Obulapuram mining firm slams empowered committee report

Staff Correspondent

BELLARY: The report of the Central Empowered Committee (CEC) submitted to Supreme Court, recommending cancellation of mining leases belonging to Obulapuram Mining Company (OMC), owned by Reddy brothers of Bellary, is vitiated by bias and prejudice, according to B.V. Srinivasa Reddy, Managing Director of OMC.

He was offering his reaction to the observations and recommendations of the CEC, which runs into seven pages.

Variation in sketches

Referring to one of the recommendations to cancel the mining lease of 68.5 hectares of M/s OMC that the lease deed executed by the Mines Department differed materially from forest area for which approval under Forest (Conservation) Act, 1980 has been obtained, Mr. Reddy has said, “If the sketch differs, or if there are any deficiencies or any defects in the sketch, under Rule 26(c) of Mineral Concession Rules, it is to be rectified but not rejected. Both the sketches were approved by the State and the Central Governments including MoEF and Ministry of Mines. No faults can be found with lessee.”

‘No over-extraction’

With regard to the mineral transported in guise of minerals extracted from the leased area is far in excess of what could have been extracted as per the size of the mining pits; Mr. Reddy has said that the allegation was false and incorrect.

According to him, the committee of the Mines Department of the Andhra Pradesh government has given a report confirming the quantities. To the charge that illegal mining was done outside the approved area, he said it was a very vague allegation.

Detailed survey reports

The Supreme Court-appointed composite survey committee headed by the Additional Surveyor General of India and other State heads have submitted detailed survey reports to the effect that OMC is in occupation of deficit area than what was leased to them. Mr. Reddy has said that on the question of illegal use of reserve forest outside the lease area for overburden dump, it had already been compounded by the Andhra Pradesh State Forest Department in the year 2007-08, and the amount was paid by OMC but ignored by CEC despite filing proof of payment. CEC ignored the same recommending cancellation of mining lease of 39.5 hectares of M/s OMC stating that the lease executed by the Mines Department differs materially from forest area for which approval under the Forest (Conservation) Act 1980 has been obtained, Mr. Reddy said both the sketches were issued by the State government.

‘OMC not at fault’

It is the State Forest Department which fixes the leases on ground at the cost of the lessee. Hence, no fault can be attributed to OMC.

On transportation of 11 lakh MT iron ore without obtaining permit from the Forest Department in violation of the rules and guidelines, Mr. Reddy has pointed out OMC, BIOP and Y.M. & Sons have got exemption from obtaining the forest dispatch permits from the Andhra Pradesh Forest Department. M/s. AMC bonafide believed that the same exemption (GO) was applicable to AMC also. It is a compoundable irregularity under the Andhra Pradesh Forest Produce Transit Rules. The matter is sub judi
c in the Andhra Pradesh High court.
HC notice to Centre on Vedanta case

The Orissa High Court on Monday issued notice to the Centre on a petition filed by Vedanta Alumina Ltd (VAL) challenging the decision of the Union Ministry of Environment and Forests (MoEF) in rejecting the expansion of its Lanjigarh alumina refinery and captive power plant. A division bench comprising Chief Justice V Gopala Gowda and Justice Harjinder Singh Bhalla adjourned the case to February 2.
PMO wants Vedanta deal to be decided soon

NEW DELHI, 10 JAN: The Prime Minister's Office (PMO) has asked oil ministry to decide on giving consent to Vedanta Resources' $9.6-billion acquisition of Cairn India by January-end, at least a month earlier than the deadline Mr Murli Deora’s ministry had set for itself.

The directive followed a one-on-one meeting group chairman Mr Anil Agarwal had with the Prime Minister Dr Manmohan Singh last Wednesday to press for an early decision, sources privy to the development said.

Vedanta is buying 40 to 51 per cent stake in Cairn India from Edinburgh-based Cairn Energy Plc. Thereafter, London-listed firm's Indian unit Sesha Goa will make an open offer for an additional 20 per cent stake to minority shareholders of Cairn India. Both these transactions are to close by 15 April.

Sources said going by the February-end deadline set by oil secretary Mr S Sundaresan, Vedanta would not be able to close the deal by 15 April. This is because the open offer, which can be made only after government consent to the deal, will have to remain open for subscription for a total of 60 days.

If the government decision on the deal comes by February-end (and in March according to oil minister Mr Murli Deora), the open offer cannot be launched before the first week of March and it would close in end-April or early-May, missing the 15 April deadline, they said.

Mr Agarwal, sources said, pressed for an early decision with the Prime Minister, as oil ministry was adopting delaying tactics. The PMO, they said, promptly wrote to the oil ministry directing it to decide on the deal by month-end.

Mr Sundaresan today said the ministry would decide on giving approval to the deal by January-end or early-February.

Cairn had made applications for transfer of control in all the 10 properties it has in India and completed other formalities on 23 November. Mr Sundaresan had then stated that his ministry “will need at least two to two and half months to decide” on the application and set a February-end deadline.

