Illegal quarrying going on unabated in Gulbarga

Private company accused of plundering natural wealth

Srinivas Sirnoorkar

GULBARGA: A private company has been allegedly extracting high-quality Shahbad stone slabs illegally at Wadi and villages near Chittapur in Gulbarga district for the past several years.

According to Ashok Dahinde and Nariman Irani, the shareholders of Wadi Stone Marketing Company, the firm was quarrying stone even after its lease had expired in 1992.

The company was given the mining lease by the then Hyderabad government in 1952 for a period of 20 years. After the re-organisation of Karnataka, the lease period was renewed for another 20 years up to 1992.

Defaulted on payment

The State government did not renew the lease further as the company defaulted on payment of royalty and other statutory dues.

A dispute arose over the demand of arrears raised by the Mines and Geology Department.

The High Court of Karnataka, in June last year, upheld the demand for arrears.

According to sources, the department has issued notices to recover the dues of Rs 30 crore, and the revenue authorities are yet to act on it.

Dahinde and Irani had been running from pillar to post with petitions seeking to stall the illegal quarrying.

They have approached the tahsildar, the regional commissioner, and the director of the Mines and Geology Department in this regard.

The regional commissioner directed the deputy commissioner on December 2, 2011, to inspect the quarry site and initiate suitable action.

No action, yet

However, there has been no action even after six months of the direction.

The Director of Mines and Geology, Bangalore, on February 2, 2012, ordered the Deputy Director of the Department in Gulbarga to conduct a spot inspection and file a first information report. The inspection is yet to be carried out.

Dahinde and Irani have also alleged in their petition that the company had been illegally alienating large portions of the quarry land to stone cutters, without any authority.

‘Officers mute spectators’

According to sources, Wadi and the surrounding areas have become hotbeds of illegal quarrying.

“About 90 per cent of the quarrying is illegal,” said an official of the Mines and Geology Department who retired from service recently.

“All the officers concerned have become mute spectators to the plundering of mineral wealth. A probe by the Central Bureau of Investigation will certainly reveal that it is another Bellary,” said Dahinde and Irani.

DH News Service
HYDERABAD: The Andhra Pradesh government on Thursday granted permission to CBI for prosecution of senior IAS officer Y. Srilakshmi in the illegal iron ore mining case, involving former Karnataka minister Gali Janardhana Reddy.
Srilakshmi, an IAS officer of 1988 batch, is currently in judicial remand following her arrest by the central agency.
## PRICE CARD

<table>
<thead>
<tr>
<th>Metals ($/tonne)</th>
<th>International Price</th>
<th>%Chg*</th>
<th>Domestic Price</th>
<th>%Chg*</th>
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<tbody>
<tr>
<td>Aluminium</td>
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<td>-10.5</td>
<td>2548.0</td>
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<tr>
<td>Copper</td>
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<td>-14.5</td>
<td>19767.0</td>
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<tr>
<td>Lead</td>
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<td>2282.2</td>
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<td>-11.3</td>
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<td>Silver ($/ounce)</td>
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<td>-11.4</td>
<td>31.5</td>
<td>-11.4</td>
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</table>

**ENERGY**

| Grade Oil ($/bbl) | 102.2* | -17.6 |
| Natural Gas ($/MMBtu) | 2.4* | 4.2 |

**AGRI COMMODITIES ($/tonne)**

| Wheat | 268.8 | 3.1 |
| Maize | 266.3* | -1.7 |
| Sugar | 578.0* | -8.3 |
| Palm oil | 985.0 | -10.9 |
| Rubber | 2313.0* | -16.0 |
| Coffee Robusta | 2145.0* | 5.8 |
| Cotton | 1620.4 | -19.6 |

Conversion rates: 1 rupee = 100 paise, 1 U.S. dollar = 64.95 rupees

*As on June 7, 1800 hrs IST, *Change over three months

Notes:
1) International oil is LME spot price and domestic oil is Mumbai local spot price except for diesel.
2) International crude oil is Brent crude and domestic crude oil is Indian Basket.
3) International natural gas is NYMEX near month future & domestic natural gas is NGBC near month contract.
4) International wheat, while sugar & coffee quotes are Liffe futures prices of next month contract.
5) International mazut in LME near month future, chlorine in NYMEX near month future and palm oil in Malaysia future price.
6) Domestic wheat & maize are NAFED invoice price of nearest month contract, petrol is NIOC benchmark.
7)voyaged & coarse soybean meal are international Liffe prices.
8) International crude oil is LCO1 & WHIRL near month future and domestic crude oil is Indore near month contract.
9) International jet fuel & jet A fuel is LCO1 & WHIRL near month future & domestic jet fuel is Indore near month contract.

**BALTIC EXCHANGE INDICES**

| Baltic Dry | 878.00 | -2.88 |
| Baltic Supramax | 1,008.00 | -1.47 |
| Baltic Panamax | 877.00 | -2.33 |
| Baltic Capesize | 1,352.00 | -3.94 |
| Baltic Handysize | 602.00 | -3.06 |
| Baltic Steam Tanker | 593.00 | -1.83 |
| Baltic Dirty Tanker | 600.00 | -1.79 |

**ELECTRICITY TRADING AT IEX**

Market price in `/MWh
BEML may pull out of venture to re-open mining machinery firm

Pratim Ranjan Bose
Kolkata, June 7

In June 2010, a consortium of BEML Ltd, Coal India Ltd (CIL) and Damodar Valley Corporation (DVC) acquired the plant and machinery of the closed Durgapur-based Mining and Allied Machinery Corporation (MAMC) from the official liquidator of the Calcutta High Court.

