‘Govt to resolve steel industry’s problems’

NEW DELHI: Amidst foreign investment worth thousands crores of rupees pending in the steel sector due to land acquisition and other problems, new steel secretary Pradeep Kumar Misra on Thursday said the government would endeavour to resolve all the problems faced by the industry. ‘Foreign investors are welcome. We will work towards finding a solution to problems of foreign investors. We will try to engage all the stakeholders, including tribals, towards finding the solution,’ Mr Misra, who assumed office on September 1, said. He said his ministry will act as a facilitator for various growth projects in the sector. ‘We will try to help the investors by also working with other stakeholders like ministry of mines, ministry of environment and forests, tribal affairs ministry, ports and transport,’ he added. The steel industry, which has an investment of about ₹1.1 lakh crore in the pipeline, faces multiple challenges like green clearances and tribal protests. Delays in allocation of iron ore and coal mines to feed different projects are another stumbling block faced by the industry.

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Hydro reservoirs record unprecedented storage

SUDHEER PAL SINGH
New Delhi, 9 September

India is set to witness a historic rise in power generation this year, with the current heavy rainfall continuing its upward trajectory and feeding the country's dry hydro reservoirs.

The latest data obtained from the Central Water Commission (CWC) shows that water storage position in the country's 81 hydro reservoirs has gone up to a record high of 91 billion cubic meters (bcm), around 60 per cent of the total capacity of 151 bcm. This mammoth water storage recorded in the week ended September 1, exceeded last ten years' average of 58 per cent.

The storage level was 45 per cent of the total capacity at the same time last year.

This has led to a consequent rise in hydro power generation as well, improving the prospects for power availability and easing the perennially high power deficit in the country. Hydro power plants account for around 30 per cent of the overall 163,000 Mw of installed electricity-generation capacity in India.

The country's hydro power plants have generated over 51.7 billion units (BU's) of power since the beginning of the current financial year. This is over 2.2 BUs higher than the last year's hydro generation during the same period. Accordingly, daily generation of hydro power in the country has also increased by at least 26 per cent in the past month to 476 million units currently. Daily generation from NHPC Ltd., the country's largest hydro power producer, alone has gone up by over 6 per cent, compared to last month, to 83 million units.

"Power availability has improved due to higher generation from hydro stations, which we were expecting, and this will further pick up in the April-July period this year, hydro generation grew by 5.5 per cent, compared to the same period last year," said Power Secretary P Uma Shankar.

Of the 81 reservoirs across the country, 52 have recorded storage levels higher than the last decade's average storage. These dams, currently brimming with water, include Gobind Sagar and Pong in Himachal Pradesh, Tehri in Punjab, Tehri in Uttarakhand and Nagjarjuna Sagar and Srisailam in Andhra Pradesh. Data show that water storage has been particularly high in the North, West and Central India.

Last week, flood gates of two dams in Andhra Pradesh had to be opened to release excess wa-

Similarly, water level at the Ullai reservoir in Gujarat recently reached 333 feet, marginally below the danger mark of 345 ft, due to the release of an excess 40,000 cusecs of water from Hathnur dam in Maharashtra. A similar situation in 2006 had led to floods in the low-lying areas in the state, including Surat, where the dam is located.

Uma Shankar also said the higher hydro generation would take care of any slump that might occur in thermal production, but only marginally. "This would also have consequent impact on short-term power prices," he said.

The average price of power traded in the market has also come down drastically, keeping up pace with the improving hydro situation. The latest data compiled by the Indian Energy Exchange (IEX) show that the average price of electricity traded on it so far in the current month has slipped to Rs 2.34 per kwh. Power was traded over 70 per cent higher at an average of Rs 7.91 per kwh at the beginning of the current financial year, when a nationwide heatwave had led to drying up of the reservoir levels.

Increased hydro power generation is, however, not the only reason for low prices. Another reason is the decreased demand. States are continuing with load shedding. Also, demand from the agriculture sector has come down due to fewer irrigation pumpsets running now. In addition, wind power availability has increased. While around 90,000 Mw of power is currently available at the exchange, demand is only for 30,000 Mw," said IEX Chief Executive Officer Jayant Deo.

Total power traded at IEX has increased by over 106 per cent, from 574 million units in April to 1.186 million units in August. IEX alone accounts for more than 90 per cent of the electricity traded at the two power exchanges in the country.

The moderating power prices due to heavy rainfall are set to reduce the subsidy burden of states, which otherwise have to procure power at a high cost to tide over the electricity crisis. The downward spiral in the prices could also affect profit margins of merchant power generators, as they account for a major chunk of the power traded at the exchange and earn profits in the lean period.
Meghalaya refuses mining lease renewal to Coal India

NEW DELHI, Sept 7 (IANS) Meghalaya has refused to renew a mining lease to the Coal India Limited, leaving the government-run mining enterprise without any work in the state, the coal ministry said on Tuesday.

"In Meghalaya, the only lease held by North Eastern Coalfields Limited (NEC) NEC, a CIL subsidiary, pertained to Simisang mines. But it expired in 2008 and its renewal is yet to be received from the State of Meghalaya," said the ministry in a statement.

"In the absence of renewal of lease, at present no more mines has been planned to be opened by NEC, CIL," the statement added.

"In Meghalaya, coal is being produced only by the local people as per the extant customary and tribal land rights," it said.

The ministry made the revelation of Meghalaya's refusal to renew its mining lease to CIL in a statement on total coal resources in the northeast region.

The statement said "as per Geological Survey of India's latest inventory of the geological resources of coal in the country, 1,471 million tonnes of geological resources of coal have so far been estimated in the northeast region."

"Of this, 388 million tonnes are in Assam and 576 million tonnes in Meghalaya," the statement said, adding: "In Assam three opencast mines - Tirap, Tikak and Ledo are in operation under NEC."

Five more new open cast mines, including those in Lekhapani, Tikak Extension, Tipong, PQ Block and Lachitkhami are proposed to be opened," the statement added.
Divestment in Mangalore Ore gets Cabinet approval

BS REPORTER
New Delhi, 9 September

The Cabinet Committee on Economic Affairs (CCEA) today approved disinvestment in state-run Manganese Ore India Ltd (MOIL), in which the Centre would divest 10 per cent equity, while Maharashtra and Madhya Pradesh governments would divest five per cent each.

"The initial public offering (IPO) will lead to Manganese Ore India Ltd (MOIL) listing its shares on the stock exchanges. Following the disinvestment, the Government of India shares in the company will come down to 71.57 per cent," Home Minister P Chidambaram told reporters after the meeting.

The IPO would hit the bourses depending on market conditions, based on the directions of lead book-running managers, Chidambaram said.

The government currently holds 81.57 per cent, Maharashtra 9.62 per cent and Madhya Pradesh has 8.81 per cent equity in the Nagpur-based company.

"CCEA has also approved 5 per cent price discount to the employees of the company under employees reservation quota to encourage their becoming stakeholders in the company. CCEA has further decided to allow this five per cent price discount to retail investors as well to encourage the development of people-ownership," said an official statement.

For the current financial year, the government has set a target of raising ₹40,000 crore from selling stake in some major profit-making PSUs like SAIL, Coal India, MMTC, BSNL, SJVN Ltd, Hindustan Copper and Engineers India.

However, it was not able to meet the disinvestment target of ₹25,000 crore for 2009-10 due to lukewarm response from the disinvestment of NHPC, Oil India Ltd, Rural Electrification Corporation, NTPC and NMDC.

The government has plans to fund its several social sector developmental plans with the disinvestment proceeds, besides tiding over its fiscal deficit concerns. However, the ruling United Progressive Alliance faces stiff opposition from some of its major allies like DMK and Trinamool Congress on the issue.
Local support for Lafarge project

French cement giant Lafarge’s limestone mining project in Meghalaya, which is entangled in legal problems, has received support from locals.

The Dorbar (traditional tribal village council in Meghalaya) of Nongtrai, the village in East Khasi Hills district where Lafarge Umulam Mining Pvt Ltd (LUMPL) plans to mine limestone, has come forward to support the project.

