

Mining ban crunches Vedanta, Sesa output

Clara Ferreira-Marques

LONDON

India-focused miner Vedanta posted a 61% drop in saleable iron ore output in its second quarter, hit by a ban on mining in Karnataka, though sales fell by a smaller amount due to high volumes sold before the curb.

The miner said its iron ore production fell to 1.12 million tonne (mt), from 2.88 mt in the same period a year ago. Sales totalled 1.55 mt, from 1.82 mt a year ago.

Vedanta said its refined zinc production from its core Indian operations rose 5% in the second quarter to the end of September to 185,000 tonne, largely thanks to better performance at its smelters. Meanwhile, Sesa Goa, a Vedanta group miner, too, said its ore production and sales were impacted in the second quarter by the Karnataka ban and closure of its Thakurani mine in Orissa. The firm's iron ore sales declined 14.8% on year to 1.55 mt in July-September, it said. Production in the quarter declined to 1.12 mt from 2.88 mt a year ago. Total sales during the first six months were 5.80 mt, down 13.56%. Reuters. With NewsWire18

खनन मामले में हटाए गए मनोहर

पणजी। गोवा में अवैध खनन मामले में एक नया मोड़ आ गया है। विधानसभा अध्यक्ष प्रताप सिंह राणे ने इस केस की जांच को लेकर गठित लोक लेखा समिति (पीएसी) का शनिवार को पुनर्गठन किया और इसके प्रमुख पद से विपक्षी नेता मनोहर पर्रिकर को हटा दिया। भाजपा के विधायक विजय पई खोट को पीएसी का नया प्रमुख नियुक्त किया गया है।

इससे पहले गोवा पीएसी की अगुवाई करने वाले पर्रिकर ने अवैध खनन मामले में अपनी रिपोर्ट दी थी। जिसमें मुख्यमंत्री दिगंबर कामत को मूक दर्शक बताया गया था। अध्यक्ष राणे ने विधानसभा सत्र के अंतिम दिन शुक्रवार को पर्रिकर की अपनी रिपोर्ट सार्वजनिक करने की इजाजत नहीं दी थी। (एजेंसियां)

Parrikar sacked from Goa mine scam panel

UNCERTAINTY Another BJP man
appointed, new committee formed

ht FOLLOW-UP

Snehal Rebello

snehal.rebello@hindustantimes.com

PANAJI (GOA): Uncertainty over the fate of the Goa legislature's Public Accounts Committee (PAC) report on illegal mining grew on Saturday with the removal of leader of Opposition Manohar Parrikar as PAC chief.

Speaker of the Goa Assembly Pratapsingh Rane removed Parrikar as PAC chairman late Friday night and constituted a new committee.

He has appointed BJP legislator Vijay Pai Khot as the new PAC chairman.

Rane's decision, which came less than 24 hours after he had refused to table the PAC report in the House, has intensified the tussle between the Congress and BJP in the state.

The BJP is yet to make up its mind on whether to allow Khot to head the panel but has decided to go public with the report which has criticised the state mines department, controlled by chief minister Digambar Kamat since the year 2000, for failing to curb illegal mining. Parrikar had presented the report to Rane on October 5.

Sources in the government said the value of illegal ore exported in the last five years was ₹2,776 crore.

HT has, in a series of reports, revealed that illegal mining has cost Goa ₹3,000 crore.

Parrikar said he would release the 'Parrikar Accounts Committee report', using government documents and records that are in the public domain. "I was expecting this (removal as PAC chief)," he told Hindustan Times.

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PARRIKAR SACKED

CONTINUED FROM PAGE 1

It only goes to show that the Congress is in a state of panic. The chief minister is involved in illegal mining. When I say the Goa government is responsible, it is clearly Digambar Kamat (who is being referred to). Kamat must take moral responsibility as head of government and step down."

The new PAC chief, Khot, told HT that he had not received any government circular on his appointment, and the Speaker had not consulted him before taking a decision.

The BJP will decide on whether it will accept Khot's appointment as PAC chief at a meeting of its legislators called on October 11. "As the party was not consulted, the decision is being held back till our meeting takes place," said Laxmikant Parsekar, state BJP president and MLA.

Voicing his unhappiness over the Speaker's move, Parsekar said the Parrikar-led PAC was planning a probe into alleged illegalities in Goa's Special Economic Zone (SEZ) and the state health department.