Mr Agarwal had also met Mr Deora and Mr Sundaresan after meeting the PM. pti
Gold moves up on local demand

Gold prices moved up further at the bullion market on Tuesday due to better local buying interest as well as from jewellery makers, despite a bearish global trend. Meanwhile, silver declined on speculative profit taking. Standard gold (99.5 per cent purity) gained ₹30 per 10 gm to end at ₹20,300. However, silver ready dropped by ₹145 a kg to close at ₹45,255 over its last weekend close of ₹46,400.
राष्ट्रपति कर्नाटक विधानसभा में भ्रष्टाचार पर हंगामा

राष्ट्रपति कर्नाटक विधानसभा में सेंट्रल को विवशी दल कांग्रेस के सदस्यों ने भ्रष्टाधिकार के मुद्दे पर जमकर हंगामा किया। संसद के द्वारा संसद के विभाग प्रभावी अधियोग के चरणों के लिए, स्वथापन प्रस्ताव का नोटिस खारिज कर देने पर विवशी विवादक प्रकाश्रण लगा। इसका ही नहीं, अलर्ट इंस्टर्स का और से कांग्रेस अध्यक्ष सीताएंग्री गांधी पर टिप्पणी से विवशी वस्तुनिष्ठ सदन में ही गर्व कर दिया।

विधानसभा में प्रशंसक कुल में ही विवशी दल के नेता शिशुवानी ने का भूमि धोखालों और भ्रष्टाधिकार पर स्वयं प्रशंसक के लिए दिया गया अपने जोड़ने और बोला हुआ कर दिया। उन्होंने आपको संबोधित कि सबसे बड़े अध्यक्ष शोधकर्ता और अभी महान अध्यक्ष को बदलने में है। सज्जा का उद्घाटन कर अपने विवशी और संसद-न्यायिकों को साइड पूर्व रहा है।

इस पर कानून गंधी अभी सुन्दर अलर्ट ने विवशी का निर्देश किया। उन्होंने कहा कि फिर दर्जन ने उत्तर नहीं दे सकते कितना जोड़ा है और कि स्वयं प्रशंसक के तत्व चरणों के उत्तर को पूरा नहीं देंगे। उनके बाद संसद-न्यायिक भारत के विवशी एवं संसद के अपराध सीताएंग्री गांधी पर टिप्पणी सीड़ने से नाराज कर भदने पर पैदा गया।

इस में संसद के हरकतों पर खुले ही खास कर दिया, लेकिन बेदों और से मोट-मोटे जख्मियां रही रही, निम्न नाराज संसद के नेते को कर्पोरेशन का जी दी। (भाषा)
राजस्थान में मार्बल पर रॉयल्टी में राहत

मार्बल के खनन और लदन का काम शुरू होगा आज से प्रमो कुमार शर्मा * जनपद

उद्यमियों के अंगे फूटे हुए राज्य सरकार ने सोमवार को इमारती पतवार गार्ड की बहुदरी संख्या 25 पर रोक दी है। इसके अलावा ईट व बजरी पर भी रांची दोरो में कभी की चाहे है। मार्बल पर संख्या 195 रुपये प्रति टन के दरार व संख्या 157 से बढ़कर 225 रुपये प्रति टन कर दी गई है। दोरो में कभी की दोनों बांटने के बाद गंगलबर से प्राप्त की जा सकता है। इससे संख्या 10 से 25 प्रति संख्या 157 से बढ़कर 225 रुपये प्रति टन कर दी गई है। दोरो में कभी की दोनों बांटने के बाद गंगलबर से प्राप्त की जा सकता है। इससे संख्या 10 से 25 प्रति संख्या 157 से बढ़कर 225 रुपये प्रति टन कर दी गई है। दोरो में कभी की दोनों बांटने के बाद गंगलबर से प्राप्त की जा सकता है।

राजस्थान राज्य की राजनीतिक जगत ने बिखरे स्वाभाविक भावना का बदला कि एक राजनीतिक बात को बड़े होने के बाद पढ़ने के लिए विस्तीर्ण पर रामदेव ने दो। डॉक्टर की गांव की बीमारी भी। उपर स्वास्थ्यमंत्री रघुवर दास ने कहा कि सरकार ने उद्यमियों को रॉयल्टी में राहत दी है।

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Minefield: No system of checks and balances

Mining lessees violated conditions: CEC report

BANGALORE: The Central Empowered Committee on Bellary mining has observed that permanent boundary pillars around mining lease areas could have thwarted encroachment and other illegalities.

The Ministry of Environment and Forests, while granting approvals under the Forest (Conservation) Act 1980 for use of reserved forest for six mining leases, had laid down a specific condition to erect permanent pillars at an interval of 20 metres around the lease areas. However, none of the lease holders complied with the condition. Of the six leases, four were held by Reddys alone.

Appointed by the Supreme Court, the CEC has so far dealt with six iron ore mining leases in Bellary reserve forest. The committee, in its 69-page report submitted to the apex court on Friday, has recommended to stall mining operations on the grounds of boundary violation and illegal mining.

Other observations
The inter-village boundary and inter-state boundary as shown in the Bellary reserve forest cannot be used for determining the boundary of the mining leases in the present case as the location and distances shown in the map did not tally with the actual ground situation.

The boundaries of OMC if determined with reference to the bearings given in the lease sketch results in a shape showing unallotted land in between the mining leases.

The Company, in the mining lease of 68.5 hectares has illegally constructed five roads in violation of the Forest Act and lease conditions.

The Andhra Pradesh Mining Department issued permits only on the basis of statements/returns filed by the leaseholders, for transportation of minerals and without any physical verification. This provided ample opportunity for illegal mining and related activities.

Not monitored
There was no effective system of check and balances existing in the field to ensure that the mining lease boundaries were properly laid and maintained, and that the mining and associated activities were confined to the lease area and regulated as per provisions of the relevant comments, rules and guidelines and the conditions on which the approvals were granted.

THE BEGINNING
In January, 2008, Bellary Iron Ore Pvt Ltd complained that Obulapuram Mining Company has encroached its lease area in Siddapuram village of Andhra Pradesh. Three departments of AP began a joint survey of the disputed boundary. The matter later went to court.

IN THE DOCK
The CEC has found irregularities and illegal mining by four companies:

- Obulapuram Mining Company, owned by Minister Janardhana Reddy and others, has three lease areas: 25.98 hectares, 39.50 hectares, and 68.52 hectares.
- Ananthpur Mining Corporation, owned by Janardhana Reddy, one lease area = 6.5 ha
- Bellary Iron Ore Pvt Ltd, owned by S K Modi, one lease area = 27.12 ha
- Y & M Sons, owned by Mahabaleswarappa, one lease area = 20.12 ha

THE ENDING
The CEC has recommended cancellation of four mining leases after finding gross violations.

