Meghalaya mining policy ready for approval

RAJU DAS

SHILLONG, Jan 4 – Meghalaya’s mining policy is in its final stage of approval and is now awaiting just the nod from Chief Minister Mukul Sangma.

Deputy Chief Minister in-charge Mining, Bindo M Lanong said that the draft policy has been modified after objections were raised by stakeholders. Some of the stakeholders, which largely include small coal miners, objected entry of foreign direct investment in the mining sector.

They were of the view that entry of such big players in the unorganised coal mining sector would wipe away the small miners and put their livelihood at stake.

The government on the other hand wants big companies to enter into the mining sector so that minerals could be scientifically mined, something which is not happening in the present scenario.

“The views of the stakeholders have been taken into consideration. Now it is in the Chief Minister’s Secretariat awaiting final approval,” Lanong said.

Lanong said he was unsure if the policy would be discussed in the next Cabinet meeting which is due. Neither could he give an assurance whether the policy would be taken up in the Budget session of the Assembly.

“Everything has been finalised, so it is a matter of time that the policy would be adopted in the State but we cannot give a timeframe at this juncture,” he added.

The policy was drafted years back, but it is being debated before getting final approval of the government. Several meetings have been held between the government, stakeholders and NGOs.

“We are moving in the right direction and it is a matter of time the policy would be adopted in the State,” the Deputy Chief Minister assured.
OMC Illegal Mining

Srilakshmi surrenders after bail cancellation

PTI HYDERABAD

Suspended IAS officer Yerra Srilakshmi, an accused in the illegal mining case involving Oubalapuram Mining Company (OMC), today surrendered before a local court as per the directions of Andhra Pradesh High Court.

Srilakshmi, arrested on November 28 last year by the CBI on charges of abusing her official position as the then secretary (Industries and Commerce department) to favour OMC in grant of mining lease, had been earlier granted bail by the Special CBI Court.

However the High Court, on CBI’s plea, cancelled the bail early this week and asked her to surrender before the special court by January 6. Accordingly, Srilakshmi surrendered before the court at around 4 pm which remanded her to judicial custody till January 12. She was taken to Chanchalguda Women’s Prison. Srilakshmi also filed a petition today seeking special class prisoner status, on the ground that she was a senior public servant, in Indian Administrative Service, with more than two decades of “blemished service.”
Foreign Secretary wants team sent to Tokyo to quickly conclude talks on LTA
Resume iron ore exports to Japan: Mathai

PRIVYADARSHI SIDDHANTA
NEW DELHI, JANUARY 6

THE freeze on iron-ore exports has led to a diplomatic crisis of sorts. Foreign Secretary Ranjan Mathai has sent an SOS to Commerce Secretary Rahul Khullar suggesting that he send a team to Tokyo to promptly conclude talks on the LTA — Long Term Agreement that fixes ore prices for five years — and resume exports.

In his letter dated December 30, Mathai underlined the urgency by referring to the assurances given by Prime Minister Manmohan Singh to his Japanese counterpart Yoshihiko Noda at their recent bilateral summit.

Mathai said that on July 7, the Cabinet had cleared the LTAs renewal and exports by Minerals and Metals Trading Corporation (MMTC). He noted that the Steel Ministry’s stand that iron ore exports by NMDC was unsustainable given the SC restriction on exports from its Karnataka’s mines.

He added: “Our iron ore exports to Japan though small has connected us historically and has been the foundation of the present day diversified and intense bilateral trade and economic relationship. The delay in finalising the LTAs by India has been viewed with concern by the Japanese side.

The Japanese Premier raised the issue with Prime Minister Manmohan Singh on December 28 during his recent visit to India. He assured his Japanese counterpart that we will address their concern.” This letter was also sent to Steel Secretary P K Misra.

As per the existing LTA between NMDC and these nations — which expired on March 31 last year — each year the PSU supplied 2.3 million tonnes of iron ore to Japanese steel mills. This stopped in February 2011.