We inhale clouds of red ash, say villagers

ARVIND SHARMA/HT

SARANDA FOREST

REGION: West Singhbhum,
Jharkhand

AREA: 85,550 hectares

FLORA: Sal trees

FAUNA: Endangered flying lizard,
wild elephants

AREA TAKEN UP BY MINING AND
OTHER INDUSTRIAL ACTIVITY:
4,000 hectares

MINING PROJECTS IN THE
PIPELINE: None yet; fresh mining
leases have been stopped since
2005

B Vijay Murty

bmurty@hindustantimes.com

In the nondescript Kuchibera village in West Singhbhum's Saranda forest, 26-year-old Mosa Purty lies on his deathbed while his helpless family looks on. He suffers from severe respiratory disorders and a lung infection that killed his brother a few months ago, and continues to affect other villagers in the mining district.

Once a pristine green forest, Saranda is now an iron ore mining hub where, in the past decade, at least 40 mining companies have been granted leases to mine, of which 21 are active today.

These, besides several illegal mining and crusher companies operating in the area, have generated employment for locals, but also caused widespread destruction to human lives, flora and the wildlife.

The red ash that flies from crusher units and vehicles transporting ore has turned everything red, from the leaves on trees to people's skin. Pollution levels have risen in the forest's two perennial rivers, Karo and Koena, and forest officials claim mining has impacted the movement of animals, particularly wild elephants.

Recent research conducted by three Delhi-based NGOs also indicates that working in mines drastically reduces



Iron-ore mining activity has covered everything in Saranda with red dust.

Every day, scores of trucks
carrying red ash (iron ore)
pass by our house, leaving behind
clouds of ash for us to inhale.

OMRO PURTY, a mine labourer from
Kuchibera village

Last year, we achieved the
target of collecting R 500 crore
revenue from the mines operat-
ing in Saranda. This year, we
plan to collect more.

B KUJUR, deputy director mines

the life expectancy of labourers to 45 or 55 years.

The ministry of forest and environment had recently given forest clearances to several companies including SAIL for its Chiria mines—Chiria has Asia's biggest iron ore deposits of two billion tones—with specific conditions governing forest clearances, but not all of them are followed.

While some activists and organisations want a complete ban on mining

activity in the forest, others such as the All India Adivasi Mahasabha want mining rights to be granted to local tribal co-operatives, and the opposition in Jharkhand recently demanded a ban on the export of iron ore fines (crushed dust).

The state cabinet, however, allowed companies with captive mines to sell off surplus iron ore fines on the grounds that it would get wasted and drained into rivers.

K'TAKA FAILS TO RECOVER ILLEGAL MINING PENALTY

S.S. NEGI

NEW DELHI, OCT. 8

Although the Supreme Court has stopped illegal iron ore mining in Karnataka in a bid to root out rampant corruption and save precious forests from total destruction, the latest report of Central Empowerment Committee to the apex court has said that the state government had failed to fully realise the ₹206 crores penalty imposed on a dozen miners in Tumkur district alone.

The Karnataka government has yet to recover ₹139.89 crores penalty from 12 mining companies in Tumkur where 257 hectare forest area is badly affected due to the illegal mining, the CEC report said.

The 12 mining companies had dug out 12.91 lakh tones of iron ore illegally in Tumkur alone where the extraction phenomenally rose from 2.03 lakh tonnes in 2001-02 to 25.3 lakh tones in 2008-09 according to the report. Notices for realisation of a total penalty of ₹206.26 crores had been issued between June 2009 and March 2011 to 12 mining companies by deputy director of department of mines and Geology. But till the compiling of the report by the CEC only ₹66 crores could be recovered, hence fresh notices were sent to them for recovery of ₹139.89 crores on May 24, 2011.

Bolivia warns of ending Jindal deal

La Paz: A senior Bolivian official is threatening to end the government's contract with India's Jindal Steel & Power Ltd over its alleged failure to meet investment commitments in a huge iron ore mine. Energy Minister Jose Luis Gutierrez says Jindal deceived Bolivia in failing to honour its end of the biggest mining investment of President Evo Morales' nearly six-year tenure. Jindal signed a 2007 contract promising a \$2.1 billion investment over eight years to mine and smelt some 40 billion tonnes of iron at Mutun on Bolivia's border with Brazil. But company CFO Sushil Maroo says work was moving on schedule and in tandem with the contract. "Substantial investments had been made in the project; exports of iron ore have commenced and will pick up as work progresses." — *Our Bureau & AP*

Mines Bill FDI-Friendly for Precious Metals

:: MV Ramsurya

The mining bill, recently cleared by the Cabinet, has attracted much attention over a profit-sharing clause. What has received less ink are provisions that will bring in large foreign players to invest in exploration of minerals, including precious metals such as gold, silver and diamond.

