CBI to name more babus in OMC scam

U. SUDHAKAR REDDY | DC HYDERABAD, OCT. 9

The Central Bureau of Investigation is likely to add the names of more mines and the forest department officials in the list of accused in the OMC mining scam.

Sources said that the Bureau has evidence against certain mining and forest officials who were working in Anantapur during Y.S. Rajasekhar Reddy and Mr K. Rosaiah's regime. These officials allegedly neglected to inspect the Bellary Reserve Forest area where the illegal mining took place.

The CBI, which had earlier arrested prime accused Mr Gali Janardhan Reddy and his brother-in-law Mr B.V. Srinivas Reddy, also alleged that the officials had issued permits without following due procedures.

Senior officials of mines and forest department had posted those loyal to them in the mining and geology department to encourage illegal mining by implementing their oral orders.

The mines department had issued more than 20 lakh transit permits to the OMC without visiting the mines in 2008, which enabled the company to show fake export accounts.

The CBI found that it was impossible to extract such huge quantities of iron ore from the small pits.

The Bureau has already named former industries and commerce department secretary Ms Y. Srilakshmi who is now family welfare commissioner and Mr V.D. Rajagopal, the former mines department director.

On June 18, 2007 the lease was granted to Obulapuram Mining Company and the same was hurriedly executed the next day.
Ficci questions on Chawla panel, Bills

Federation of Indian Chambers of Commerce and Industry on Monday raised several questions on the Ashok Chawla committee report on ‘Allocation of natural resources’ besides the draft MMDR Bill (Mines & Minerals Development & Regulation) and the Land Acquisition Bill. The industry body asked the government to implement the Chawla committee recommendations as soon as possible.
**Nalco’s rush to put an end to its smelter troubles**

The long search for an ideal site for building a new 500,000-tonne smelter by National Aluminium Company (Nalco) is a statement of the many hurdles to overcome to make good use of available natural resources in Orissa. The point not to be missed here is the experience of a company, 87.15 per cent owned by the government of India and claims to enjoy the confidence of the local Orissa administration. For any aluminium maker, Orissa, endowed as it is with rich bauxite (1.7 billion tonnes) and coal (62 billion tonnes) deposits, is the ideal centre to run a smelter. As for Nalco, it is deeply anchored in the state, with every part of its integrated operation from bauxite mining to aluminium smelting to value addition to the metal done there. Moreover, for the citizens of the state not having seen much industrialisation in spite of all the bauxite, Nalco retains their badge of honour.

It is, therefore, no surprise that even though the state government has denied permission to Nalco to build a smelter at Jharsuguda on environmental grounds, Chairman B. Bagra has not given up hopes on finding an alternative site within the state. Jharsuguda, according to an expert body, could accommodate 3 million tonnes of capacity without disturbing the environment. Ahead of Nalco, Vedanta, Hindalco and the proposed Dubal-L&T joint venture had pre-empted smelting capacity that Jharsuguda could support. Of the alternative sites for Nalco’s second smelter, surprisingly the most inviting is Sardarpur, being close to Ib Valley, where coal is available in plenty.

Bagra has made it a condition that wherever Nalco builds the smelter, preferably within Orissa, though a non-Orissa site is not ruled out, “it will have to have a captive coal mine. We are finding it to our cost, mines linkages, as we now have to Bharatpur and for our Angul smelter, don’t really work. Ideally, we should have a 500,000-tonne smelter. But the actual size will depend on what amount of water allocation we get from the state. Therefore, will not be any compromise on what has come to be accepted as the minimum economic price of a new smelter”. Incidentally, all the three new smelters of Hindalco will each have capacity of 360,000 tonnes. This could be taken as the cut-off point.

Not to speak of the monsoon when coal supplies from Bharatpur mine will go haywire, Nalco’s 1,200 MW power complex, the lifeline for the 660,000-tonne smelter in its proximity, has to make good round the year coal supply shortfall by resorting to e-auction procurement and imports. The disturbing feature of e-auction is that coal that is delivered will be at a big discount to the quality mentioned in bid document.