“Dorbar secretary Pynshai Rumai today said in a statement that ‘vested’ interests were ‘giving totally wrong information about the mining project’.

“The Nongtrai Durbar and the people are proud to be associated with the project and (are) also working closely with LUMPL to implement the biodiversity conservation plan for protection of ecology and biodiversity in the area,” the village council said.

It was a section of villagers from Nongtrai village and an NGO, Shella Action Committee, which dragged LUMPL to the court in 2007. Though the Supreme Court had in November 2007 granted permission to LUMPL to mine limestone in Meghalaya, in February, after hearing a petition by 21 local tribals and the Shella Action Committee, the apex court overturned its previous order and stayed the mining project.

On March 24, though the Union government moved the apex court and made a plea for lifting the ban, citing international commitments and diplomatic relations with Bangladesh, since limestone from Meghalaya will feed a cement plant in the neighbouring country, the Supreme Court bench headed by Chief Justice KG Balakrishnan turned down the plea.
Guv seeks ‘unconditional apology’ from CM

BANGALORE: Karnataka Governor H.R. Bhardwaj has sought an “unconditional apology” from Chief Minister B.S. Yeddyurappa over his reported remarks on illegal mining issue. He cited some newspaper reports, attributing certain remarks to Yeddyurappa on Lokayukta’s recommendations regarding recovery of money from former Chief Minister N. Dharam Singh in a matter relating to mines leased during his term.
MOIL gets nod to offload 20% equity

NEW DELHI: The government on Thursday approved disinvestment in Manganese Ore (India) Ltd (MOIL) through a public offer, where the Centre will offload 10 per cent equity, in addition to 5 per cent each by Madhya Pradesh and Maharashtra governments. MOIL will divest a total of 20 per cent.

REUTERS
मैग्नीज और इंडिया में विनिवेश को मंजूरी

सरकार ने शार्वर्गिनिक खंजन अनुसार मैग्नीज और इंडिया लिमिटेड (एमओईईली) में अपनी 10 प्रतिशत शेयरेड शेयरेड के विनिवेश को मंजूरी दी है। इसके आधार पर वर्तमान में आपका हिस्सा मंजूर है और शुल्क रूप से संयुक्त हिस्से निवेश करने की अनुमति है।

प्रधानमंत्री की अनुमति में यह हुआ, यदि मार्गदर्शक की आर्थिक मामले को समझना चाहिए तो इस निवेश को मंजूरी दी गई। कंपनी के केंद्रीय और राज्य सरकारों की 20 प्रतिशत बाजार का विनिवेश होगा। इसकी प्रारंभिक पुष्टि के अंतर्गत यह अत्यन्त न्यायिक निवेश का विनिवेश हो गया। इसकी प्रारंभिक पुष्टि के अंतर्गत यह अत्यन्त न्यायिक निवेश का विनिवेश हो गया।
कमजोर मांग से सोना
300 रुपये घटा

नई विलिंग • उन्हें भागों में बांटने के बाद कमजोर में दिखी में सोना 300 रुपये गिफ्ट के बाद 19,270 रुपये प्रति दस ग्राम रह गया। उपर, अत्याधुनिक कलार में 31,650 रुपये का सोना 1,255 दोलर प्रति ऑयस पर खरीदा गया एक दोलर की मांग 1,256 दोलर प्रति ऑयस पर कटाई करने का देखा गया। अमेरिका में सफाया एक्सचेंज के अध्यक्ष खंडे चंद्र जैन ने बताया कि अमेरिका और सुप्रमुखी की आस्था पूरी तरह से हुई थी और इसको क्रिश्चियां में नीचे जाने होती है। वैसे भी अमेरिका में से डालाये जाने वाले सोने के लक्षण एक और खुश हो जाने ही भी निकलेगी। इसलिए ज्ञात गिफ्ट की समस्या नहीं है।

विवरण के बाद कलार में फाँसी का वर्ग की विशेषता में भी 95 रुपये की गिफ्ट का आयार प्रति औसत 31,650 रुपये प्रति किलो रह गए। (ब्रूटो)
बाजार में फैली अफवाहों
के बीच जिंक गिरा

विज्ञापन प्रसंग • आ जिंकिया
बाजार बाजार में फैली तह-तह की अफवाहों के बीच जिंक में गिरकर का ध्वंस प्रता। धीरे में अभी देखने बाजार में हो रही जनवरिसंगत मज़बूती की जांच को बना जा रही है। ऐसे अफवाह के फालते तारे से जोते शराब बाजार में लगाया गया है, निर्देशक फरमान थे, इसके कारण बाजार में एकदा से तेजी आ गई है।
एसीएस में जिंक फ़िल्टर बाजार 2.63 पौंड डी गिरकर 100 रुपये प्रति किग्रा पर आ गई। फिल्टरों का माना है कि गिरावट बाजार को नियंत्रण में भारी रूप से मुक्त किया है।

सौंदर्य
वैज्ञानिक बाजार में दूध के छत्ती चलनी बाजार में भी नियंत्रण गिरा। एसीएस में दूध बाजार 0.16 पौंड डी गिरकर के साथ 19,175 रुपये प्रति 10 ग्राम में उपलब्ध हो गए। इसके अलावा दूध बाजार अनुमोदन बाजार में भी 0.14 पौंड डी की गिरावट रही। इस बारे में शेयर खान कम्पांडिटों के

निर्देशक प्रवीण पिंग के अनुसार रुपये में मजबूती के 

बाजार में पक्का कहा गया। बाजार में कंटेन के फारमान धीरा है कि 

कंटेन के फारमान है कि 

निर्देशक प्रवीण पिंग के अनुसार रुपये में मजबूती के 

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निर्देशक प्रवीण पिंग के अनुसार रुपये में मजबूती के
राज्यों का निवेश प्रस्ताव

नई दिल्ली • गुजरात, महाराष्ट्र, उड़ीसा, अब्बुर ग्रेग्स और कर्नाटक सहित पांच राज्यों में फिर अधिक लाभ के साथ में 20 राज्यों में जो एक कुल 105 नए निवेश करेंगे राज्यों के निवेश प्रस्तावों में से लगभग 50 प्रतिशत निवेश प्रस्ताव आकृतियाँ किए हैं। उदाहरण स्तर पर निवेशक के दृष्टिकोण में कहा गया है कि ये पांच राज्य पांडवित निवेश स्थल के रूप में उपर्युक्त हैं और इन राज्यों के 20 राज्यों में फिर अन्य कुल निवेश प्रस्तावों में आधा हिस्सा आकृतियाँ करते हैं। निवेश प्रस्तावों के सेक्टरी जनरल दीर्घकाल ने बताया कि गुजरात ने सबसे अधिक 12 लाख करोड़ रुपये का निवेश प्रस्ताव आकृतियाँ किए हैं। इसके बाद महाराष्ट्र, उड़ीसा, अब्बुर ग्रेग्स और कर्नाटक का स्थान है। सबसे ज्यादा निवेश आकृतियाँ करने वाले सेक्टरों में 40.3% निवेश के साथ अंतरिक्ष प्रदूषण कोड पर हैं। इसके बाद 22.1% के साथ सेवा सेक्टर का दूसरा स्थान है। 22.1% निवेश के साथ मैन्युफैक्चरिंग का तीसरा स्थान और 9.9% के साथ रिजल्ट एंडॉट का चौथा स्थान है। महाराष्ट्र का कुल निवेश प्रस्ताव में हिस्सा 2.4 प्रतिशत है।
कारण बताओं नोटिस का जवाब