CBI is probing mining activities of firms owned by Janardhana Reddy in Andhra Pradesh

Income Tax department found evasion of tax to the tune of Rs 86 crore by Obulapuram Mining

Lokayukta is inquiring into illegal mining in Bellary, final report to be submitted in March

CONG has alleged the Reddys being into mining business, can't hold office of profit (ministers)

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The indictments

- The first renewal period of mining lease in 25.9 hectares of the Obulapuram Mining Company (OMC) actually expired on December 13, 2004. The permission granted by the AP govt to treat the mining lease valid up to April 25, 2017 is illegal and needs to be set aside.
- The mining in the forest area after 2004 is illegal and the value of the mineral extracted from the reserved forest after April 2004 should be recovered from the lease holders based on the market value of the mineral extracted from the areas.
- The mining lease of OMC has been renewed after a gap of almost 17 years which is illegal and should be cancelled.
- The boundaries of the mining lease of 39.5 hectares, and the area and boundaries of 68.5 hectares lease granted to the OMC differs materially from the one approved under the Forest Act. The lease deed executed by OMC is therefore illegal and needs to be cancelled.
- The minerals extracted from the mining lease of 68.5 hectares and 6.5 hectares of OMC appears to be far in excess of what could have been extracted from these leases as per the size of the pits.
- The plan attached with the common boundary mining agreement between BIOP and OMC clearly established that OMC has worked illegally in reserved forest area and outside its lease boundary.

Reddys & Their Woes
Tourism Minister Janardhana Reddy and company has become an asset and a liability to Chief Minister B S Yeddyurappa. The latter could continue in the office, thanks to 'Operation Lotus' masterminded by Reddys in 2008. But reports about Reddys' alleged mining activities have caused an embarrassment to the BJP.

The Reddys are facing similar issues even in their backyard Bellary. They are finding themselves in trouble in politics too. Their plate is full of problems.

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Priced asset: A file photo of Riverdale’s Benga project in Mozambique. The project is expected to yield both coking coal and thermal coal, used by steel makers and power plants.

RIVERSDALE BID

Rio Tinto: will work closely with Tata Steel on Mozambique mine

BY ANIEK PAUL  
aniek.pg@livemint.com

KOLKATA

UK-based Rio Tinto Plc has said in its takeover bid document for Australian coal miner Riversdale Mining Ltd that it intends to work closely with Tata Steel Ltd to develop the Benga coal project in Mozambique, which is a joint venture (JV) between the Indian and Australian firms.

Rio Tinto’s statement, though not surprising, alleviates a potential conflict of interest between it and Tata Steel, which paid $100 million (Rs451 crore) in August 2007 for a 35% stake in the Benga project. It is estimated that the Mozambique mine, Riversdale’s key asset, has a reserve of 4 billion tonnes of coal, and Tata Steel is entitled to buy 40% of the coking coal produced by it at a pre-determined price.

Under an agreement signed in August 2007, the Indian steelmaker also has the option to buy more from the mine on “commercial terms”, which effectively means it could be buying the mine’s entire coking coal produce even without controlling the joint venture or Riversdale. This, according to some analysts, who declined to be named, could have been an irritant for Rio Tinto.

Described by Tata Steel in a recent stock market statement as a “world-class project”, Benga is expected to yield both hard coking coal and thermal coal, used by steel makers and power plants.

Besides its interest in the J/V, Tata Steel, through its indirect subsidiary Tata Steel Global Minerals Holdings Pte Ltd, also owns 24.21% of Riversdale’s shares; it is currently the largest shareholder in the firm, followed by Brazilian steelmaker CSN, which owns 15.61%.

Rio Tinto has bid for all outstanding shares and options of Riversdale that could cost it up to $3.9 billion in cash. The bid, however, is conditional upon Rio Tinto managing to acquire at least 50% stake in the firm, failing which it could buy any share at all.

It is estimated that the Mozambique mine, Riversdale’s key asset, has a reserve of 4 billion tonnes of coal.

The primary objective for acquiring Riversdale is “to pursue optimum development and commissioning of the Benga and Zambesi projects in Mozambique”, Rio Tinto said on Monday in its statement to shareholders of the Australian firm.

“The Benga project is governed by an independent JV agreement,” said Koushik Chatterjee, Tata Steel’s group chief financial officer, adding that Riversdale’s “current situation” was unlikely to have any bearing on Tata Steel’s interest in the Benga project.

He refused to comment on how Rio Tinto’s bid to acquire 100% stake in Riversdale could impact Tata Steel’s interest in the Australian firm.

Tata Steel, though, is expected to soon make a statement on Rio Tinto’s bid through Riversdale in what is known in the Australian securities market’s parlance as “target’s statement”.

“In the absence of a superior proposal”, Riversdale’s management recommended on 23 December that its shareholders accept Rio Tinto’s offer, priced at $16 a share.

Though Riversdale’s shares are trading higher than the price offered by Rio Tinto—they ended at $16.65 on Monday—the UK miner’s offer represented a 24% premium over the one-month volume weighted average price of Riversdale’s shares till it was announced on 6 December that Rio Tinto was likely to launch a takeover bid.

Though it wasn’t immediately known what other key shareholders in Riversdale such as Tata Steel and CSN are going to do, a consortium of Indian public sector companies, led by Steel Authority of India Ltd, has appointed a banking division of Citibank NA to advise it on a potential counter bid.