NMDC has been traditionally supplying iron ore to Japanese and South Korean buyers, who are squarely dependent on it for raw material security.

However, the navratna company is firmly opposed to resumption of exports to them owing to host of reasons. The steel ministry had expressed a view that the exports should not be allowed as the Comptroller and Auditor General (CAG) and the Income Tax Department had raised objections.

The CAG had questioned the rationale behind exporting iron ore when local demand for it was on the rise. The I-T department criticised NMDC for selling at long term prices instead of spot prices and losing substantial revenues.
Illegal mining in State ruined farming: Study

Asthma, skin diseases rampant in mining areas, report tells SC

Ajith Atharady

NEW DELHI, DHNS: Rampant illegal iron ore mining in Chitradurga and Tumkur districts has caused severe damage to agriculture and horticulture activities, as well as spreading of mining related diseases among people of the region, a study has found.

The micro-level environmental impact assessment study conducted in the two districts by the Indian Council of Forestry Research and Education (ICFRE) also expressed concern over the large scale damages due to violations of environmental norms.

It recommended financial compensation from mine owners for the damage caused to the environment and stringent action against the guilty companies.

The study was conducted on the direction of the Supreme Court which is hearing illegal mining cases in Karnataka. The ICFRE, an autonomous body under the Ministry of Environment and Forests, already submitted its environmental study report on Bellary district.

"There has been a decline in productivity of agricultural crops up to 40 per cent in both Tumkur and Chitrardurga districts when mining areas are compared with the non-mining areas", the report says.

The study report, a copy of which is available with Deccan Herald, says unbridled mining in has resulted in loss of around 8 sq km of forest in both the district an evidence that mining has been conducted beyond the designated areas by greedy mine owners to cash in on the demand for ore abroad.

In Chitradurga district, 24 mines are engaged in iron ore mining in Bhimasanudra and Hosadurga region. Of them, 12 were operated in forest land covering 604.42 hectares.

In Tumkur district, 24 mine leases are engaged in iron ore mining in Chillemayakanahalli, Gubbi and Tippirur taluks. Of the 17 leases surveyed by the team, it was found that 13 leases have operated in forest land covering 513.32 hectares.

The report said there has been a sharp increase in mining-related diseases such as asthma, allergy and skin diseases in villages adjacent to the mines. There has also been increase in the number of road accidents due to poor road conditions and increased vehicle density. The study also revealed that mining operations have adversely affected the floral and faunal diversity in the districts. A total of 379 species of fauna were found in both the region.

Ambient air quality has correspondingly worsened with substantial increase in iron production in both the districts. Surface as well as groundwater quality has deteriorated as a result of mining activities. The study also indicates that despite surface water being found fit for irrigation and other purposes in Tumkur, the quality of surface water in Chitrardurga district deteriorated both in terms of physio-chemical and bacteriological parameters. Water recharge pattern in Chitrardurga has not been altered, since the mining is currently confined to top of hillocks. However, if mining is continued at deeper levels and the pit level were to go below ground, water sources are likely to be affected, the report cautioned.
IAS officer Srilakshmi surrenders, jailed

HYDERABAD: A stoic Y Srilakshmi walked back to Chanchalguda Central Prison here on Friday after the CBI Special Court sent her to judicial remand till January 12.

Earlier, the former secretary of the department of industries in-charge of mining surrendered before the designated court as the Andhra Pradesh High Court cancelled her bail plea on January 1 in the illegal mining scam involving former Karnataka minister Gali Janardhan Reddy's Obulapuram Mining Company (OMC). The High Court set January 6 as the deadline for her surrender.

She was arrested on November 28, from her office in Kothi and was questioned by the CBI sleuths for two days. However, she succeeded in securing bail.