14 सितम्बर तक देंगी वेदांता

पुनर्वेक्षण, (भाषा): उड़ीसा के कारागारांड़ी जिले में 'वेदांता एल्ट्रोमीनियम लिंग. (बीएसएए) का भविष्य अभी जवाब में है। कंपनी ने कहा है कि वह केंद्रीय पर्यावरण एवं वन मंत्रालय के कारण बताओं नोटिस का जवाब 14 सितम्बर तक देगा। उड़ीसा के मुख्यमंत्री एवं साम्राज्य न्याय अंतर्गत स्वयंपक्ष के साथ मुलाकात के बाद वेदांता के मुख्य परिचालक अधिकारी सुप्रीम कुमार ने कहा, "हम मंत्रालय के नोटिस का जवाब मंगलवार तक देंगे। कंपनी ने कहा कि उसका उल्लंघन नहीं किया है।" लांजीगढ़ में वेदांता की फिक्स्डरी इकाई को पुनर्प्रस्तुत किया गया था जबकि उसकी कमी में कम लाख टन से बढ़कर 60 लाख टन रासायनिक की गंजूरी दी गई। कंपनी ने दावा किया कि उसके बाद जब पर्यावरण संबंधी नियमों का पालन किया गया है। कंपनी का दावा है कि पर्यावरण मंत्रालय ने एक सिलेंडर की कंपनी को कारण बताओं नोटिस जारी कर दिया था क्योंकि उसकी फिक्स्डरी के अंतर्गत स्वयंपक्ष की उत्तरदायित्व की निष्पक्षता (सीएसबी) दिए गए थे।
NMDC enters mining JV in South Africa

Mumbai: State-run NMDC Ltd on Thursday said it has signed a shareholders' agreement with Kopano Logistics Services to form a joint venture (JV) company for the exploration and development of mines in South Africa. No other details were provided.
Northeast Africa’s unexplored grounds lure gold miners

BY MATTHEW WALLS

LONDON

Gold miners are expanding their focus in Africa to the northeast of the continent, a region they have largely bypassed during the decade-long rally in gold prices.

Big-name gold miners such as AngloGold Ashanti Ltd. and Newmont Mining Corp. are exploring for gold in Eritrea and Egypt on a promising geological belt known as the Archaean-Nubian Shield. Africa Barrick Gold, Barrick Gold Corp.’s recent upstart, is also looking at Eritrea for potential acquisitions. Chief Executive Greg Hawkins said recently:

“The miners’ entry marks a departure from their recent drive into western and southern Africa and could create a major new gold-mining region. And, northwest Africa is home to a few gold deposits of a million ton ounce—a threshold size for big gold mines—that have i ts potential. “The region is pretty much under-explored compared to West Africa and Tanzania,” said geologist Michael Robertson, a consultant at Johannesburg-based MSA Geoservices.

For governments, a thriving gold industry would bring revenue and a better investment profile, as it has in West Africa, where the gold boom has transformed countries such as Mali and Burkina Faso into popular investment destinations for miners. The region’s gold output doubled in the ten years to 2008 and discoveries of deposits of one million ton ounces have become an annual occurrence, says U.K. investment bank Aubri en Capital.

But mining in West Africa is moving out of an early-stage exploration phase into a period of consolidation as companies merge or buy out miners that have already made discoveries. Miners such as Randgold Resources Ltd., Severino SC and Endevour Financial Corp. are taking a bigger share of the region’s output. In comparison, southeast Africa remains under-explored and competition limited to small miners. Bitter wars between Ethiopia and Eritrea, autocratic governments and onerous mining regulations kept miners from venturing into the region in recent decades.

These fears have not vanished, but calmer relations between Ethiopia and Eritrea, a new mining code in Eritrea and a handful of gold discoveries by smaller miners such as Centamin Egypt Egypt Ltd. have enticed those looking to find big deposits at little cost.

Centamin Egypt’s seven million ton ounce Sukari gold deposit is in Egypt, on the Archaen-Nubian shield that ancient Egyptians mined for gold. “I think the success of Centamin Egypt peaks a lot of interest in the region,” said Leon Estreich, a mining analyst at BCB Capital Markets.

Anglogold established a joint venture last year with the privately-held Saudi Arabian company Thaneti Investments. Anglogold Chief Executive Mark Cutifani told an audience at the miner’s second-quarter earnings results last month that the joint venture has foun d exciting early-stage discovery in North Africa, and will deliver news on its exploration in Eritrea and Saudi Arabia next quarter.

Both Anglogold and Newmont declined to comment for this story.

The majors would be joining over a dozen small miners that are developing or exploring for gold. Next year, Canada’s Newmont Resources Ltd. will open Eritrea’s first gold mine in decades at its one million ton ounce gold-copper-zinc deposit at Be ala, 150 kilometers (90 miles) west of the national capital of Asmara.

Despite the attractive geology, miners still face daunting regulatory requirements and the possibility that governments will revise mining laws. Egypt and Sudan require that the state holds at least a 50% stake in any mine, which miners may try to renegotiate if they make a discovery. Ethiopia is considering raising royalties on gold mining to between 5% and 8% from 6% to 8%.

Some observers worry that a mining boom won’t benefit local populations and revenues will be diverted by the region’s governments to military budgets or to elites. For nearly two decades, Eritrea has been run by an unelected former independence fighter and ruler among the most repressive states in the world, according to the U.S.-based human rights group Human Rights Watch. Ethiopia, the ruling government has grown increasingly dictatorial and combative with opposition parties and the media. The U.S.-government-funded organization United States Commission on Internati onal Religious Freedom this year urged the government to prohibit any foreign company mining in Eritrea from raising capital or listing its equity in the U.S.

To miners, these are substance issues. After the U.S. sanctioned Eritrea last December for instigating insurgent groups in Somalia, banks declined to lead Newmont, forcing it to issue shares to finance the Bisha mine. Tensions between rebels and autocratic governments continue to simmer across the region. Border clashes with militias in Sudan and Somalia remain common in both Eritrea and Ethiopia.

“The market is still skeptical because of the jurisdiction issues,” said Newmont’s Chief Executive Cliff Davis. “But we’re mitigating by making sure they (the Eritrean government) have a big stake in this.”

Eritrea’s mining law allows the government a minimum 10% free-carry stake in any mine, which means the government doesn’t have to pay for the stake up front or fund exploration costs. It also holds an option to add another 10% at market prices for a maximum 30% stake, but it must fund exploration costs, a rare arrangement in any mining jurisdiction. In Newmont’s case, the miner and the government negotiated a 40% stake for the government above what the law stipulates, at the request of the government, said Mr. Davis. Soft loans from China’s Export-Im port Bank of China have allowed the government to pay for its share of the exploration costs.

The region also presents problems of a more technical kind to gold miners. The grounds hosting gold are typically arid. Gold mines typically cull water to wash gold from the ore, and without a nearby source, pipelines would need to be built to carry water, adding to costs. More worrisome, analysts said, would be conflicts with communities over water in regions with scarce water supplies.

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मैंगनिज और में 20 फीसदी विनिवेश को हरी झंडी

विनिवेश भारत | नई दिल्ली

प्रधानमंत्री मनमोहन सिंह की अभिभाषा में गुरुवार को यह आखिरी मासों पर कैबिनेट सचिवालय (सीसीए) का बैठक में इस अभिभाषा का प्रारंभ किया गया। बैठक के बाद प्रकाशित करते हुए, गूगल मंत्री पिं, वित्त मंत्री ने बताया कि विनिवेश के लिए अत्यन्त जरूरत का मुद्दा होना चाहिए। विनिवेश मुद्दा के बारे में उल्लेखित समय पर निर्णय लिया जाएगा। विनिवेश के बाद वर्षों में भारतीय सरकार की हिस्ट्रेटिक पर्वत 3.81 प्रतिशत रह जाएगी, जबकि भारत महात्मा गांधी सरकार की हिस्ट्रेटिक 4.62 प्रतिशत रहेगी। इस समय कंपनियों में जेट की 81.57 प्रतिशत, जबकि भारत महात्मा गांधी की 9.62 प्रतिशत हिस्ट्रेटिक है। उपरोक्त आईएसएन पुंजी बाजार में बक विनिवेश करेगी, इस स्थल पर विकलांग ने कहा कि यह बहुत विश्व बाजार के रूप पर निर्भर करेगा। इस बारे में अंतर 15% विनीताइंग महाकाल के अधिकार वाले विनिवेश का होगा। हालांकि, बैठक का कहना है कि दिल्ली के पारे सामान्य तक आईएसएन अपना सरकारि बाजार है। इस बारे में कंपनी के विनिवेश मंडल को संवर करना उबरा है। आईएसएन क्राउल में कर्मचारियों और चुनौतियाँ विनिवेश को पाना-पान फीसदी की चुनौतियाँ है।