Under Australian takeover laws, Tata Steel, on its own, can buy only up to 3% of Riversdale’s shares every six months without making an open offer, its stake having crossed 20%.
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MINING

Mozambique rejects Coal India request

Maputo: Mozambique has turned down an application from Coal India Ltd for more coal blocks, deputy mineral resources minister Abdul Razak Noormahomed said. “They must develop what they have first,” Noormahomed told reporters on
Monday in Maputo, the capital. “Then we will sit down and decide what to offer.” BLOOMBERG
Much-awaited Chaki bridge opens

NURPUR (DHARAMSALA), JANUARY 10

The much-awaited bridge over the Chaki river on the Punjab-Himachal border was inaugurated by Union Minister of State for Surface Transport and National Highways Mahadeo Singh Khandela today.

The bridge that was in controversy due to delay in its construction was finally thrown open to traffic after inauguration by the Union minister.

The bridge is a vital link to Pathankot-Kangra-Mandi road. It is also used by the Army to reach Leh through Malani. The bridge on the Chaki had collapsed 3-years ago.

The basic reason for the collapse of the old bridge was illegal mining. The Chaki river, which originates from the border of Kangra and Chamba districts, is a rich source of gravel stone. About 300 crushers, both on Punjab and Himachal side, are thriving on gravel in the river.

Unchecked illegal mining in the area has resulted in a massive erosion in the Chaki that has threatened the basic infrastructure like bridges that have been constructed on the Chaki. Even the Army and Air Force authorities that have their installations along the Chaki have been writing to the authorities in Himachal and Punjab regarding the threat posed to them due to illegal mining in the river.

Last year Himachal took some concrete steps to check illegal mining in the river. The Himachal government has banned mining in the Chaki in its territory. However, in the areas bordering Punjab, illegal mining is still taking place.

The new double lane bridge that is 520-metre-long and has been constructed at a cost of Rs 36.5 crore is now open for traffic. Minister Khandela said during the current financial year, the Union government had given Rs 982 crore for various national highways and Rs 84 crore for 20 bridges in Himachal. PWD Minister Himachal Gulab Singh and Minister for Industries Kishan Kapoor were also present on the occasion.
घरेलू बाजार में सोना और चांदी के भाव चमके

अंतरराष्ट्रीय बाजार में निर्यात के बावजूद भारत में सोने और चांदी के कीमतों में तेजी दर्ज की गई।

मोदीनगर को हिमालय मध्यरात्रि बाजार में सोने की कीमतों में 50 रुपये की तेजी आकर भाव 20,650 रुपये प्रति टन गया।

चांदी की कीमत में इस दौरान 225 रुपये की तेजी आकर भाव 44,850 रुपये प्रति किलो गया।

अंतरराष्ट्रीय बाजार में सोने की कीमतों में एक डॉलर की मिलगात आकर भाव 1,368 डॉलर प्रति ऑयस पर बाजार करता देखा गया। हालांकि बाद में इससे में तेजी आई। शाम को बेंगलुरु का मबाण्ड इलेक्ट्रिक 2,700 डॉलर बाजार 1371.60 डॉलर प्रति ऑयस पर पहुंच गया। सता जनरल की विदेशी बाजार में सोने का भाव 1,369 डॉलर प्रति ऑयस पर बंद हुआ था। चांदी का भाव सोने को अंतरराष्ट्रीय बाजार में 28.80 डॉलर प्रति ऑयस पर बाजार करता देखा गया। जबकि सता जनरल की इसका भाव 28.69 डॉलर प्रति ऑयस पर बंद हुआ था। विदेशी बाजार का कहना है कि पहले अमेरिकी डॉलर राजनीति में होने के कारण विदेशी बाजार में सोने की मिलगात को बढ़ा दिया था। लेकिन इससे पहले तुरंत में कर्ज संकट की बिंदुता बढ़ने से सोने के मूल्य में सुधार हो गया।
Orissa HC notice to Centre on Vedanta expansion ban

THE ORISSA High Court on Monday issued a notice to the Centre, seeking to know its stand on Vedanta Aluminum Limited's expansion plan in the state. The court fixed February 2 as the next date of hearing.

The Union environment ministry had on October 20 scrapped Vedanta's plan to expand its one million tonne alumina refinery as well as its captive power plant at Lanjigarh in the Kalahandi district on the grounds that it did not obtain the requisite environmental clearances.

It had asked Vedanta, a subsidiary of international company Vedanta Resources, to stop work and comply with its conditions. The company has already invested about ₹4,500 crores in the expansion project at Lanjigarh and in its aluminium smelter plant as well as its captive power plant at Jharsuguda.

The state government on Monday also geared up for a high court hearing over a multi-crore mining scam.

The state government had filed an affidavit in the high court on Friday pleading against a CBI probe, which is likely to embarrass the ruling Biju Janata Dal.

The Opposition has alleged minerals worth over ₹5 lakh crore were looted from mines in the state, with illegal mining patronised by ruling party leaders.

Rakesh Dizit in Bhubaneswar
Govt now plans Fishermen Rights Act for coastal areas

EXPRESS NEWS SERVICE
NEW DELHI, JANUARY 10

IF forests belong to the forest-dwellers, then the coastal areas should belong to the fishing community. Acting on this line, the government is proposing to bring in a new law — modelled on the Forests Rights Act — to establish rights of fishermen on the coastal areas and resources found therein.

The Forests Rights Act, passed by Parliament in 2006 and brought into force in 2008, recognises the rights of tribals and traditional forest-dwellers on forest land and its resources. Any diversion of forest land for other purposes can be done only with the consent of the forest-dwellers. This powerful legislation has been used by the government to block some high-profile industrial projects, including Vedanta’s bauxite mining project in Niyamgiri hills of Orissa.

Now, the government is proposing a similar legislation — as of now being called the Traditional Coastal and Marine Fisherfolk (Protection of Rights) Act, or just Fishermen Rights Act, for short — for the coastal areas, aimed at benefitting fishermen and other traditional communities living on the coast and using the resources of sea for their...

