Deccan Chronicle, Hyderabad
Friday, 2nd March 2012, Page: 2

High level of Uranium in Nalgonda

DC CORRESPONDENT
HYDERABAD, MARCH 1

With Lambapur-Peddagattu uranium mines in Nalgonda district next in line for excavation, nuclear physicists from Osmania University, Bhabha Atomic Research Centre and Chaitanya Bharati Institute of Technology have established 'baseline data' for background radiation in villages in this uranium-rich belt near Nagarjunarasaragapur. The expert team has found that mean radiation levels in the area are relatively high when compared to national and international averages.

Uranium Corporation of India Limited proposes to take up uranium mining at Lambapur-Peddagattu once mining starts at Thummalapalle in Kadapa district. The mines in Kadapa are expected to become operational later this month or early April. Lambapur-Peddagattu is rich in Uranium reserves, and together with Thummalapalle could meet about 25 per cent of the country's nuclear energy needs, experts say.

Baseline data developed by the team will help the Department of Atomic Energy to monitor radiation levels once mining starts at Lambapur-Peddagattu. Monitoring of radon and thoron in this region is important as Nagarjunasaragpur and the Krishna river provide drinking water to millions of people in Nalgonda, Guntur, Ranga Reddy, Hyderabad and Krishna districts.

The team said Uranium 238 concentration in near-surface soil varies from 100 to 176 Bq kg, Thorium 232 varies between 64 and 116 Bq kg, and Potassium 40 concentration fluctuates from 309 to 373 Bq kg.
Ministers rule out bauxite mining in Vizag's agency area

Our Bureau
Visakhapatnam, March 3

No bauxite mining will be permitted in the Eastern Ghats of Visakhapatnam district, inhabited by Girijans and popularly known as the agency area, according to Union Ministers, Mr Jairam Ramesh and Mr Kishore Chandra Deo.

The two ministers gave the assurance at a public meeting at Chintapalli in the district on Saturday, after launching the daily requirement (DRO) depot scheme of the Girijan Co-operative Corporation (GCC). The proposed bauxite mining in the area is agitating the Girijans and environmental activists and others, who are apprehensive that the mining will not only ruin the livelihood of tribals but also wreak havoc on the environment.

The Ministers said said that they would not allow bauxite mining in the area, as long as they remained in the Union Cabinet. They said there need not be any apprehensions on the count.

Mr Ramesh said the Maoists operating in the area should lay down arms and join the mainstream politics to achieve their objectives. Mr Kishore Chandra Deo said the Union Government was spending as much as Rs 1 lakh crore on tribal welfare and in AP alone Rs 15,000 crore was being spent. Special schemes to educate Girijans were also being taken up, he added.
NGO moves SC over mining ban

NEW DELHI: An NGO fighting against illegal mining in Karnataka has pleaded before the Supreme Court to declare the Karnataka Government's decision to desvere over 11,000 sq km of forest land for private mining void.

Prashant Bhushan, counsel for Dharwad-based NGO Samaj Parivartan Samudaya, in an interlocutory application before the court sought the direction to the Karnataka Government to initiate disciplinary action against the officials who allowed illegal mining activities in massive scale.

The NGO, which brought to the notice of the apex court the state cabinet's decisions between 1999-2004 about deserving the forest land for mining, alleged that as the decisions were taken arbitrarily and without application of mind, they should be cancelled.

"Civil and criminal proceedings must be initiated against all the offenders involved in environmental degradation on this massive and unprecedented scale. The ill-gotten profits of the offenders must be recovered at five times the market value as recommended by the Central Empowered Committee (CEC)," the petition said.

The petitioner also sought a direction to the state government to undertake reclamation and rehabilitation work in the areas where damage took place due to mining. The affected people should also be involved in rehabilitation activities.

A direction should be given to the CEC to identify the ecologically sensitive forest areas where no mining should be permitted and to scrap all the mining leases which fall partially or completely in forest areas, said the petitioner.

His other prayers included: fresh mining should be allowed based only on auction, a maximum of 15 million tonne ore extraction should be allowed in Bellary, Chitradurga and Tumkur districts in a year, royalty should be fixed at the rate of at least 40 per cent of the market rate of the ore and all leases should be monitored by a monitoring committee to ensure that nobody violated the rules.
Shanghai copper stocks at highest since Aug '02

REUTERS
Singapore, 3 March

Copper inventories in warehouses monitored by the Shanghai Futures Exchange rose to their highest in nearly a decade, data showed yesterday, suggesting oversupply in top copper consumer China where demand has been slower than expected.

Many had expected Chinese copper demand to rebound after the Lunar New Year break in January, but a slower domestic economy and strains from a prolonged debt crisis in Europe cut its appetite for the industrial metal.

Stockpiles of copper in Shanghai warehouses rose 2.5 per cent to 221,487 tonnes, weekly data from the exchange showed, the highest level since early August 2002.

The first time Shanghai copper stocks hit near-decade highs was in mid-February, before dropping about 1,000 tonnes to 216,086 tonnes last week.

"There is significant oversupply in the Chinese market. Import levels are running very high and demand is not as good as it could be," said Nick Trevethan, senior commodities strategist at Australia and New Zealand Bank. Importers of refined copper in China have delayed some February-March shipments and diverted some cargoes to South Korea due to weak demand, traders said.
Aluminium Man Who Loves a Challenge

Anil Agarwal’s restructuring of Vedanta is attracting shareholder critique. But he’s used to critics – labour unions, ministers, activists – and used to sticking to his plans

In 2001 when Anil Agarwal’s Sterlite Industries won the bid for Balco, he faced strong resistance from employees of the state run company. His team was barred from entering the Balco premises in Korba and there were protests all over the factory site asking him to go back. But the Patna-born metal magnate was not daunted. He chose to go to the plant and speak to the employee union, explaining his plans and assuring workers on their jobs. It paid off. The protests died down.