India has not seen large investments in this sector as the industry typically requires big money in exploration over prolonged periods of 10 years. And there is no guarantee the exploration will throw up metal reserves.

According to the Federation of Indian Mineral Industries, an industry lobby, with the exception of coal, no other commodity has seen significant mineral exploration in India between 1980 and 2005. India is the largest consumer and importer of gold, with about 963 tonnes of the yellow metal worth about \$38 billion bought in 2010. Of this, imports totalled 918 tonnes.

In India, gold is mined by the state-owned Hutti Mines in Karnataka. Initial studies have

indicated presence of gold in some regions of Chhattisgarh, Madhya Pradesh and Andhra Pradesh. Recently, about eight companies, including the Vedanta Resource unit, Sesa Goa, have applied for a licence to prospect gold and platinum in Goa. Other companies include Geo Mysore Services, Goan Mineral Resources, Sarmeta Exploration and Adi Gold Mining.

While most diamond mines in India were exhausted many years ago with only one active diamond mine at Panna in Madhya Pradesh, some large global players such as De Beers are prospecting in states such as Chhattisgarh, Karnataka, Andhra Pradesh, and Tamil Nadu. The Panna mines are operated by state-owned miner NMDC, which has an annual capacity of 100,000 carats.

Reliance Industries, India's largest company by market capitalisation, too has been hunting for precious metals by acquiring state-prospected areas in Madhya Pradesh.

UK-based Rio Tinto, which is also active in India, first discovered diamond deposits in the Chhatarpur district of Madhya Pradesh in

2004. The company has said subsequent economic viability studies have shown an open pit mine could operate at a production rate that would place Madhya Pradesh in the world's top ten diamond producing regions. Rio didn't provide any estimates.

The mining bill, which is likely to be tabled in the winter session of parliament, seeks to boost exploration through the high technology reconnaissance-cum-exploratory licence granted for six years. It is designed to attract specialist exploration companies.

Detailed exploration of deep-seated minerals is a specialised job done by exploration companies, popularly known as junior exploration companies. Their expertise is linked to a particular mineral or group of minerals. For the exploration job, they depend on venture capital or hedge funds. Even mineral-rich countries such as the US, Canada and Australia typically desist from spending taxpayers' money on exploration. These countries encourage private companies by providing incentives, concessions and freedom to sell. ■

Bolivia: Jindal Steel fails to honour deal

La Paz, Bolivia: A senior Bolivian official is threatening to end the government's contract with India's Jindal Steel & Power Ltd over its alleged failure to meet investment commitments in a huge iron ore mine.

Energy Minister Jose Luis Gutierrez says Jindal deceived Bolivia in failing to honour its end of the big-

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gest mining investment of President Evo Morales' nearly six-year tenure.

Jindal signed a contract in 2007 promising a \$2.1 billion investment over eight years to mine and smelt around 40 billion tonnes of iron at Mutun on Bolivia's border with Brazil.

Jindal's local spokesman had no comment following the announcement on Friday. Morales' leftist government has struggled to secure serious foreign investment in mining and natural gas. AP

CONG IN MINE GAME

The entire Congress party in Goa has been named in the illegal mining case. The Justice MB Shah Commission — a Supreme Court-appointed authority to probe illegal mining in India — mentions names of many Congress leaders. The chairman of the Public Accounts Committee of Goa, Manohar Parrikar, submitted the report to the Speaker but it could not be tabled in the House.

But the controversy is going to escalate. Chief Minister Digambar Kamat has been Goa's Minister for Mines for 12 years. He is the eye of the storm because he has shielded those involved. Then there is State Congress president Shubash Shirodkar who owns a mining company. The Indian Bureau of Mines had issued a notice to the company after reports of illegal mining escalated. Goa's Urban Development Minister Joaquim Alemao has two mines in North Goa. He is facing allegations illegal mining in the forest. Names of Health Minister Vishwajeet Rane, son of Home Minister Ravi Naik, and MLA Shyam Satardekar have also come.