CONTINUED ON PAGE 2
Fishermen rights
livelihood. These communities will have the right to possess land and build
habitations near the coast, rights over fish and other products of water bodies, and the rights to protect, conserve or manage resources in coastal areas or in sea. The need for establishing and protecting the rights of fishing communities has become important in view of the government’s initiatives to strengthen the regulation of construction or industrial activity in the coastal areas with the aim of protecting these ecologically fragile zones.

Only last week, the government notified a revised set of Coastal Regulation Zone (CRZ) guidelines that will regulate all activities within the first 500m of land from the coast and also in the entire territorial waters, extending up to 12 nautical miles, from the coastline. The proposed legislation would ensure that the fishing communities and other traditional dwellers who have been living in the coastal areas for long and depend on the sea for their livelihood are treated differently from outsiders under the strict CRZ regulations. The new CRZ notification also makes this distinction and makes exceptions for these communities in certain instances.

As of now, the legislation is only at the discussion stage. A draft legislation has been put out by the Environment Ministry for public debate. After incorporating suggestions received from the stakeholders, a final draft legislation would be presented to the union cabinet for approval before being piloted as a Bill in Parliament.
Sterlite Tech gets financial closure

PUNE-BASED Sterlite Technologies Limited on Monday said it has arranged for funds worth ₹700 crore for its mega transmission project connecting North-east with the Northern states of India, East North Interconnection Company Limited, a wholly-owned subsidiary of Sterlite Technologies Limited, said it has achieved the financial closure of ₹700 crore debt for its Ultra Mega Power Transmission Project awarded to the company, last year, a company statement said, adding that SBI Caps was the sole arranger for the debt. The East-North interconnection mega transmission project aims to evacuate power from the North-East and eastern states to the northern region.
Mozambique assures India

New Delhi, Jan. 10: India on Monday said Mozambique has assured to consider allocation of more coal blocks to Indian companies besides expediting formalities for developing two deposits with estimated reserves of a billion tonnes, already allocated to largest domestic miner CIL.

“The minister of mineral resources of government of Mozambique, Mr Esperança Bias, on Monday assured India that she would consider it’s request for allocation of more coal blocks to Coal India Ltd (CIL),” a coal ministry official said.

The coal minister, Mr Sriprakash Jaiswal, who is leading a high-level delegation to South Africa met her on Monday at Mozambique.

The official denied reports quoting deputy minerals minister of Mozambique, Mr Abdul Razak, that the South African nation has turned down a request by Indian government for five coal concessions saying the Asian giant should first develop its two existing blocks in the country.

“The mineral resources minister not only assured more blocks but sought greater cooperation in the area of coal mining between both the nations,” the official said.

CIL was awarded rights to two blocks containing estimated one billion tonnes of coking and thermal coal spread across about 200 square km in Mozambique.

“Mozambique has assured all assistance to complete necessary formalities and infrastructural support,” the official added. — PTI
SC-mandated panel backs my findings: Lokayukta

Iron ore export continuing unabated despite official ban, he says

MANGALORE/BELLARY: Illegal mining is the only 'service' that the single window system in the State has catered to efficiently, Lokayukta Justice N Santosh Hegde has said.

"The export of iron ore from the State has been continuing unabated despite a ban. The Bellary mine barons have turned the single window system into an arrangement to grease the palms at a single point and continue with illegal transportation of ore," Hegde said here on Saturday.

Speaking with reporters at an interaction organised by the Journalists' Study Centre, Justice Hegde said ore was being transported to Goa in the guise of supplying it to a company in Gujarat. It is being shipped from the ports at Goa, Kakinada, Chennai and Vishakhapatnam. Thus Karnataka's ore is now being exported from other states.

Justice Hegde said the report of the Central Empowered Committee corroborated findings in his report on illegal mining. The report was submitted to the government in December 2008.

"I had referred to illegal mining in Obulapuram. People who obtained mining leases in Andhra Pradesh are carrying out mining in parts of Karnataka. The CEC too has concurred on illegal mining in Obulapuram," he said. The government should cancel the lease of such companies including the OMC and initiate legal action.

Inquiry under progress

The Lokayukta said the quantity of iron ore exported from the State, the entities involved in the business, and the loss caused to the exchequer by the illegal acts were being looked into. The final report on the probe into illegal mining will be submitted before March 31.

Hegde said he had nothing personal against chief minister B S Yeddyurappa and was not "hell bent" on conducting an inquiry against him.

He said the ruling party has been provoking him to resign again but doing so would be ridiculous. "I won't resign without taking the probe to a logical conclusion."

Karunakara speaks

Meanwhile, speaking to reporters in Bellary, Revenue Minister G Karunakara Reddy termed the Opposition demand for resignation of Bellary ministers as "zenith of absurdity." He said the CEC has only submitted its report and the Supreme Court was yet to pronounce its verdict.

"Janardhana Reddy owns OMC and I have no connection with it whatsoever. Hence, there is no question of me quitting," he said.

DH News Service
‘Value addition of minerals in new policy’

FM: Its a challenge to find balance between growth and sustainability

BHUUNIASWAR: The Centre is working together with the chief ministers of mineral-rich states on value addition and the new mining policy would include all suggestions, Finance Minister Pranab Mukherjee said on Sunday.

“When the new mining policy will be formulated, all these will be factored in,” Mukherjee told reporters on the sidelines of the NALCO Foundation Day Lecture here.

Mineral-rich states like Orissa, Chhattisgarh, Jharkhand, Karnataka and Rajasthan have been demanding among other things, inclusion of a value addition clause in the new mining policy to ensure proper utilisation of mineral resources in their respective areas. There is also a strong demand for substantial increase of coal royalty.