If that doesn’t give much insight into the nature of the man, consider this: at an annual general meeting of his LSE-listed holding company Vedanta Resources in London, he was heckled by protesters, mainly Greenpeace activists, who gained entry by buying single shares of the company.

Agarwal was booed and shouted down apparently in protest against the reported environmental violations at Niyamgiri in Orissa, where his company’s bauxite mining in a tribal-dominated region allegedly disregarded the Dongria Kondh tribe’s sacred beliefs. In fact, these protests sparked off a series of withdrawals by investors including the Church of England and a Norwegian government-owned fund, from Vedanta Resources. But Agarwal stood his ground again, explaining his rationale for mining in the region.

‘Doesn’t Buckle’

Agarwal has also had to face continued resistance from the government to various projects. In 2010, after clamping down on bauxite mining in Niyamgiri, the environment ministry, under former minister Jairam Ramesh, cancelled a refinery expansion plan that would have given Agarwal greater capacity to smelt alumina into aluminium metal. This, after Vedanta Resources had invested about $4 billion in building the smelter, refinery and power plants in Orissa.

“Any other man would have buckled. But Anil is made of sterner stuff. He not only complied with the environment ministry’s dictat, but went ahead and bought bauxite from open market even if it meant higher production costs,” said a former group director.

Starting from a humble business of dealing in scrap metal, Agarwal steadily built his business into the diversified conglomerate that Vedanta Resources currently is, with revenue of $14.4 billion at the end of March 2011 and with interests in the entire resource family, from copper, aluminium, oil to iron, lead and iron ore.

The company surprised everybody in August 2010 when it announced its intention to acquire a controlling stake in Cairn India, the local unit of the London-listed oil major Cairn PLC. After more than a year of delayed approvals including charges of whether Vedanta Resources is competent to operate in oil, the Cabinet finally gave its formal nod on January 25 for the completion of the 40% stake buy for $8.48 billion.

“He has a huge conviction in whatever he does and can see through an entire transaction,” said Anil Singhvi, chairman of Jain Investment Advisors and a former CEO of Gujarat Ambuja. “I have known him since 1984 and am amazed at the way he has been able to take on all challenges head on and rise after every issue.”

Sesa Sterlite Questions

Agarwal is currently managing yet another challenge: to bring shareholder acceptance to a restructuring proposal that would simplify the shareholding structure at Vedanta by merging two flagship companies and consolidating all business under the new entity Sesa Sterlite, the new entity that will be formed after all approvals, will be a $10,000 crore resource behemoth, seventh largest in the world and India’s second largest company by profit, after Reliance Industries.

But shareholders, mainly large institutions, are not convinced about the rationale of the merger. “We are cutting our target price for both Sterlite and Sesa Goa to reflect the changing group structure and higher leverage from Vedanta Aluminiun. While the transfer of the ownership of loss making VAR to the newly created Indian entity is disappointing, the negative impact has been partially offset by the re-grouping of Sesa and Cairn in the new entity,” says Abhay Lalwani of Deutsche Bank.

Global funds with large equity stakes in Sesa Goa, such as Franklin Resources (9.79%), Templeton Emerging Markets (2.44%) and Vanguard Group (1.40%) have also expressed reservations on the transfer of $48.50 crore of debt from Vedanta Resources to Sesa Sterlite.

Most of the opposition to the merger is centred around Vedanta Aluminium, the $50,000 crore greenfield project in Orissa that has been making losses of $7,000 crore and is widely seen as a drag on the group’s business due to its huge debt of about $10,000 crore.

India, China Demand

Agarwal thinks otherwise. “Aluminium is a fantastic business,” he told ET after his board approved the merger proposal. “We have put up 1.75 million tonnes of smelter facilities (through Vedanta Aluminium) that no one can replicate. The problems (on official clearances) are short term and believe, in a few months we get approval for refinery expansion.”

Agarwal’s conviction is justified. Consumption of aluminium, widely used in aircraft and cars, is expected to grow by 8-10% in China and India, while it will see negligible growth in Europe and the US. “While in the near term, the aluminium sector may look weak due to higher production, the medium to long-term outlook is robust,” says Jagdish Agarwal of Emkay Global.

Currently the production cost at Vedanta Aluminium is about $1,200 per metric tonne, which is comparable to the average production cost of global majors at $1,200. This cost is expected come down to below $1,700 per metric tonne once Vedanta Aluminium gets captive bauxite mines.

His strongest critics however are NGOs such as Survival International. They accuse him of exploiting India’s natural resources with little thought to the environment and indigenous populations. Earlier, protesting Vedanta’s Niyamgiri plans, Survival director Stephen Corry had said: “Anil Agarwal needs to know that the destruction he wreaks in India will not pass unnoticed in the rest of the world.”

Talk More

Despite the strong criticism to lack of communication, Vedanta says it spent $20 crore in 2010-11 on community outreach, that it has reached out to 2.7 million people in 20 villages.

But, says Singhvi, “the group hasn’t communicated clearly.” Singhvi, involved in shareholder advisory, adds: “I don’t think there’s any ill intent...They need to engage people, shareholders and investors and clearly explain their rationale.”

So, that’s yet another challenge and a big one, for Anil Agarwal.