The CBI's plea says that Srilakshmi's release was premature and detrimental to the investigation. Srilakshmi, in her reply to the petition, has claimed that she was in no way related to the illegal mining activities of OMC and the company had been sanctioned the preliminary leases (questioned by CBI) in 2005, before she took charge as the secretary of industry and commerce.

Srilakshmi is likely to be charged for crimes under Sections 120-B (criminal Conspiracy) read with 420 (cheating), 409 (Criminal Breach of Trust), 468 (Forgery for the purpose of cheating), 471 (using as genuine forged document), of Indian Penal Code; Section 13 (2) read with 13 (1) (d) (Criminal Misconduct) of Prevention of Corruption Act 1988.

CBI joint director V V Lakshminarayana said the agency has received permission from the department of personnel for her arrest against U/S 19 of the Service Act. She has already been placed under suspension by the government of AP as family planning commissioner.

The Special CBI Court on Thursday numbered the charge sheet (01/2012) and will issue summons soon to various persons as part of the court proceedings. The CBI filed the charge sheet in the first week of December last year.

DH News Service
SAIL Consortium to Invest ₹375 Cr in Afghan Mines

RAKHIL MAZUMDAR
KOLKATA

A consortium of steel companies led by state-owned Steel Authority of India will invest about ₹375 crore in initial exploration for iron ore at Hajigak in Afghanistan, said to contain the world’s second-largest reserves of the mineral.

The exploration will give the Indian consortium, called Afghanistan Iron & Steel Consortium (AFISCO), an indication of the size and grade of reserves, which were last explored in the 60s.

The consortium had won iron ore mining rights in the area in November, giving India access to a key raw material for steelmaking.

The outlay, which will cover exploration over two years, will be a prelude to an investment of ₹5,000 crore ($11 billion) to develop mines, build a steel plant and create infrastructure.

A working-level team from AFISCO will visit Afghanistan shortly for talks with the government on the final agreement.

“We will seek the Afghan government’s role in providing safety and security cover to Indian personnel. Since Afghanistan is on a negative list, the security factor will weigh critically before we make any investments,” SAIL chairman CS Verma said, adding, “It will also help when the consortium seeks funding from multilateral financial institutions.”

FREE FLOW

The consortium, which has JSW Steel, JSW Ispat, JISL, RINL, NMDC and Monnet Ispat as the other members, will hold a separate meeting to work out the issues. Afghanistan’s mines minister Wahidullah Shahrai had said earlier that the country had decided to raise a 7,000-member security force to ensure safety at mines.

“We would like to see their level of preparedness on these issues before we can proceed,” a senior executive of an AFISCO member company said.

The Indian team will also seek the Afghan government’s active role in providing road and rail infrastructure outside the mining area, in securing licensing rights and housing for project workers.

“While road and rail links within the project area will be our responsibility, we would want the Afghan government to provide infrastructure support outside the project area up to the nearest international port,” Verma said.
Copper trims losses as US payrolls rise

Bloomberg
Jan. 6
Copper may climb in London, trimming a weekly loss, before a report that may show hiring in the US accelerated in December for a second month, improving the outlook for metals demand.

Payrolls in the US climbed by 155,000 workers after rising 120,000 the previous month, according to the median forecast of economists surveyed by Bloomberg. Consumer confidence rose and jobless claims declined in the world’s second biggest copper user.

Copper for delivery in three months gained 0.3 per cent to $7,565.75 a tonne by 9:42 a.m. on the London Metal Exchange. The March-delivery contract rose 0.3 per cent to $3,435 a pound on the COMEX in New York.

INVENTORIES DECLINE
Copper stockpiles monitored by the LME fell 0.1 per cent to 368,125 tonnes, daily exchange figures showed. Orders to draw the metal from LME warehouses, or cancelled warrants, declined 1.3 per cent to 41,375 tonnes.