Earlier, addressing the gathering, Mukherjee had said the challenge was to find a balance between need for economic growth and sustainability of resources, and was optimistic of about 9 per cent growth this year.

“One of the biggest challenges before our nation is to find the correct balance between the need for economic growth, sustainability of resources and natural habitats and the opportunities that need to be created for bringing people such as those in tribal belts into the mainstream of the development process,” Mukherjee said.

“While we need to retain the growth momentum we also need to strengthen the inclusive character of the economy,” he said. Asking companies, including those from the public sector, to look at every aspect being affected including the issues of displacement or environment, he said, “It is equally important to harness the natural resources in a sustainable manner with due emphasis on human and ecological concerns.”

“We need to ensure that every individual and every region in the country benefits from the fruits of this growth,” he added. During the next Five Year Plan from 2012 to 2017, India envisaged financial outlay of over $1 trillion on infrastructure projects, he said.

The country needed to find resources and explore new and evolving methodologies with private sector to make good the anticipated requirements in production of different goods and services in the economy, he said.

DH News Service
Gold holds near $1,370/oz

Reuters

Gold held near $1,370 an ounce in Europe on Monday as concerns about the prospects for Portugal’s sovereign debt helped offset downward pressure from a rising dollar.

Gold futures for February delivery rose $2.30, or 0.2 per cent, to $1,371.20 an ounce at 8:35 a.m. on the COMEX in New York. Earlier, the contract slipped as much as 0.5 per cent. US gold futures for February delivery fell $1.50 an ounce to $1,367.40.

Spot silver was at $28.75 an ounce against $28.69. Platinum was at $1,752.24 an ounce against $1,731, while palladium was at $748.22 against $748.50.

Bullion rates

Mumbai Silver spot (.999 fineness): Rs 45,255; standard gold (99.5 Purity): Rs 20,300; Pure gold (99.9 purity): Rs 20,400.
Outlook bright for precious metals this year

Upside potential for platinum, palladium too

**COMMODITY COMMENTARY**

G. Chandra shekhar
Mumbai, Jan 10

The outlook for precious metals this year remains absolutely positive. Not only gold and silver, but also platinum and palladium prices enjoy strong upside potential during the course of the year.

On current reckoning, the eternal favourite of investors – gold – is set to touch newer highs during the year given the favourable market environment for a price surge. Both demand side and supply side factors are at work.

Interestingly, while market fundamentals may not greatly support a sharp price movement upward, investor interest will be the key to price direction.

A clouded macro-economic environment against a backdrop of low interest rates, growing uncertainty surrounding currency de-basement and medium-term inflation fears as well as geopolitical tensions continue to stoke investor appetite for a portfolio diversifier and haven that is gold, according to Barclays Capital.

This year, gold prices are forecast to average $1,495 an ounce with the high at $1,620/oz and low at $1,300/oz.

“We expect investment demand to propel prices to fresh record highs this year, while its fundamentals are unlikely to drag prices lower”, an expert remarked adding that physical demand for gold has softened but remains healthy for the time of the year.

**ETP INTEREST**

While central bank sales have been rather limited, buying has been notable. Additionally, interest in physically-backed exchange traded products (ETPs) continues to grow.

During the year, mine supply is expected to rise modestly, jewellery demand to weaken but scrap supply to respond to higher prices, resulting in a notional gold surplus which would be absorbed by investment demand, the expert asserted.

When the pace of investment demand slows, there may not be a massive outflow, given the longer-term allocation in the metal. A less committed long would be flushed out though, Barclays Capital pointed out.

In the event, jewellery demand will provide a cushion for prices, it is believed, based on last year’s activity and jewellery demand emerging on higher price dips.

However, improved macroeconomic environment and increased interest rates may allay investors’ fears and prompt a slowdown in demand.

Silver market fundamentals are admittedly weak; but when accompanied by investor demand and piggy-backing on gold, the picture turns positive.

In 2010, the metal was a surprise performer despite poor fundamentals.

**WEAK FUNDAMENTALS**

According to Barclays, the risks to silver supply and demand outlook outweigh its potential upside drivers.

There is a bloated surplus in the market because of rising mine supply since 2004, falling photography demand and sensitivity of jewellery demand to high prices. In the event, investor interest alone can push price higher.

However, if investor appetite sours, silver will suffer the sharpest correction.

Silver is forecast to average $29.1/oz this year with the high at $36.5/oz and low at $18.5/oz, according to Barclays.

Platinum market this year is expected to be driven by supply side considerations because of the dominant supply position held by one origin.

**SUPPLY FEARS**

Auto demand coupled with continued investor interest is likely to offset the effect of higher prices on jewellery demand and the potential increase in scrap supply.

This year, platinum is forecast to trade at an annual average of $1,815/oz with a high of $1,955/oz and low of $1,650/oz.

The market for palladium this year looks tighter and the price direction will be determined by Russian shipments and inflows into ETPs. While the Russian supplies are a negative unknown, ETP flows are a positive unknown, Barclays said.

Forecast for 2011 is a price of $820/oz with a high of $940/oz and $650/oz on the low side.
Copper declines on European debt concerns

Reuters

London, Jan. 10

Copper fell 1 per cent on Monday, as investors worried about sovereign debt in Europe and a rising dollar made metals custodiers for non-US investors.

Copper for three-month's delivery on the London Metal Exchange traded at $9,360 in rings from a close of $9,425 on Friday. Aluminium traded at $2,480 a tonne. Zinc was at $2,380 a tonne and lead was at $2,616 a tonne.