In fact, the Nalco experience is that in terms of calorific value, e-auction coal turns out to be three times more expensive than imported coal. All this boils down to coal linkage hurting Nalco in two ways: perennial supply shortfall from the designated mine and high fuel bill on e-auction purchases. A point not to be missed is that during 2010-11, power and fuel alone constituted 39 per cent of the company’s total expenditure.

A fact buried in history which the present management does not want to recall is that Bhutanpur with estimated deposits of 200 million tonnes was offered to the company as a captive source of fuel. But whatever magic might have been the considerations some 30 years ago, the company did not find the proposal exciting and instead settled for coal linkages. It is now paying the price of an act of omission in the past. The wheel will now, however, come full circle when in June next year, Nalco commissions a mine in Utkal E Block with an estimated reserve of 70 million tonnes. Coal from this mine will be used to support 240 MW capacity added to the power complex in the second phase of expansion across all Nalco facilities.

Commercial director Ansuman Das says Nalco as it continues the search for a suitable smelter site, it has the option to consider locating the plant close to a port in Orissa. The idea is to take advantage of running the smelter linked power complex with low ash imported coal. A good idea no doubt, especially in the context of the recent commissioning of Dhamra port. Pursuit of a smelter project in Indonesia has given Nalco a good exposure to that country’s coal industry. Bagra gave an assurance that he will step into the finalising of a “long-term supply arrangement” with two Indonesian coal mining firms for the proposed smelter’s captive power complex to ensure that the company is secure in the event of a coal shortfall.

It is no surprise that though the Orissa govt has denied nod to Nalco to build a plant at Jharsuguda, it has not given up hopes on finding a new site within the state.
Ficci for commercial mining of coal

BANGALORE, 10 OCT: The Federation of Indian Chambers of Commerce and Industry today urged the government to introduce commercial mining of coal along with a transparent market mechanism for allocation and utilization of natural resources.

According to Mr. Harsh Mariwala, Ficci president, the government should immediately implement the recommendations of Ashok Chawla Committee which has looked into the issue of allocation of natural resources in great detail, including a transparent mechanism.

For more effective rules and regulations, however, he told newsmen here, it was necessary for the government to look beyond the panel’s recommendations. He said it was imperative to introduce commercial mining in the coal sector through competitive bidding if only to ensure that India’s productivity increased substantially.
अधिग्रहण में पीछे नहीं हैं भारतीय कंपनियाँ

दीपक महत

दृष्टि व्यापार दूर, मंगास्फायर और नीरघंट मसलों पर पैनलों की चीनी रसायन से कोपर्टेट सेंटर गिना है। लोकतान्त्रिक अंतर्राष्ट्रीय बायार में विकास और अधिग्रहण के क्षेत्र में अपनों मित्रों का मुद्दा करने के माध्यमों में इसी राय समर्थन करता है।

पहली बायार में भी मार से हम और अधिग्रहण के मामलों में निर्मल देश जा रहा है। लोकतान्त्रिक अंतर्राष्ट्रीय व्यापार में निर्मल और अधिग्रहण में इसका हुआ है। निर्मल देश के दौरान भारतीय व्यवसायों के 28.4 अरब डॉलर के निर्मल और अधिग्रहण जोड़ दिए हैं। जबकि इस अवसर में भारतीय कंपनियों ने भारतीय बायार में 26.4 अरब डॉलर का ही अधिग्रहण किया।