It was promised that a BEML-led joint venture between the three would re-open the mining machinery facility.

Two years down the line, as in June 2012, the consortium may now fall apart as BEML — 48 per cent majority stakeholder in the consortium — now wants to pull out of the initiative.

The partners are yet to enter the shareholders agreement, the basic minimum to start a joint venture.

There is no business plan of the proposed facility either.

FAILED INITIATIVE

While BEML did not respond to queries on the issue, sources told Business Line that the Bangalore-based mining equipment maker blames CIL and DVC — each holding 26 per cent in the consortium — for the failure.

BEML, allegedly expected CIL and DVC - the consumers of mining equipment - to place firm orders worth over Rs 1,000 crore to the non-existent venture as a precondition to take the initiative forward.

The partners, on the other hand, felt such orders could only be placed once the proposed joint venture has a business plan (detailed feasibility report) in hand.

“How could a public sector company place firm orders to JV which is yet to decide what would they manufacture?” a source in one of the partner companies told Business Line.

LAND TROUBLE

But, can the consortium take the initiative forward without BEML?

Sources suggest that the possibility appears bleak as Asansol Durgapur Development Authority (ADDA) has already transferred lease of 193 acres of closed factory premises in the name of a BEML subsidiary, MAMC Industries. Allegations fly that CIL and DVC had little clue about this move.

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Odisha mine delay may hit Maha power

Dhaval Kulzarni

The delays in developing the Machhakata coal mine in Odisha may hit the power generation capacity of Maharashtra and Gujarat by nearly 6,000MW, of which 3,890MW belongs to MahaGenco, the state power generator.

The Machhakata and Mahanadi (also in Odisha) coal blocks were allocated to MahaGenco and the Gujarat State Electricity Corporation Limited (GSECL) in 2006 and a joint venture company—MahaGuj Collieries—formed to develop them. But, with the coal production deadline of August 2009 having been overshot, officials fear the power production will be hit, given that coal-based units in the state are expected to be commissioned only from May 2013 onwards. The coal was to fire 3,890MW installed capacity in Maharashtra (of which 3,230MW is under implementation) and 2,100MW in Gujarat. Additional production from Machhakata was to be used for proposed 1,980MW Dhopawale power plant in Maharashtra.

Information available with DNA has revealed that milestones like obtaining forest clearances, execution of the mining lease and completion of land acquisition are yet to be achieved, which officials admit will make it tough to meet the revised coal production date of 2013 October-end.

The ministry of coal has served a show cause notice to the utilities, pointing out overshooting of the schedule, and questioned why action for de-allocation of the coal block should not be taken. While requesting the coal ministry to “consider the local circumstances in Odisha and allow us to keep the extension in commence of coal production up to October 2013”, Mahaguj has stated that about 4,500MW projects based on the Machhakata coal were in their advanced stages. If the block is de-allocated, Rs25,000-30,000 crore investment will be in jeopardy, it said.

Admitting to the delays leaving the states with stranded capacity, MahaGenco managing director Subrat Ratha, also the MahaGuj CMD, said the contingency plan was to import coal and to divert coal from the existing vintage generating units. Pointing out that shutting down old units and diverting their coal meant that despite new generation capacity being added, the power generation would be the same, a senior MahaGenco official said the capacity addition at the 2,640MW power plants at Dondachi and Nashik would be linked with coal from the Mahanadi block.
No role for Oz state in GVK project

Melbourne, June 7: Australian government on Thursday said that coal-rich Queensland will have no further role in the massive Alpha coal mine approval process following a dispute with India’s GVK Group over environmental issues.

The federal and Queensland governments have been warring for more than a week over the approval process for the $6.36 billion coal mine in central Queensland.

Queensland’s deputy premier Jeff Seeney and environment minister Andrew Powell met with federal environment minister Tony Burke on Thursday morning in Sydney to discuss the dispute. “The commonwealth will continue to deal with what it says are outstanding environmental issues Queensland failed to consider in its assessment,” AAP news agency reported.

Queensland government still has to come back by next week and show cause why it should not be suspended from a bilateral agreement aimed at streamlining major environmental approvals.

“The meeting with deputy premier Seeney and minister Powell was productive and is hopefully the first step in resolving the differences which have unfolded between the commonwealth and Queensland over the past fortnight,” Burke said in a statement. “It was agreed that now a commonwealth process has commenced to deal with the outstanding matters relating to the Alpha Coal project, this will continue to its completion.”

Burke said there would also be discussions in coming days to determine how the current bilateral agreement might be amended to “create greater certainty for the environment and business”.

“For whatever reasons the current bilateral has not delivered the twin aims of high environmental standards and a streamlined process for business. The work in coming days aims to resolve this,” he said.

Australian Prime Minister Julia Gillard had lashed out at the Queensland government over its handling of Alpha Coal mine project, claiming it had shaken investor confidence in the state. The federal government on Wednesday halted the approval process for GVK’s Alpha project amid a dispute over environmental assessments affecting the Great Barrier Reef.

In a sharply worded letter sent to Queensland premier Campbell Newman, Gillard accused him of threatening the Great Barrier Reef by cutting corners on the proposed Galilee Basin development in the coal-rich state.
‘No Queensland role in GVK coal mine bid’

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