Tin was untraded but quoted at $26,100/26,150. Nickel was at $24,050.
LEGAL MINING

Uproar in Karnataka assembly over scam

THE KARNATAKA ASSEMBLY was on Monday rocked by charges of land scam against Chief Minister BS Yeddyurappa and allegations of illegal mining by Cabinet ministers Reddy brothers. The House did not conduct any legislative business for the day amid a wrangle between members of the ruling BJP and the opposition Congress and Janata Dal(S) over the format to debate corruption and nepotism charges against the government, the BJP's first in the state and in south India. The opposition members trooped into the well of the House to protest Speaker KG Bopaiah's rejection of their demand for an adjournment motion to discuss the issue. As soon as the House met for its first session of the New Year, the Congress and JD(S) members demanded that the speaker allow their adjournment motion. Law Minister S Suresh Kumar argued that the motion cannot be allowed under the rules.
Coking Coal Prices to skyrocket

Queensland floods hit mining activities

Dozens of ships are waiting to be loaded at the world’s largest coal port terminal at Dalrymple Bay, Queensland, Australia, but only a trickle of new supply is making its way to the port because of the disruption. Stockpiles of coking coal are running low because of rail transport difficulties, while a significant proportion of the remaining coal is not fit for export because it is sodden. Such is the state of affairs in Queensland, the state of Australia which caters to around half of the world’s coking coal export market but mining activity has come to a halt due to floods. Queensland is experiencing one of the worst floods with some major coking coal producers having declared force majeure in the region, which means they won’t be able to meet contractual obligations due to unforeseen circumstances. Railway lines that transport the coal to ports for export have also been washed away and the situation is not expected to improve much in next one or two months with the continued wet spells.

As a result, the prices are only moving northwards. The price of Queensland coking coal has jumped to $253 per tonne from $225 in the past three weeks. According to analysts, there are all indications that prices may increase to $350 a tonne bringing back memories of 2008 when the price of coking coal touched $305 a tonne due to the floods in Queensland. The supply outages in Queensland are adding pressure to an already tight market for hard coking coal and hence steelmakers in Asia may be forced to pay as much as 33% more for the commodity.

Major supply disruptions have forced major steelmakers to explore alternate options. Steel makers of Japan are looking at supply options in other geography just to keep their blast furnaces running, in wake of severe shortage in market. According to some steel makers price is bound to rise, but the major concern today is availability. Also another option being evaluated is buying metallurgical coke directly, but supply of coke is also strained and expecting a follow on increase in price in met coke as well.

However coking coal producers in other parts of Australia, like those in New South Wales, which produces premium quality hard coking coal, and not affected by floods are expected to reap the benefits of the rising prices.

There are reports that miners are keen for a monthly negotiation of price instead of quarterly pricing to reap benefit of price hikes. This is good news for the only Indian coking coal mining company in Australia, Gujarat NRE, whose Illawarra operations at Russell Vale and Wongawill in NSW, Australia are running at peak production levels and are far from flood damage.
PAVING THE BOULEVARD OF THE GREAT INDIAN STEEL DREAM

Gujarat NRE and The Economic Times present Global Steel 2011 from 16 to 18 January 2011 in New Delhi

Global Steel 2011 is being organized to address the challenges before the Indian Steel industry. The conference would analyse the Indian Steel mills’ proposed expansion plans and discover how supporting logistics and infrastructure networks are preparing themselves. One of the prime focus this year would be raw material security.

— Continued on page 2
A Bird’s Eye View of the Road Ahead

A mountain road in the monsoon is the real test of driving skills rather than a freeway in pleasant weather. It is always the tough ones equipped with patience and foresight that can steer through muddy potholes, sudden landslides and road blockages to conquer the top of the mountain. The recent financial crisis has put the character and the credentials of enterprises across the world at trial. As the dust settles, it is now time to collect and put together the bits and pieces of the fallen jigsaw and thereby building a coherent whole. Revisions provide as many opportunities for business as they do for disasters. They reward strengths and expose weaknesses. The steel industry that is regarded as one of the indices to ascertain the economic health of a nation needs to think and strategise the future development plan and pave the way for an aligned future.

The policy makers — the Government and top notch industry gurus from India and abroad will set the ball rolling on the path that is destined to cement the boulevard of the Great Indian Steel Dream, a dream of attaining 300 MT of Steel by the year 2020.

Monday, 17th January 2011

Session I:
Driving ahead as the sun colours the Eastern Horizon

Coal is a transitional fuel from Volatility to Sustained Growth - The global steel industry is on recourse to identify strategies to navigate the current volatility to attain sustained growth. As the sun rises in the East, so does the economic landscape of the world with its tilt towards China, which is now playing a pivotal role in the global economy. India is also emerging as a force to reckon with SAR Steel Ltd
- Dr Rod Beddoes, President, Hatch Consultant, UK
- Mr Shirvanis V Denipo, Chairman, Dempo Group

Session II — Removing the rubbles and roadblocks to move ahead —...Crossing milestones... goal 300 MT by 2020....

Indian steel industry — from here to 2020 - Challenges in Setting up Greenfield Projects in India: The Indian steel industry is whirling by new milestones every year. India is set to complete the 100 MT milestone in the next two years. The New and Improved Vision 2020 — 300 MT of Steel... What is India’s raw material security strategy?... Is the sourcing plan of coking coal for India sustainable over steel... Are we prepared to optimally explore our own iron ore resources to meet... long standing demand of Indian steel industry of 2020 and beyond? Along with all these issues is the need to develop a mechanism to arrest the volatility of prices. There are bound to be various bottlenecks in any journey and the story of the Indian steel growth is no exception. The potential of the Indian steel industry is depicted from the fact that there have been 223 MoUs signed and an investment commitment of US$ 238 billion received. Some of them have already been commissioned, while there are many with trailing loose ends which need to be tied for successful commissioning of the project.
- Mr Jayant Acharya, Director, Commercial & Marketing, JSW Steel Ltd
- Mr K R Goyal, Managing Director, Karnataka Steel
- Mr Suketu Shah, JMD, Indian Steel
- Mr Udai Pratap Singh, Chairman, JISCO, Ministry of Steel, Government of India