मैंगनिज और इलेक्ट्रिक लिमिटेड के पास 10 खाने हैं जिनमें से वह महात्मा में भारतीय और भारतीय जीती हैं। वर्ष 2009-10 में कंपनी की 240 करोड़-पयार का निर्णय हुआ था। वह अच्छी तरह से विनिवेश किया जा रहा है। इससे पहले विपरीत का विनिवेश किया जा सकता है, जबकि सेल का एंडवर्ल्ड इस समय पापियरहै। सकार ने वालू किया जा सकता है, विनिवेशी रूप से 40,000 करोड़ रुपए जुटवाने का लक्ष्य रखा है। विनिवेश कार्य कंपनियों में कोल इलेक्ट्रिक लिमिटेड, जेठपोर्टी, चिक्कुटान कप्तान लिमिटेड आदि शामिल हैं। केंद्र सरकार ने विनिवेशी इलेक्ट्रिक के बारे में आइएसएन की बैठक की, इलेक्ट्रिक कैबिनेट और इस प्रमोट को चुना है, जबकि विनिवेश पर्याय के लिए पाना-पान मंडल और कामयाबीकरण एजेंसी के लिए ऐड फैक्टर का चयन किया गया है।
वेदांत 14 सितंबर तक देगी कारण बताओ नोटिस का जवाब

पुरवनेवर, 9 सितंबर (प्राप्त)। ओडिशा के कालांडीज जिले में वेदांत एस्ट्रामिनिंग लिमिटेड (बीएएल) का भविष्य अपर में है। कंपनी ने कहा है कि वह 14 सितंबर तक कंपनी वाणिज्य और वन मंत्रालय के कारण मताओं नोटिस का जवाब देगी। ओडिशा के इस्तांबुल और खान मंत्री सुप्रामोद मोहनदी के साथ मुलाकात के बाद वेदांत के मुख्य पर्यावरण अधिकारी मुकुंद शर्मा ने कहा कि इस मंत्रालय तक मंत्रालय के नोटिस का जवाब दे देगी। कंपनी ने कही कि आप का उल्लंघन नहीं किया है। ओडिशा सरकार ने लोजिग्रैंड में वेदांत की रिफाइनरी इकाई की प्रामाण्यता द्वारा लाख टन से बढ़ाकर 60 लाख टन से जलाना करने की मंजूरी दी थी। कंपनी ने चाहा कि उसने पारंपरिक रंगबाँध सभी नियमों का पालन किया है। पर्यावरण मंत्रालय ने एक सितंबर को कंपनी को कारण बताओ नोटिस जारी कर पुछा कि पर्यावरण नियमों के उल्लंघन के मामले में कभी न हमारी रिफाइनरी दियोजना और कैटेग्री बिजलीशर्त (सीपीई) को दिया गया लाइसेंस का वापस ले लिया जाए।
रेकार्ड ऊंचाई को छूने के बाद सोना टूटा, चांदी कमजोर

नई दिल्ली, 9 सितंबर (भाषा)। कमजोर वैकल्पिक रूढ़ के नीचे आयुष्मान नियमों ने विकल्पी की वजह से गुरूचर की मिली सरकार बाजार में सोने के बाद रेकार्ड ऊंचाई को छूने के बाद 100 रुपए की मिसाल के साथ 19,370 रुपए प्रति दस ग्राम बोले गए। वैसे के बाजार में मंदी की खबरों के बीच फुटकर छायाधारी का नुमा कमाने के लिए की गई विकल्पी और आयुष्मान नियमों की मौजूदा उड़त्र वर्तन वर्ष में चांदी कमजोर पड़ने से बाजार धारणा कमजोर हुई।

इस वजह से फुटकर दावों ने बाजार से हाथ खींच लिया जिससे बाजार धारणा प्रभावित हुई। बाजार सुबह ने कहा कि दुनियाभर के शेयर बाजारों में तेजी के बीच विनवेशक अपना पैसा सरकार से निकाल कर पूजा बाजार में लग रही है। अमेरिकी शेयर बाजारों में धूमधाम की तेजी का रूढ़ रहा। एशियाई शेयर बाजारों में भी गुरूचर को तेजी आई।

फोटो नाजार का रूढ़ अंक लगाते वलो विदेशी बाजारों में सोने के भाव 0.04 पीस में टूटकर 1254.70 बाजार प्रति भीम बोले गए। व्यापारी बाजार में सोना 99.9 शुद्ध के भाव 100 रुपए की मिसाल के साथ कम से 19,370 रुपए और 19,270 रुपए प्रति दस ग्राम बंद हुए। गिन्नी के भाव 100 रुपए की हानि के साथ 15,000 रुपए प्रति आद ग्राम पर बंद हुए।

कमजोर रूढ़ के बीच चांदी तैयार के भाव 25 रुपए, टूटकर 31,650 रुपए और चांदी सामग्री विदेशी दिल्ली के भाव 145 रुपए के हानि के साथ 31,375 रुपए किलो पर बंद हुए। चांदी सिक्का के भाव 200 रुपए की मिसाल के साथ 35,000 से 35,100 रुपए प्रति खेड़ा पर बंद हुए।
बेंगलुरू से बिना शर्त माफी मांगने को कहा राज्यपाल ने

बेंगलुरू, 9 सितम्बर (राजस्थान)। कर्नाटक के 
राज्यपाल एचएम भाकाज ने सतारथी भाजपा के 
साथ संबंधों में दंग दर्ज करते 
हुए मुख्यमंत्री नीरुस्वामी शेषुरपाया से अवैध खरी 
दान के मुद्दे पर उनके कार्यक्षेत्र बयान के लिए बिना 
शर्त माफी मांगने को कहा है। 

भारतीय राजस्थानी अखबारों में ध्यान कुर्सी खबरों का 
हवाला देते हुए बिना शर्त माफी मांगने को कहा 
है जिसमें शेषुरपाया ने पूर्व मुख्यमंत्री एचएम 
सिंह से उनके कार्यक्षेत्र के व्यक्ति संबंधों पर खबरे 
देने के मामले में धन बरूल से लें आकार तक को 
विवादित की है।

लेकिन शेषुरपाया और उनकी पार्टी की इससे 
अभावशील रहने कहा है कि उन्होंने भारतीय 
को तीन बार सीते अन्य रूपों में इनका 
माफी मांगने के लिए कहा जा रहे राज्यपाल 
के पहले बयान में शेषुरपाया ने भारतीय 
से देख के बयान पर लेखक वेश्कर का नाम लिख 
फिर कहा 'मैं हृदय में से, यहाँ तक कि फिर 
विवादित नहीं था कि वह पूर्व 
राज्यपाल द्वारा किया गया था।'
Can’t stop coal pilfer? Levy theft tax

ABHIJEET CHATTERJEE

Jamuria (Burdwan), Sept. 8: If you can’t stop them from pilfering coal, levy a pilfering “tax”.

Unemployed villagers in Asansol’s Jamuria are extorting money from coal thieves after their attempts to stop them from smuggling failed. The villagers have formed “syndicates” whose members stop trucks and bullock carts carrying smuggled coal and extort money.

Although police claimed they had no knowledge of such extortions, the practice has been continuing for the past six months in around a dozen Jamuria villages, including Bijoynagar, Ira, Baijayantipur, Nandi, Chakdola, Belandha, Sheikpur, Janbazar and Paribazar. Illegal mining is rampant in these villages.

The villagers said they had tried to draw the authorities’ attention to the pilfering by blocking roads and stopping vehicles carrying smuggled coal but no action was taken.

“We gradually understood that neither the police nor the political parties are interested in stopping the theft. After all our efforts went in vain, we decided to extort money from the pilferers. Several syndicates have been set up over the past six months to stop trucks and bullock carts carrying coal from illegal mines,” said Madan Singh (name changed), a resident of Paribazar.

The members of the syndicates wait under trees beside the roads the pilferers take to transport the coal. The “tax” for transporting smuggled coal is between Rs 30 and Rs 50 for every bullock cart and between Rs 100 and Rs 300 for every truck. The amount depends on the amount of coal transported.

