
Hind Copper profit at Rs.323 crore

Special Correspondent

KOLKATA: Hindustan Copper Ltd’s (HCL) need for fresh equity has reduced following improved finances, its Chairman and Managing Director Shakeel Ahmed said pointing out that HCL had posted “sterling fourth quarter results”.

Addressing a press conference here recently, he said while the company’s physical performance was good, its vastly improved financials were a factor of improved copper prices in rupee terms.

During the fourth quarter ended March 31, 2012, HCL saw its profit after tax shooting up by 125 per cent, and sales turnover by 86 per cent. During 2011-12, it posted its highest-ever profit of Rs.323 crore on a turnover of Rs.1,638 crore. A 20 per cent dividend has been declared for the year.

Hindustan Copper was slated to have a follow-on public offer in 2010-11 with two components—a fresh issue of capital and a 10 per cent divestment. The offer did not fructify for various reasons, including valuation issues and market sentiment. It was subsequently felt that HCL would be able to fund its own expansion projects. “It is now felt that we will be required only to go in for divestment,” he said. The draft Cabinet note in this regard has already been circulated, according to Mr. Shakeel Ahmed.
Ministry's royalty-sharing formula may come as relief to Coal India

But being brought under the benefit-sharing regime to hit captive coal miners' bottom lines

SURENDER RAL SINGH
New Delhi, 2 June

I
n what could come as a relief to Coal India Ltd (CIL), the coal ministry wants a percentage of its royalty payment to be set as compensation for losses due to mining operations. Besides, the ministry has called for captive coal miners to also be brought under the benefit-sharing regime, making a similar dispensation for them, too.

In the Mines and Minerals Development and Regulation (MMDR) Bill, tabled in the winter session of Parliament, the government had proposed 26 per cent profit sharing by coal miners and 100 per cent royalty sharing by non-coal mining companies.

Since the Bill had not proposed anything specifically for captive miners, the coal ministry's move could dent the bottom lines of these companies — including large players such as Tata, RIL, Essar, GMR, GVK and Adani Power Group — by bringing those under the benefit-sharing ambit. It would, on the other hand, benefit state-owned CIL, by way of a reduced outgo in terms of compensation in the new regime that will be put in place under the MMDR Bill, 2011.

The ministry's recommendation is part of the amendments suggested in the MMDR Bill, currently being discussed by a Parliamentary standing committee. The ministry fears the 26 per cent profit-sharing provision for coal miners does not apply to captive mining companies, as those are not supposed to make profits on mining operations. Given that, too, the law does not envisage any commercial sale.

The ministry has, therefore, suggested replacing the profit-sharing clause in Section 45 of the Bill with a new clause that reads: "In case of coal and lignite, an amount equal to a certain percentage of royalty paid during the financial year, as prescribed by the central government, shall not be increased more than once during any period of three years.”

India produces around 830 million tonnes (mt) of coal a year. CIL accounts for close to 82 per cent of this. Captive miners, largely private sector companies that have been allotted blocks for their specified end-use, contribute a mere 55 mt to the annual production. At present, these companies pay states around 6600 crore a year as royalty.

CIL would benefit from the shift from profit sharing to royalty, as the base for calculation of compensation — with the company's annual net profit of over 4,000 crore — is much higher than the annual royalty of around 6,000 crore it pays to states.

The proposal to link compensation to royalty for coal miners could be difficult to implement, as coal prices, unlike prices of minerals like iron ore, are not market-driven and the government continues to wield significant control over pricing.

The proposal is, therefore, likely to be opposed by state governments on fear that their royalty earnings would take a hit. The government control over coal prices was, in fact, the reason why a ministerial panel had proposed profit sharing for coal companies in the MMDR Bill.

Also, the mines ministry is not likely to favour the proposal as it has already recommended a mandatory sharing of 100 per cent royalty by coal miners with project-affected families. The amount to be shared should be equal to the royalty paid, as it was clearly identifiable and would be in harmony with that paid in case of other (non-coal) minerals, the mines ministry told the Parliamentary standing committee on the MMDR Bill.