Aluminium for three-month delivery on the LME gained 0.5 per cent to $2,005.50 a tonne. Zinc rose 0.9 per cent to $1,850 a tonne and lead was little changed at $2,005.50 a tonne. Nickel dropped 0.2 per cent to $18,630 a tonne, while tin decreased 0.7 per cent to $19,710 a tonne.
Underground mining techniques mooted for Western Ghats

BY SHAMSHEER YOUSAF
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BANGALORE

Six years after the Supreme Court ordered that mining operations in the Western Ghats be stopped because of environmental concerns, two government bodies have recommended the examination of underground techniques to see if these can be used to resume the hunt for iron ore in the area.

The Indian Council of Forestry and Research Education (ICFRE), Dehradun, and a working group of the Planning Commission have both independently recommended such feasibility studies for extracting the resource from the Western Ghats.

The range has large deposits of magnetite ore—a compound of iron that is chemically different from hematite ore, which is typically used in India for the extraction of iron and manufacturing of steel.

The move could assume significance in the light of the bans that have recently been imposed on illegal and indiscriminate mining practices in Bellary and elsewhere in Karnataka that led to widespread environmental degradation. The sudden decline in the mining activities, which boomed along with a surge in global demand in the last decade, has led to iron ore exports trickling to a halt.

According to ICFRE, the Western Ghats is estimated to have a deposit of 10 billion tonnes of magnetite ore—of which around 8 billion tonnes is located in Karnataka. The Geological Survey of India has reported significant deposits of magnetite in the Chikmagalur, Shimoga and Utsira Kannada districts of the state.

ICFRE made these recommendations in a macro-level environment impact assessment study report of Bellary district following directions by the Supreme Court.

These recommendations were also echoed by a working group of the Planning Commission on the steel industry, headed by Union steel secretary Pradeep Kumar Misra. Mint has copies of both the reports, of which the one by ICFRE is not available in the public domain.
Underground mining mooted for Western Ghats

"Although, the present steel capacities in the country are primarily based on haematite iron ore, over a longer period of time, it may also be required to tap the magnetite iron ore resources located in the Western Ghats, where mining activities are currently banned," the group said in its November 2011 report.

The mining technique that both have recommended is considered environmentally friendly.

"Unlocking these iron ore resources may need recourse to underground mining technologies, so that the precarious ecological balance in the Western Ghats region is not disturbed while iron ore is extracted," the working group panel report said. However, the recommendations have met with resistance on the part of environmental activists.

ICFRE has been asked to remove the reference to the Western Ghats, said Samaj Parishad Samudaya founder S.R. Hiremath, who filed the public interest litigation (PIL) that led to the report.

"ICFRE has clearly gone beyond its mandate and we have asked them to file a fresh report," he said.

The Karnataka government has also opposed the recommendation. Forest minister C.P. Yogeshwar said, "The Western Ghats is renowned worldwide for its biodiversity. We will definitely not allow any mining and I am going to lodge a protest with the Centre on this."

The range is frequently classified as being among the most bio-diverse regions in the world. Ecologist Norman Myers, in a paper in Nature, classified the Western Ghats as being among the top 10 biodiversity spots in the world. This region has recorded more than 5,000 species of flowering plants, and nearly 77% of the amphibians and 62% of the reptile species found here are not found anywhere else.

The Supreme Court could prove another stumbling block. The mining operations of Kudremukh Iron Ore Co. Ltd in the Western Ghats in Karnataka were stopped by the apex court after a PIL alleging environmental damage in the area.

Last week, The Hindu reported that the Western Ghats Ecology Expert Panel, appointed by the environment ministry and headed by ecologist Madhav Gadgil, had recommended phasing out mining in Goa in the most sensitive areas of the Western Ghats and allowing the continuation of existing operations in areas that were comparatively less ecologically sensitive under strict regulation.

Moreover, the cost of underground mining is expected to be significantly higher than open-cast methods. "It is appreciated that underground mining requires huge investment costs and, therefore, the same will negatively impact the competitiveness of Indian steel industry," the working panel group note said.