Session III — Striking up the steel band
The patronage to Indian Raw Material requirements - India with all its needs and wants for a secured steel future would have to look at alternate sources of supply of raw material to keep the blast furnaces burning. Souring from ‘Down under’ is the best option available there is a need to take note of the opportunities available there... The session would present a close look at the raw material demand supply scenario of India. Future demand of iron ore and coking coal in India and how would they be met? Where would all the coking coal come from? What role is Australia going to play being the major steel making raw material producer of the world. Listen what Australian resource players have to say.
- Mr K C Venugopala, Senior Trade Commissioner, Australian Trade Commission (Austrade)

Session IV — Broadening Horizons Understanding the latest trends for a steady growth
— New distances traversed opens up new horizons. New opportunities knock and along with is come new challenges for growth. The steel industry needs to keep a clear vision of the future as we drive to a new decade.
- Mr Ammit Chatterjee, Advisor, Tata Steel

Panelists:
- Mr Arjani Agrawal, National Leader Mining and Metals Ernst & Young
- Mr D R Dogra, Managing Director, CARE, on rating in steel industry
- Mr Vishesh Oberoi, Managing Director, CARE
The Economic Times, Delhi
Tuesday, 11th January 2011, Page: 25

Session VI - Winds of Price Change - Driving into the future
An important aspect of the industry is the pricing models in operation. A shift away from annual pricing and other changing dynamics have the steel industry scrambling to keep up with price volatility. The rise of iron ore and coking coal prices - how sustainable are they for the longer run? The analysts will review the earlier trends in comparison with current ones to provide a near perfect prediction of the future – 2011 and beyond. Industry analysts and other market sources give their views on where prices are moving as the industry heads forward. Coking Coal, Coke and Iron ore, the prime actors of the Steel saga, take their cue for the last act as we draw curtains of “Paving the Boulevard of the Great Indian Steel Dream”.

Moderated by
Dr Neil J Bristow, Chief Consultant, H & W Worldwide Consulting Ltd

Tuesday, 18th January 2011

Session V – Broadening Horizons Understanding the latest trends for a steely growth -
New distances traversed opens up new horizons. New opportunities knock and along with it come new challenges for growth. The steel industry needs to keep a clear vision of the future as we drive to a new decade.

As the industry grows, it requires financing, new strategies for marketing, rating to maintain market credibility and a brand for itself. The session would look at the scope for strengthening the support systems as we broaden our horizon.

Moderated by
Dr Amit Chatterjee, Advisor, Tata Steel

Panelists:
Mr Aiani Agrawal, National Leader Mining and Metals Ernst & Young
Mr D R Dogra, Managing Director, CARE, on rating in steel industry
Mr Viresh Oberoi, Managing Director, on new avenues in steel marketing
Orissa HC: Justify stand on Vedanta

AKSHAYA KUMAR SAHOO

Bhubaneswar

Jan. 10: Orissa high court on Monday asked the Union ministry of forest and environment (MoEF) to submit its reply by end of January, justifying its denial of permission to the Vedanta Aluminium Limited’s expansion plan of its refinery and captive power projects at Lanjigarh in Kalahandi district.

A two-member bench took up all 12 public interest litigations (PIL) along with Vali’s writ questioning the ministry of forest and environment’s October 20, 2010 order cancelling the earlier clearance given to Vali’s proposal to increase its one million tonne refinery’s capacity to six million tonnes.

At least 12 leading tribal organisations from Kalahandi and Rayagada districts had moved the Orissa high court challenging the ministry of forest and environment’s order halting the expansion of the refinery.

In a public interest litigation filed in the high court, the tribal organisations said the denial of permission to the refinery project was going to affect the livelihood of the local people who are directly or indirectly dependent on the ₹10,000-crore project for their survival.
बेदांत सौंदे पर फैसला जल्दी
करने को कहा पीएमों ने।

नई दिल्ली, 10 जनवरी (भाग)। प्रधानमंत्री ने प्रेस सिटी समाचार गंगा के कहा है कि वह ब्रिटिश कंपनी कैल्पन के प्रारंभ ने भारतीय काविवार की खरीदने के बेदांत रिताओं के सिद्धांत को मंजूरी देने के बारे में फैसला इस महीने के आखिर तक कर ले।

सुशील कुमार ने बेदांत रिताओं के आधार पर अधिकार्य ने फिर से बुधवार को प्रधानमंत्री सनंद सिंह से मुलाकात की थी। इसके बाद, प्रधानमंत्री ने इस आदेश के आधार पर किया विधेयक जारी किया। समस्या जाने

कि अधिकार्य ने इस बारे में फैसला जल्दी करने पर दबाव बनाने के लिए पहले बैठक की थी।

लंदन में सुशील कुमार ने बेदांत रिताओं के ब्रिटेन की कंपनी के ने कैल्पन के प्रारंभ ने भारतीय इकाई के प्रश्न ठहराए में बड़ी हिस्सेदारी 9-6 अधिकार में खड़ी नये को समझौता किया है। प्रधानमंत्री जयराम जारी है कि इस बारे में फैसला इसी महीने कर लिया जाए।
Guv Krishna?

IT IS said that when high-profile politicians are perceived to have passed their prime, they become governors. The same may be the case with some serving Union ministers tipped for gubernatorial assignments.

Leading the “A” list is external affairs minister S.M. Krishna, followed by Union steel minister Veer Bhadra Singh and Union minister for development of the northeastern region and mines B.K. Handique. If the foreign minister is sent back to the Raj Bhawan, he would be creating a record of sorts as the veteran leader was pulled out of Mumbai Raj Bhawan to join active politics.