टेलिकम, टेलिफोन और उड़ान सेक्टर सबसे आगे फिर से संकेत देता है। निर्मल सेक्टरों में कभी-कभी अधिग्रहण और विकास हुआ है जैसे हैं टेलिकम, नेटरा साइंसेंस और अक्से टेक्नोलॉजी। वर्ष 2010-11 की पासी बढ़ती भारत में होने वाले निर्मल और अधिग्रहण में टेलिकम सेक्टर 31.5 प्रतिशत की हिस्सेदारी के साथ शीर्ष पर था। इसके बाद मैत्री और उद्योग की हिस्सेदारी 24.0 फीसदी थी। अक्से सेक्टर की हिस्सेदारी 23.59 प्रतिशत और प्लांटबुड कुटुंबीय सेक्टर की 7.11 प्रतिशत हुई।

साबुदानी जयललिता वर्मा

भारतीय कंपनियों की बढ़ती महत्वपूर्ण कंपनियों की मुख्य कंपनियों को महंगे क्रेडिट उपलब्ध कराने के प्रयासों की दिशा में सम्भाला जा रहा है। निर्मल कंपनियों में पर्यावरण बायार में 20 और 30 सीटरों की हिस्सेदारी का प्रमुख भाग इंदिरा गांधी के साथ संबंधित नहीं है।

विवरण अधिग्रहण के पीछे की मात्रता और अधिग्रहण की कंपनियों को मुख्य कंपनियों की मुख्य कंपनियों को महंगे क्रेडिट उपलब्ध कराने के प्रयासों की दिशा में सम्भाला जा रहा है। उनके मुख्य कंपनियों में पर्यावरण बायार में 20 और 30 सीटरों की हिस्सेदारी का प्रमुख भाग इंदिरा गांधी के साथ संबंधित नहीं है।

बढ़ती हैं पूर्व अधिग्रहण

विवरण अधिग्रहण के पीछे की मात्रता और अधिग्रहण की कंपनियों को मुख्य कंपनियों को महंगे क्रेडिट उपलब्ध कराने के प्रयासों की दिशा में सम्भाला जा रहा है। उनके मुख्य कंपनियों में पर्यावरण बायार में 20 और 30 सीटरों की हिस्सेदारी का प्रमुख भाग इंदिरा गांधी के साथ संबंधित नहीं है।

सरकार के लंबे नीतियों की भूमिका

जल्द तक सन् 2011 तक भारतीय कंपनियों ने अंतर्राष्ट्रीय बायार में जो अधिग्रहण किया, ने विश्वास नहीं है। इसके पहले वर्ष प्रति हजार करोड़ अंतर्राष्ट्रीय बायार में 2006-2007 में जो अधिग्रहण किया है तथा वह नवीन बहुत और अंतर्राष्ट्रीय बायार पर वापसी करने के लिए भी मौलिक नया नियम रहने के लिए भी है। वह मध्य देश की सानरो धूलिकों के कारणों और चेहरे बदलने के लिए भी है।

भिडियो सेक्टर में साफ-सफाई और स्वच्छता के लिए काम नहीं है। भिडियो सेक्टर में साफ-सफाई और स्वच्छता के लिए काम नहीं है। भिडियो सेक्टर की भूमिका के लिए काम नहीं है।
MINT, Delhi
Tuesday, 11th October 2011, Page: 6
Width: 29.55 cms Height: 42.76 cms, Ref: pmin.2011-10-11.10.55.21

At least 12 villages in the area have been hit by illegal mining, not to mention the toll on flora and fauna

BY ARSHANA TIRUGNAGARAJAN
RANCHI BUREAU
LEHRA (JAMMU)

From a distance, the sand dunes of Sandur make the bare ground look like a barren wasteland, but closer inspection reveals the contrast between barren land and lush vegetation. The sand dunes are a result of the sand that has been blown out of the hills, creating a barren landscape. The area is home to wildlife and vegetation, and the mining activities have caused significant damage to the environment.

The villagers have reported that the mining activities have started without the necessary permits, and there is no effective law enforcement in the area. The mining activities have also led to the destruction of numerous water bodies in the area, including the Sandur Lake and other small ponds. The villagers have also reported that the mining activities have caused the destruction of the nearby forests and the habitat of several species of birds and animals. The mining activities have also led to the death of several people, including children, who were playing near the mining sites.