According to villagers, about 100 bullock carts and 20 to 25 trucks are stopped daily in each village.

The money collected by each syndicate is deposited in a box and distributed among its members at the end of the day.

“We collect between Rs 2,500 and Rs 3,000 every day. Each of us earn around Rs 3,000 to Rs 3,500 a month,” said Saikat Roy (name changed), a resident of Bijoynagar.

“During the football World Cup in June, I bought a 21-inch colour TV,” he added. Madan Singh of Paribazar said he was saving money to buy a DVD player.

Sheikh Dildar (name changed), a coal smuggler in Jamuria, said the pilferers had to pay the villagers to “ensure smooth transportation of stolen coal”.

“We cannot avoid the villagers as they don’t allow our vehicles to move until we cough up the money,” he said. On August 17, some residents of Bijoynagar stopped 40 Eastern Coalfields trucks, mistaking them for vehicles carrying pilfered coal. The trucks were allowed to leave after the drivers called up the police.

“We sent a force to free the trucks. The villagers were demanding money from them. However, I don’t know whether they collect money from coal smugglers on a regular basis. Jamuria is a big place and it is difficult for us to stop illegal mining there,” said R. Rajshekharan, the Burdwan superintendent of police.

Pilfering is common in the Durgapur-Asansol coal belt, which includes Jamuria, often triggering fear of subsidence in residential areas because of the pits dug up by illegal miners.

Convoy of coal-laden bullock carts and trucks regularly pass through villages in the belt. The coal thieves allegedly pay money to the police to look the other way. The Telegraph had carried a series of articles exposing the rampant theft of coal in the belt.

A headmaster in Jamuria’s Bakshimulia recently wrote to the district administration, asking it to either transfer him or close the school if it could not stop illegal mining around the institution.
Manganese Ore gets nod to offload 20% via IPO

New Delhi, Sep 9: The government on Thursday approved 20% disinvestment in the Nagpur based, manganese miner MOIL through public offer. The Centre would offload 10% equity, in addition to 5% each by Madhya Pradesh and Maharashtra state governments.

Post the share-sale, Centre's equity in MOIL would come down to 71.57% from the current 81.57%. While that of Maharashtra government would reduce to 4.62% from 9.62% and that of the Madhya Pradesh government would come down to 3.81% from 6.81%.

"This IPO will lead to Manganese Ore India (MOIL) listing its shares in the stock exchanges... Following the disinvestment, the government of India shares in the company will come down to 71.57%," home minister P Chidambaram said after the meeting of Cabinet Committee on Economic Affairs, which cleared the stake sale.

On the timing of the IPO, Chidambaram said, "It will depend on the market conditions. The empowered group of ministers will take a final decision." However, according to sources, the public issue may be in the first week of December.

"Pricing will be decided by the government later," Chidambaram said, adding that the book value of the company was Rs 98.94 a share as on March 31. According to an official statement, MOIL employees would get shares at 5% discount to the offer value, under their quota. Retail investors will also get 5% discount. The Centre has shortlisted IDBI Capital, Edelweiss Capital and JP Morgan to manage the public issue. Fox Mandal has been shortlisted as the legal advisors while Adfactors is the communication agency for the IPO.

Manganese Ore operates 10 mines, six of which are located in Nagpur and Bhandara districts in Maharashtra, and four in Balaghat district of MP. It had a net profit of Rs 240 crore in 2009-10, while its net worth stood at Rs 1,597 crore.

MOIL is the third steel PSU in which the government is divesting its stake. After the NMDC stake sale, the follow-on offer by SAIL is in the pipeline. The government aims to raise Rs 40,000 crore through divestment this fiscal. Last fiscal it had raised Rs 25,000 crore via stake sale in Oil India, NMDC, REC and NTPC.
Profits that leave behind
Victims

From The Bhopal Aftermath To The Niyamgiri Fiasco, Corporate Muscle Stands Exposed

A few key events over the past few months have brought to the fore the duplicity of the Indian corporate sector and exposed, if any further exposure was needed, their principle of putting profits before people. The most tragic reminder was in the wake of the judgement in the Bhopal gas tragedy case where not a single industry leader, let alone an industry association, spoke up for the people in what was the worst industrial disaster in the world, brought about by corporate negligence. Evidence in recent months, instead, points to industry doyens bending over backwards and lobbying hard with the government to facilitate the re-entry of Dow Chemicals into India by ducking all legal and financial liabilities arising out of the Bhopal tragedy.

The battle over royalty charged from farmers for genetically modified (Bt) cotton seeds (Bollgard and Bollgard II) fought out in the AP High Court by the Indian subsidiary of the seed multinational Monsanto is another case in point. Currently, two-thirds of the money charged for every packet of Bt Cotton seeds sold to farmers is collected as royalty ortrait fees. But clearly, that is not enough. The arguments forwarded by the company to justify the logic of the de-control of seed prices include greater prosperity of farmers in Andhra, thanks to Bt Cotton and the increased profitability from farm operations. Never mind the fact that the agrarian crisis has led to more than 200,000 farmer suicides since 1997 or that even farmers in Andhra Pradesh will commit suicide today because they are unable to pay their debts.

The debate around the proposed Mines and Mines (Development and Regulation) Act 2010 is another case in point. The royalty on iron ore that the government collects from the industry is about a thousandth of the price at which steel sells. Mining leaves in its wake thousands of displaced families, damaged forest ecosystems, and unprecedented social unrest which fuels Left-wing extremism in the country. It is this recognition that compelled the government to draft the legislation which would allow a more equitable exploitation of this resource. One of the solutions for sharing the profits with communities affected by mining projects in the draft law is a 26% equity or profit that has to be distributed as annuity to communities affected by the mining. Activists would argue that it is too little, given the real costs of displacement to the community and the environmental costs to the country.

Yet, even this is being vehemently opposed by the industry. A recent letter to the finance minister from Amit Mitra, head of FiCCI, one of the largest industry associations in India, argues, “this provision is complex, difficult to implement, and will put a very high financial burden on mining companies”. Evidently, corporate India reserves the right to manage complexity, only when creating a complex web of cross-holdings through multiple entities in tax havens for evading corporate taxes! It is this myopic vision that may lead to corporate India’s downfall. Companies, as indeed parliamentary democracy, is unlikely to survive if the pace of exploitation of India’s poorest citizens does not slow down, if not stop immediately. It is precisely this logic that led the N C Saxena Committee that recently rejected Vedanta’s claim to mine the Niyamgiri. As the committee chillingly noted, “...Allowing mining...by depriving two primitive tribal groups of their rights over the proposed mining site to benefit a private company would shake the faith of tribal people in the laws of the land which may have serious consequences for the security and well-being of the entire country”.

Is Corporate India listening?

The author is the principal adviser of the Commissioner to the Supreme Court in the Right to Food Case.
Cabinet approves Manganese Ore divestment plan

Our Bureau
New Delhi, Sept 9

A proposal to divest 20 per cent stake in Manganese Ore India Ltd (MOIL) got the Cabinet Committee on Economic Affairs (CCEA) nod on Thursday.

According to the proposal, the Centre will sell 10 per cent while the Maharashtra and Madhya Pradesh Governments will sell 5 per cent each in MOIL through an Initial Public Offer (IPO).

At present, the Centre holds 81.57 per cent stake in MOIL, a Miniratna PSU. The balance is held by Maharashtra and Madhya Pradesh to the extent of 9.62 per cent and 8.81 per cent respectively.

The divestment process is expected to help the Centre raise close to Rs 1,500 crore, while the two State governments could rake in Rs 750 crore, said an official in the know of the developments. No fresh equity will be raised from the divestment.

IPO LAUNCH BY DECEMBER

Announcing the decision of the MOIL divestment, Mr P. Chidambaram, Home Minister said that market conditions will determine the timing of the IPO. “The empowered Group of Ministers will take a final decision,” he added.

Official sources, however, maintain that the Government hopes to launch the IPO by mid-December, although modalities are yet to be worked out.

On the possible pricing of the IPO, Mr Chidambaram said that it would be decided later adding that the book value of the company was Rs 99.84 a share as on March 31. It had a net profit of Rs 240 crore in 2009-10, while its net worth stood at Rs 1,587 crore.