It also said it favoured an amount equal to, instead of a percentage of, royalty. This may open up such demands for other major minerals, too.
यूरीए शासन के 8 वर्ष

कोयला घोटाले की आग (13)

कल में यूरीए शासन में हुए घोटालों की फहरिस्त पेश की थी। इन घोटालों में बड़े-बड़े लोग शामिल हुए। इसमें शामिल थे केवल मंत्री, दो पूर्व मुख्यमंत्री, पूर्वांगतिक और हाल ही के दस्तकों में नन्द चौधरी, नीरज शर्मा और चंद्रशेखर के कुछ लोगों के नाम आए।

मुख्यमंत्री कुंजाल ब्रह्मचारी ने रूपकों के साथ अपनी इच्छाओं और विचारों को दर्शाया और इसकी आग से विफल रहा। वह ने कहा कि इन घोटालों में बड़े रुपए की यात्रा की गई है और इसके बावजूद भाजपा नहीं जीता।

श्रीमती अर्जुनेर ब्रह्मचारी ने इस संदर्भ में कहा कि इस घोटाले में बड़े-बड़े अर्थव्यवस्था के लोगों का भाग लिया है। उन्होंने कहा कि इस घोटाले में बड़े-बड़े अर्थव्यवस्था के लोगों का भाग लिया है।

श्रीमती अर्जुनेर ब्रह्मचारी ने इस संदर्भ में कहा कि इस घोटाले में बड़े-बड़े अर्थव्यवस्था के लोगों का भाग लिया है।
Govt revises minor mineral concession rules

Tribune News Service

Chandigarh, June 2
The Haryana Government has comprehensively revised its minor mineral concession rules with the formulation of "Haryana Minor Mineral Concession, Stocking and Transportation of Minerals, and Prevention of Illegal Mining Rules, 2012".


The state has been facing serious problems regarding availability of construction material on account of the mining operations virtually lying closed in the state since 01-03-2010. There have been a number of legal challenges before the Punjab and Haryana High Court and before the Supreme Court of India with regard to the mining issues in Haryana. The Supreme Court had directed all the states to revise their minor mineral concession rules keeping in view the guidelines issued by the Ministry of Mines and the Ministry of Environment and Forests within six months vide its orders dated 27.02.2012. Haryana is perhaps the first state to have accomplished this task.

The actual resumption of mining operations is still likely to take some time as the successful bidders would first have to obtain environmental clearances as required under the MOEF&CF Notification dated 14.06.2006.
Sesa Goa, Sterlite merger faces hurdle

Mumbai, June 2
Templeton Asset Management Ltd is trying to block a planned merger between Sesa Goa and Sterlite Industries, both of which are controlled by miner Vedanta Resources, according to a media report citing unnamed sources on Saturday.

Sesa Goa has called a shareholders meeting on June 19 to vote on the merger, while Templeton is trying to muster support to block the resolution, the report said, adding that the fund was in talks with other institutional holders in Sesa Goa.

In February, Vedanta Resources said it was simplifying its business structure by merging its Indian subsidiaries into a single unit to cut costs, and added it planned to issue American Depository Shares (ADRs) in the combined firm.

Templeton, which owns a 13 percent stake in Sesa Goa, is the second largest shareholder in the company after the founders, and is the largest institutional investor in the Indian miner.

Templeton is worried about the huge debt burden of another Vedanta unit, which is also to be merged into Sesa Goa, also has concerns about an aluminium project belonging to that unit, the paper said.

It said Templeton would need over 25 percent of the votes to block the resolution. "(It's only) Templeton, not all shareholders have issues. We have always ensured that the interests of all shareholders are protected and the merger will only enhance the medium and long-term value of their investments," the paper quoted an email reply from Sesa Goa as saying.

Templeton Asset Management was not immediately available for comment. A Vedanta group spokesman in New Delhi declined to comment. — Reuters