The NCP secretary, Jitendra Deshpurabhu, had been arrested in August on charges of illegal mining. The controversy has come just before the Assembly elections and will prove fatal for the Congress. Hence, it has sort an independent report. Meanwhile, Kamat has been assured full backing by the Congress.

National meet of adivasis from October 9

BANGALORE: Community rights organisation Sangama, along with support groups, will conduct a national-level convention of Adivasis, forest dwellers, fishermen, dalits, farm workers, women and children, at Kushalnagar in Kodagu district from October 9 to 12.

The convention will discuss the current policies of the government, which the organisers say, rob the natural resources and sell them to corporate companies, violating fundamental human rights.

The Coastal Management Zone Notification has been withdrawn due to various struggles of the fishermen. The support group claims that the latest move is to capture the lands of the fishing community using new jargon. Attempts are being made to dilute the Forest Rights Act and the Coastal Regulation Zone Notification to the benefit of the multinationals and the corporate world.

The two-day convention is expected to discuss topics of Forest Rights Act and its implementation; Coastal Regulation Zone Notification and its implementation; Environment Impact Assessment; Special Economic Zones and Special Tourism Areas; Tourism; National Parks and Sanctuaries; Conservation of Values, Culture and Spirituality of Adivasis, Fisherfolk and Traditional Communities; Mining and

Community Rights; Large Dams; Nuclear Power Plants; Militarisation and Community Rights; Water and Community Rights; Other Major Development Rights; Community Rights and Communalism; Community Knowledge; Free Trade Agreements and Communities; Climate Change and Communities.

Speakers at the convention include Dayamani Barla (prominent adivasi journalist from Jharkhand), Dr BD Sharma (Bharat Jan Andolan), Leo Saldanha (Environment Support Group), Sreedhar Ramamurthi (Enviro-nics Trust/Mines, Minerals and People), Matanhy Saldanha (National Fishworkers' Forum), Sumesh Mangalacheri (Kabanani), Abhay Sahu/Prashant Paikray (Posco Pratirodh Sangram Samiti), Magline Peter/Peter Thayil (KSMTF), JP Raju (National Adivasi Alliance), Dr Siddalingaiah (Dalit poet), Prafulla Samantrai (Lokashakti Abhiyan), Gautam Bandopadhyay (Nadi Ghati Morcha), Pradeep Prabhu (Alliance for Tribal Self-Rule), Guman Singh, Roma (National Forum of Forest People and Forest Workers), Sandeep Pandey (Magsasay award winner, Asha Ashram), Akhil Gogoi (RTI activist, Krishak Mukti Sangram Samiti), Munnilal (Convenor, NFFPW) and Sannibai.

DH News Service

Granite mining next on K'taka Lokayukta radar

Hemanth Kumar ● BANGALORE

After the Lokayukta probe into illegal iron ore mining caused tremors in the state politics, the government is mulling over a similar action alleged illegal granite mining.

"We are considering a proposal to conduct a Lokayukta probe into the alleged illegal granite mining all over the state, from Kanakpura to Chamarajnagar, following several complaints," forest minister CP Yogeshwar said on Friday.

Complaints against illegal granite mining are pouring in from Ramanagar district too. The minister said complete information would be gathered on granite mining and the issue would be discussed with chief minister DV Sadananda Gowda before taking a final decision on handing over the probe to the Lokayukta.

Goa scam worth Rs25,000cr?

Panaji: The BJP on Friday pegged the Goa mining scam at Rs25,000 crore, and claimed that the profits of the scam were being routed through companies in tax haven countries like Mauritius and Cayman Islands. BJP national secretary Kirit Somaiya alleged at a press conference here on

Friday that "this is the biggest illegal mining scam in India, running into Rs25,000 crore in a period of just two years". He also alleged that senior members of the government were involved in the scam. He said the party would be handing over evidence related to the scam to CVC and the CAG. —PTI

The move is being seen as a significant development in the light of allegations that senior Congress leader DK Shivakumar, too, had granite mining interests in the state. Launching an indirect tirade against Shivakumar, the minister said, "Those who had issued licences for granite mining are now trying to bring me down. They have complained against me to the governor. It is like robber

himself filing a complaint."

Referring to recent meeting of a Congress delegation with governor HR Bharadwaj seeking Yogeshwar's ouster for his alleged involvement in Megacity scam, the latter said, "I have not committed any fraud in the Megacity project. The Congress leaders have lodged a complaint against me to the governor. I have already explained the issues to the governor," he said.