A portion of the shares to be offered for sale through IPO shall be reserved for the employees of the Company. CCEA has also approved to allow 5 per cent price discount to the employees of the company under employees reservation quota. Further, the CCEA has decided to allow this 5 per cent price discount to retail investors.

MOIL operates 10 mines, six of which are located in Nagpur and Bhandara districts in Maharashtra, and four in Balaghat district of MP. It is the third PSU under the Ministry of Steel in which the Government is divesting stake.

The Government first shed its stake in NMDC earlier this year and the follow-on offer for Steel Authority of India Ltd is now in the pipeline.

The government aims to raise Rs 40,000 crore through divestment this fiscal. The other divestment candidates for FY10 include Coal India, MMTC, and Hindustan Copper, this fiscal. Coal India’s IPO is slated to hit the markets sometime in October. Last fiscal, the Government had raised Rs 25,000 crore through stake sale in Oil India, NMDC, REC and NTPC.
Gold steady, may test new highs

Reuters

London, Sept. 9

Gold edged up for a fourth day on Thursday, having backed off Wednesday’s peaks as equity markets and the euro rose, encouraging investors to delve back into riskier assets.

Spot gold was last at $1,255.30 an ounce at 10:50 GMT, compared with $1,254.60 late in New York on Wednesday. Prices hit an intraday high of $1,262.25 the day before, just shy of late June’s all-time high at $1,264.00.

US gold futures for December delivery were last down $0.5 at $1,257 an ounce.

Silver was last at $19.94 an ounce, against $19.88 the day before when it hit its highest level since early 2008, as investors sought a cheaper safe-haven alternative to gold.

Platinum was last quoted at $1,554 an ounce, compared with $1,554 the day before, while palladium was at $521.50 compared with $522.

Bullion rate

Mumbai: Silver spot (999 fineness): Rs 32,155; standard gold (99.5 purity): Rs 19,075; pure gold (99.9 purity): Rs 19,170.

Chennai: Bar silver (a kg): Rs 31,775; retail silver (a gm): Rs 34.00; standard gold: Rs 19,125; retail ornament gold (22 carat): Rs 1,779.
Copper reserves in Vietnam

 Reuters
 Hanoï, Sept 9
 Vietnam has found a copper reserve estimated at 50 million tonnes (mt) in the country’s mountainous northern region, a state-run newspaper reported on Thursday. The finding by top mining group Vinacomin doubled the reserves in Lao Cai province bordering China to more than 100 mt of copper ore.
Equities help copper pare losses

Reuters
London, Sept. 9
Copper dropped to a one-week low on Thursday following a sharp fall in Chinese commodity markets but rising equity markets and dollar weakness helped recover some of its earlier losses.

Benchmark copper for three months delivery on the London Metal Exchange was down at $7,579.25 a tonne by 10:07 GMT, versus $7,675 a tonne at the close on Wednesday. In other metals, LME zinc trimmed losses to trade at $2,170 a tonne.

Aluminium traded at $2,138 a tonne versus $2,160 on Wednesday. Steel making ingredient nickel traded at $22,705 from $22,900 while battery material lead was at $2,200 from $2,234. Tin was at $21,500 a tonne from Wednesday's $21,675 a tonne.
Copper demand to rise in H2; drive up prices

Prices seen staying above $7,000/t on rising offtake

Mr Brorsson said while copper demand no longer impacted prices the way it used to, he still expects investors to jump on the bandwagon if the demand trend holds, especially given latest indications that the US economy is stabilising. "If we see an increase in demand and stocks continue to go down, investors will put money into copper. I don't expect prices to go below $7,000 for the rest of the year, (the risk) is rather to the upside," he said.

Benchmark copper on the London Metal Exchange traded at around $7,500 a tonne on Tuesday. The price is only 16 per cent below an all-time high of $8,940 struck in July 2008 - making it a costly feed for fabricators such as Elektrokoppar.

MARKET BALANCE
Mr Brorsson, whose company buys most of its copper through term contracts, said supplies are not tight as such in Europe, and that he expects overall, the global copper market will be balanced this year and next.

All the same, a balanced market could still drive prices given that supply growth prospects look dim in the longer term, and given long-standing expectations that weak demand would leave the global market in surplus this year.

On China, the world's top copper consumer, Mr Brorsson said he expected an uptick in copper imports from the Asian giant in the second half even if the country missed double-digit economic growth figures.

This in turn will help keep copper prices elevated, as will a stabilisation in the US economy, which is set to benefit from the US President, Mr Barack Obama's pledge to spend $500 billion on road, rail and runway infrastructure.

Global copper demand is expected to total 18.6 million tonnes this year, according to Societe Generale, with China accounting for 6.9 million tonnes, the US 1.5 million tonnes and western Europe 2.9 million tonnes.

END USE CONSUMPTION
"We see a good market on winding wire (and) we don't think there's much restocking, we saw that in spring now it is real demand out there. (Our) order books look reasonably good for September," Mr Brorsson said.

Real demand or end-use consumption is seen as a sustainable price driver, in contrast to restocking, which tends to drive demand and prices for a finite time period.

Europe's demand for copper will rise by some three per cent in the second half versus the first, driven by improved end-use consumption, rather than restocking. Swedish copper fabricator Elektrokoppar said on Tuesday.

MIRRORING UPTICK
The privately-owned firm, Europe's fifth largest copper wire rod producer, said global demand for refined copper will largely mirror the uptick in Europe and that copper prices will, as a result, evidence an upward bias.

"We'll see a rise of three per cent in demand for copper in the second half of the year. But we don't see any major restocking," said Mr Brorsson.

"We made quite a lot of restocking in the first half of the year, and it has almost stopped," he said.

"We believe that the demand for copper will continue to grow and recovery is on the way," Mr Brorsson said.

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K’taka backs fresh mining licences

Govt proposal to promote firms adding value to ore

Kestur Vasuki@ Bangalore

Unperturbed by the ongoing mining scam, the BJP-rulled Karnataka Government plans to recommend issuing of new mining licences. This measure comes in the wake of the Global Investors’ Meet (GIM) and the keen interest shown by investors to come to Karnataka.

The new mining licences would be for the express purpose of adding value to the ore so they could be used by the domestic steel sector and other industries that needed value-added ore.

After the investment fiasco of Vedanta in Odisha, Karnataka has been the hotspot of investment. According to Large & Medium Industries Minister Murugesh Nirani, more than 1,200 mining licence applications were pending in the State. The Minister confirmed to The Pioneer that the State Government was going ahead with conducting the hearing on application for recommending to the Union Government that fresh mining leases be issued. He added that the recommendations would be only for applicants who add value to the iron ore as part of the new mining policy of the State Government.

Nirani also said the notification had been issued to acquire more than 84,000 acres in the State. He added, “Karnataka’s GIM was a great success. The State Government has so far got around ₹2.2 lakh crore. We have also got 1,200 applications for fresh mining leases. We are going ahead with recommending the applications to the Centre.”

Principal Secretary to the Governor Hirenraj Bhardwaj and Chief Minister BS Yeddyurappa have crossed swords, with the Governor sending two strong letters to the Chief Minister. The Governor sought an unconditional apology from the Chief Minister for allegedly casting aspersions on him over the Lokayukta report on mining. It all started during the by-election campaign at Gulbarga a few days ago. The Chief Minister said the Governor did not take any action against former Chief Minister N Dharam Singh over the mining report submitted by the Lokayukta. However, Yeddyurappa later said he never dragged in the Governor’s name. “I always said in the Assembly that the decision was taken by the former Governor. Therefore, the report of accusing you (Bhardwaj) is far from truth. I have questioned your predecessor’s action,” Yeddyurappa said in his letter to the Governor.