The Sandur Hills are a unique and valuable resource, and the villagers have requested the government to take immediate action to stop the mining activities and restore the area to its original state. The government has promised to take action, but the villagers are concerned that the mining activities will continue unless effective measures are taken to prevent them.

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MINT, Delhi
Tuesday, 11th October 2011, Page: 16

Vedanta metal output rises; prices hold key to performance

Metal stocks have been battered by the steep fall in commodity prices and Vedanta Resources Plc’s listed firms in India are no exception. The group announced production numbers for the September quarter, showing a mixed trend in output growth.

Though investor attention is tuned to bearish price trends, growth in output may become a saviour for metal companies in such a phase.

Prices of non-ferrous metals have recovered a bit last week, but it’s too soon to say the trend has reversed.

During the September quarter, Sterlite Industries (India) Ltd, the group’s flagship, saw copper cathode output rise 18% from a year ago and 28% from the preceding quarter. Output in the June quarter had been affected by the quality of concentrate processed and lower capacity utilization. Its Indian copper business will be unaffected by falling prices on the London Metal Exchange (LME), as it runs a custom smelting operation. Profitability depends on treatment and refining charges. Higher output, stable trends in these charges and revenue from by-products should see the copper business deliver a good performance, though rising operating costs could take some sheen off from it.

Sterlite’s aluminium business (Bharat Aluminium Co. Ltd) continues to disappoint, with output down by 1.6% from a year ago and by 7.7% from the preceding quarter. The company has said higher coal prices have affected business’ costs.

Hindustan Zinc Ltd’s refined zinc output fell by about 4% from the preceding quarter, while lead output was up by 6.3% and silver by 5.3%. Silver will continue to be a key contributor to this business’ growth.

Sterlite Energy Ltd, also a subsidiary of Sterlite, has seen power output rise by 11% on a sequential basis, but the company said it has got lower tariffs for power sold in the first half of the fiscal. Lower tariffs and higher coal prices are likely to affect its power business profits during the quarter.

Sesa Goa Ltd’s investors will want to know the firm’s plans to tackle the drop in its output because of the Karnataka iron ore mining ban. Iron ore output from its own mines fell 54% during the quarter. The effect on its financial performance will become visible from the December quarter.

In the September quarter, it has sold down inventories, and sales from its own mines are 13% higher from a year ago. But the firm had exited a third-party mining operation in November, which will see reported sales volume decline.

Volatility in metal prices, rising input costs and flagging production in some of Vedanta’s units will remain chief concerns for investors. On the positive side, capacity expansion plans at a few of its business units will start operations in the second half, resulting in higher output, but the full impact will be visible in 2012-13. A few projects have been delayed, with start-up postponed from the second to the third quarter.

Further delays may worry investors. In the next few quarters, investors will watch LME prices (except for copper) to see how the Vedanta group companies perform. If the trend remains downward, so will sentiment.

RAVI ANANTHANARAYANAN
Rio Tinto may Get Licence to Mine Diamonds in MP

MEERA MOHANTY
NEW DELHI

Rio Tinto, the world’s second-largest mining group, is close to getting a licence to mine a diamond find in Madhya Pradesh. This could make the state one of the top producers of the precious stone in the world.

The Centre is waiting for a final nod from Bhopal before it signs on the Bunder diamond mining lease for Rio Tinto, said a government official.

The Bunder project will be Rio Tinto’s first operating mine in India and the only new diamond mining project in the country in nearly 50 years. “A mining lease is the next critical milestone in the development of Rio Tinto’s most advanced diamond project worldwide,” said Nik Senapati, managing director of the Anglo-Australian company’s Indian unit.