Bangalore: Meanwhile, the war of words over illegal mining continues in the State. This time, Karnataka Governor Hirenraj Bhardwaj and Chief Minister BS Yeddyurappa have crossed swords, with the Governor sending two strong letters to the Chief Minister. The Governor sought an unconditional apology from the Chief Minister for allegedly casting aspersions on him over the Lokayukta report on mining. It all started during the by-election campaign at Gulbarga a few days ago. The Chief Minister said the Governor did not take any action against former Chief Minister N Dharam Singh over the mining report submitted by the Lokayukta. However, Yeddyurappa later said he never dragged in the Governor’s name. “I always said in the Assembly that the decision was taken by the former Governor. Therefore, the report of accusing you (Bhardwaj) is far from truth. I have questioned your predecessor’s action,” Yeddyurappa said in his letter to the Governor.

In continuation of efforts to make Karnataka the favoured investment destination, the BJP Government has opened up more than 5,000 sq km of land for mining. The move had been severely criticised by green activists and Opposition parties.
Investors will seek higher return to invest in mining

Resource taxes will hit mining companies hard

This Australian Minerals Resources Royalty Tax (MRT) on iron ore & coal and its abetted predecessor, the Resources Super Profit Tax (RSPT), have captured the headlines globally regarding the taxation of minerals.

A few months ago, Australia announced a major tax reform by way of introducing RSPT & 40% royalty tax on mining operations. After a backlash from the mining industry, and change in political leadership, the RSPT has been canned and replaced with MRT, which applies to iron ore and coal mining, which has now been supported by Australian miners. At this stage, however, only broad principles have been agreed and a lot of work needs to be done before implementing the legislation.

It is a matter of concern for mining companies and it is also important for the economy of India, which is dependent on imported natural resources. Worldwide, the economic crisis has taken a toll on the mining & metals industry as demand dipped, resulting in a sharp decline in prices from their all-time high in mid-2008. But backed by fiscal stimulus, several metal sectors demonstrated signs of demand pick-up and price stabilization in last few quarters. This has made the mining sector an obvious target for greater government take. Since late 2009, there has been a steady rise in resource nationalism. Many governments have increased tax to boost their share of mining profits.

Peru has just announced a Mining Royalty, Suror Diario, and even the same mining ministry is currently contemplating ideas of levying tax on "super profits" made by mineral exporters. We have already raised the export tax on iron ore lumps, to 15%, the second increase in recent months. China is taxing new resources tax of up to 5% on revenue from coal in its Kungar province. Brazil is anticipated to tax the shipments of iron ore, and to raise royalties. Chile & South Africa have either imposed or raised royalties so far this year. Mexico is also believed to be discussing a tax on the resource sector, following Australia's announcement. The Canadian province of Quebec has recently increased its resource rent tax.

These changes in fiscal arrangements lower the post-tax returns to the mining companies. In the short term, they impact margins & hence decrease the value of projects. This may be of neutral impact to Indian companies looking to invest in foreign mining projects as the market mechanism should discount the purchase price of these investments for the increased tax take.

Greater conservation of resources for local processing is indeed expected to be value adding to GDP. To what extent such measures will help boost the local economy will, however, be a function of how efficiently the infrastructure is developed, how quickly the social licence barriers are addressed to fast forward implementation of committed projects, and how effectively & where the revenues are redeployed.

In the long run, if this increase in resource rent really turns into a worldwide trend, investors will require higher return to invest in the mining sector, associated with a growing risk tag. Underinvestment will restrict supply & the price of minerals will, therefore, eventually surge. Though, this will attract additional investments to the sector, but will also increase the cost of minerals to the consumer economies.

There is an opportunity in adversity. We could do well to have multiple levels of consultative process with all stakeholders including the industry (both upstream and downstream) and the communities for developing a comprehensive road map. The financial resources thus raised by government should be deployed for development of mineral rich regions and their communities. That would foster inclusive growth, build an atmosphere of trust & help attract meaningful investments for sustainable development. This sector can bring about a fundamental shift in the overall economic well being of our country.

The author is national leader, metals & mining, Ernst & Young.
Copper slides the most in 2 months on US slowdown

LONDON: Copper fell the most in two months on Thursday in New York and London on signs of a weakening economic rebound in the US, the world's second-largest consumer. The US economy showed "widespread signs of a deceleration," the Federal Reserve said on Wednesday in a survey known as the Beige Book. Prices also slid after a report that Chinese regulators are investigating positions in rubber futures. "The markets were going to be a bit softer after the Beige Book," said Alex Heath, head of industrial-metals trading at Royal Bank of Canada Europe in London. He also called today's retreat a "knee-jerk" reaction to the report of the Chinese investigation.
New formula to allot coal blocks to cos that lose captive mines

Subhash Narayan & Rohini Singh

The government has finalised a formula for giving alternate coal blocks to companies that lose their captive coal mining rights because of their mines being located in 'no go' areas, possibly ending a stalemate between the ministries of power, steel, coal and environment that threatened the progress of several development projects.

According to a solution finalised by a working group headed by Planning Commission member B K Chaturvedi and comprising the coal secretary, the power secretary, and the advisor to the law minister, companies such as Essar, Hindalco and state run NTPC that have made substantial investments in projects (placed orders for plant and equipment, acquired land and made irrevocable financial commitments) will get first preference in allotment of alternate coal blocks, if their existing mines fall in an area in which the environment ministry has banned mining. Such areas are being called 'no go' areas.

Companies who were allotted coal blocks in the 'no go' mining areas earlier, but have not made any investment in their respective projects (category B), would not get priority in alternate coal block allotment and would have to participate in a competitive bidding process. A company that loses out in the bidding process has the option of becoming a co-allottee with the successful bidder, subject to certain conditions. First, it will have to agree to the same terms that the successful bidder has offered. And second, the mine will have to be big enough to take care of 60% of the coal requirements of both the parties.

Under the new guidelines, ultra mega power projects, or UMPPs, will be given preference in awarding alternate mines. This is expected to clear confusion over two UMPPs at Chhattisgarh and Orissa where the bidding process started but had to be postponed to get more clarity over captive coal blocks.

These guidelines have been drafted by the working group, which has been tasked by the government to take decisions on coal allocation, following the environment ministry's decision to classify over 35% coal blocks in the country as 'no go' areas or areas where no mining can take place in order to protect the environment and preserve forest cover. Several of the 207 captive coal blocks allotted so far are also part of the 'no go' areas.

Apart from throwing companies in a tizzy, the 'no go' area classification has brought the environment ministry in conflict with the coal, steel and power ministries. The coal and power ministries had also approached the PMO to resolve the issue.

A senior planning commission official who did not wish to be named said these guidelines will be notified only after all issues on the 'no go' policy are settled and the policy is approved by the Cabinet. "They will apply to coal blocks that remain in no go area as defined by the Cabinet," added the official.

The new guidelines also mandate that if more than one Category B allottee participates in the bidding for the same block, all the co-allottees would be allotted the blocks. This will be subject to the block providing at least 60% of the coal requirement of all the allottees. If 60% requirement is not met, the allottees to whom the largest allocation of coal requirement was made would be given priority. All category B allottees will only be given two chances to take advantage of alternate coal block allocation under the preferential route. After this, it will have to participate in the bidding process as a normal company. The Parliament has already approved amendments to the Mines and Minerals (Development and Regulation) Act, 1957, setting the ground for allocation of all future coal blocks under a process of competitive bidding.
Today, if a company wants to grow, it had better start tracking its water and energy consumption, says NLC Nalco CEO Erik Fyrwald

This is a good time to be the CEO of NLC NALCO.

After all, the whole world is talking about sustainable growth and the $3.7 billion company is among the global leaders in providing water treatment solutions to industry. Erik Fyrwald, chairman, president and CEO, NLC Nalco, who is in Pune to launch the company’s new RdD centre is relaxed as he talks about how Nalco — not to be confused with the state owned aluminium company — is betting big on India. “We’ve grown rapidly in India over the last few years, and going ahead, are aiming for a minimum growth rate of 25% here,” he says. The company, which is also part of the Dow Jones Sustainability World Index, has picked India as one of its priority markets, along with China and the Middle East, and will be making aggressive efforts to grow its business here. The Technology and Innovation Centre, which has been set up at an investment of $8.5 million will be one of the four innovation centres for Nalco globally. It will work to adapt global solutions for India, as well as develop products and technologies primarily in the fields of advanced water treatment and energy production improvement technology.

At present, Nalco India is a Rs 200 crore enterprise, contributing barely 2% to the parent company. But Fyrwald says that he has set the team a target of growing the business so that it contributes at least 5% to the global turnover in the next five years.

India, he says, has a unique combination of factors which make it an important market for Nalco. The large population, coupled with rapid industrial growth and water challenges make it imperative for industry to look at ways of reducing their water consumption. For instance Tata Steel, one of Nalco’s clients in India was in a situation where its water consumption was very high, along with frequent water overflow. Using one of their more popular technologies, Nalco managed to reduce the waste water discharge significantly, eventually resulting in savings of 252,000 cubic meters of water a year.

Similarly, Marriott group property, the Renaissance Convention Centre in Mumbai was grappling with extremely high water and energy consumption. With Nalco’s help, the hotel managed to conserve 600,000 KWH of energy along with seven crore litres of water, translating into savings of Rs 70 lakhs in a year.

Nalco’s biggest USP says Fyrwald, is that it helps companies reduce water and energy consumption and at the same time, save money. While Nalco has been present in India since 1987, it’s only really gained traction over the last few years. Fyrwald says that until two and half years ago, India wasn’t really a focus market for the company either. “Up until then, there wasn’t enough interest in water conservation and efficiency. However, as industry grows, so does the interest in sustainable growth,” he says. The graph has moved from resistance five years ago, to willingness to talk about it three years back to actual interest and action now. Interestingly, the company now sees a much greater degree of interest from markets like India and the Middle East where water is a relatively scarce resource as compared to the more developed economies.

Companies too are now increasingly exploring newer ways to recycle water and move towards a zero liquid discharge system. “Companies realise that to deliver on their aggressive growth plans they need to do more with less water. Their biggest concern right now is that they would have to reduce their capacities and scale back plans if there isn’t enough water,” says Fyrwald.

And the change is visible in how companies are addressing the issue. “Our clients have moved from being the utility manager of a company to a senior board member,” he says. Today, Nalco India’s client roster boasts of names like the AV Birla Group, Cipla, Nestle and various Tata Group enterprises.

Nalco’s energy services division which provides on-site technology driven solutions to the petroleum and natural gas industries is still small in India, comprising about 25% of its domestic revenues. However, it is a fast growing division and as energy requirements in India go up, Fyrwald expects this business too will grow in line with its global size.

Nalco also works with various non-governmental organisations in reducing water usage as well as providing access to clean drinking water across countries including India. Nalco employees have the option of spending a couple of years working on these social projects while continuing to be a part of the company. “People tell me that they are happy working for Nalco because it is doing work towards environment sustainability, and then the idea of being able to do philanthropic work around water only makes it better,” he smiles. Happy employees also make for happy CEOs.

Priyanka Sangani

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Padayatras revive Congress hopes in Karnataka

FOR the first time in several years, the Congress in Karnataka, including its leaders and cadres, are upbeat. Its much-advertised 3000 km padayatra from Bengaluru to Bellary, which started on 23 July to highlight the alleged corruption in the Yeddyurappa-era BJP government, has evoked encouraging response from its rank and file. Virtually all the leaders have closed ranks to present a united front, something that was missing all these years.

Most of them had actively participated in the padayatra, which concluded on 9 August at Bellary, as they saw it as an opportunity to rejuvenate the party. Since the 2004 assembly elections, the Congress has never managed to get enough seats to form a government on its own. The 2008 polls made it worse for the party as the BJP literally wreaked havoc from it in the state.

B S Deve Gowda, president of the Karnataka Pradesh Congress Committee, had said it was an opportunity to inject some life into the rank and file. He added as much to The Statesman when he said that the padayatra had indeed come as a blessing in disguise.

He also sought to draw a parallel with the padayatra of the past, emphasizing that these were not new to Indian democracy: from Mahatma Gandhi and Veerabhadra Sarvepalli to Babasaheb, all had used the instrument to achieve different goals—from the freedom movement to AICC to saving trees. The Congress’ effort now is to expose malpractice and maladministrations of the Yeddyurappa regime during which the state has a new look.

The KPC chief, however, was quick to accept that there were differences within its own party, not uncommon in a democratic setup. Therefore, the padayatra augured well for the Congress as it would strengthen and put some spring into its step.

The padayatra was aimed at focusing the government to order a CBI probe into the illegal mining and export of iron ore. The party’s immediate target, though, are the central ministers and mine barons, Jawahar and Kannadak Reddy, and their confidante, Mohanrao, all hailing from Bellary, the centre of the current storm.

The Congress chief was quick to brush aside suggestions that there was an irony in the party’s walk to Bellary. After all, in 1999, Sonia Gandhi had come to the Loksabha successfully from here only to give up the seat quickly in favour of Ananthi. Since then the party had never bothered to go back another matter that it remained on paper, as it was meant to.

The KPC chief was quick to claim that it was only after the Reddy brothers dared his party leaders in the assembly to visit Bellary that the Congress picked up the gauntlet. For good measure, he hastened to add that the idea behind concluding the yatra in the district on 9 August was significant. After all, it coincided with the Quit India movement launched by Gandhi.

The Congress would now make a call to the BJP to quit Karnataka.

What better place than Ballary, home to three of the most powerful and controversial state ministers. As far as he was concerned, the BJP government’s days were numbered with the onslaught in its downfall having started, thanks to the Congress’s padayatra.

The immediate agenda, however, was to force the Yeddyurappa government to order a CBI probe into the illegal mining that had tainted the state, something the chief minister has stubbornly resisted. Instead, he favoured an investigation by the Lokayukta, a proposal strongly repulsed by the Congress.

The KPC chief alleged that the chief minister wanted to protect the controversial Reddy brothers, accused of illegal mining. It was precisely why the government was shifting away from calling in the apex investigating agency.

He hastened to remind that Yeddyurappa, who also holds the finance portfolio, had most of the departments concerned with the export of iron ore, including shipping, transportation, VAT, sales tax and revenue. Surely, the minister in charge couldn’t be ignorant of what was happening in his department considering that the Lokayukta itself had highlighted the extent of corruption involved, was the Congress leader’s refrain.

What is more, Yeddyurappa had also held the finance portfolio during the JD-S-BJP regime in 2006 for at least 30 months. What was he doing then?

In fact, the Congress leader was quick to ridicule the state government’s insistence on going for a probe by the Lokayukta. According to him, the government had already crippling the office of the Lokayukta by not allowing it to probe public representatives.

Second, even otherwise, if the estaduol did decide to take the assistance of an outside agency in his investigations, he would not be able to do so independently, simply because he would have to seek the government’s permission. Under the circumstances, to believe that the Lokayukta would be able to discharge its responsibilities freely and effectively would, indeed, be far too late.

Responding to another query on the recent ban on non-exports, the Congress leader was quick to assure the chief minister of holding the public. The controversial Reddy brothers would not be offended as all their mines were located in Andhra Pradesh and not in Karnataka. According to him, they would have no difficulty in shipping their ore from ports in Andhra Pradesh and Tamil Nadu. The real sufferers, he said, would be the genuine exporters who would lose business worth crores of rupees following the government’s ‘foolish’ decision to ban iron ore exports.

It was also quick to remind that the BJP had gone back on the promises it made to the state’s electorate in its manifesto for the 2008 elections. The BJP, he pointed out, had promised to provide foodgrains at cheap prices to the poor and to give one acre of land to all farmers. In Karnataka, “it has not kept its promises. Therefore, it is a janta khatra sarkar,” he said angrily.

Did he feel that it was time for the Centre to interfere? That possibility, he said, could not be dismissed considering that it was the responsibility of the UPA government to set right things. It could not shirk its responsibility towards illegal mining.

The Centre should act fast and this could happen in different ways—there was the income tax file coupled with laws against money laundering. He had already appointed his central leadership, including Sonia Gandhi, Union Finance minister Pranab Mukherjee and home minister P Chidambaram of the prevailing situation. He was confident something would happen soon. Any Central action to check illegal mining, therefore, would also boost the fortune of the state Congress besides rejuvenating the ruling party in the state.

This is what the KPC chief is really banking on.

The writer is special representative, The Statesman, Bangalore.