Rio has been prospecting for diamonds across India since the mid 1990s. A change in the name ACC Rio Tinto, under which it initially applied for a licence to Rio Tinto Exploration India, has been cleared by the law ministry. The Centre is now waiting for the state, which has already recommended the license, to verify the same. The Bunder project comprises a cluster of eight champagne-glass-shaped volcanic rocks. Rio Tinto claims early studies have identified an inferred resource of 27.4 million carats. This makes the deposit seven times richer than National Mineral Development Corporation’s Majhgawan mines, 170 km away in Panna.

“The Bunder Project will be a significant source of supply in an industry where there have been no other significant discoveries in the last decade,” said Senapati. Some of the world’s richest mines are to be found in Canada, Botswana and Western Australia.
‘Iron ore exports from Goa set to fall’

Dow Jones
New Delhi, Oct. 10
Iron ore exports from Goa will fall this financial year as the government in the province has imposed curbs on sales from old stocks of the raw material, a senior industry executive said on Monday.

“That will affect the exports,” Mr S. Sridhar, Executive Director of the Goa Mineral Ore Exporters’ Association, told Dow Jones Newswires, without giving any projection on the fall in shipments.

Goa accounted for around 54 million tonnes out of the 97.64 million tonnes iron ore India exported in the fiscal year ended, March 31. Sales from old stocks, or dumps, were suspended two weeks ago to prevent illegal mining in the State.

Another industry official, who didn’t want to be named, said exports from Goa could fall 40-59 per cent because of curbs. Lower exports from the state will deepen an expected slump in exports from India, after the Supreme Court imposed a ban. Shipments from India are expected to fall nearly 25 per cent to around 75 million tonnes in 2011-12, according to the Federation of Indian Mineral Industries.

Iron ore exports from Goa have resumed post the June-September monsoon season, when ports remain closed in the coastal state. But, shipment volumes are low and demand from the main buyer, China, is weak, Mr Sridhar said.

Almost the entire quantity of iron ore mined in Goa is low-grade and is shipped out as domestic steel mills don’t have the capacity to utilise low-grade ore.

SUICIDE THREAT
IANS adds from Panaji:
Fearing a blanket ban on mining in Goa, a truckers association representing nearly 20,000 trucks engaged in mining activity in the State warned that they would be forced to commit suicide if illegal mining was stopped.

“We are against illegal mining. But if legal mining is stopped, we will be forced to commit suicide like farmers in Maharashtra,” said Mr Govind Sawant, spokesperson for the Dharbandora Truck Owners Association.
DC CORRESPONDENT
HYDERABAD, OCT. 9

Mines Department has granted licenses at their will violating the rules in the state that favoured the mining mafia.

The officials granted Mining License to OMC, though as per the rules of MMDR Act, only prospecting license should be granted in mining virgin areas.

It was alleged that the then Industries and Commerce Department secretary Y. Srilakshmi sat on a file of one of the applicants for 50 days in 2006 for a simple query.

One of the applicants, C. Sashi Kumar who turned out to be the key witness in the case said, “I have applied for prospecting license and mining officials initially recommended my case for eligibility in 309 hectares and there is another file where 359 hectares eligibility was recommended,” he said.

“Is one application IAS official Srilakshmi said SJK steel corporation is the sole applicant and granted license on November 9 2006, regarding the survey number 1 & 2 of Malanagudi Siddapuram and in another file, regarding my recommendation on December 5 in 2006, she said when there are other applicants why I should be favoured. She herself admitted that I am also an applicant in the case,” Mr. Shashi Kumar said.
Uncertainty over Euro zone growth drags copper

Reuters
London, Oct. 10
Copper slipped on Monday, prompted by uncertainty about the economic health of the Euro zone even as European policymakers promised to announce new measures to tackle the region's debt crisis, but falls were limited by a weak dollar.

Benchmark copper on the London Metal Exchange (LME) traded at $7,546.50 a tonne in official rings, down from Friday's close of $7,575 a tonne.

STOCKS DROP
With the Chinese market reopening after a week-long holiday, analysts expect to see a pick-up in Chinese buying but cautioned that it was too soon to tell whether Chinese demand for the metal was starting to improve.

Latest data showed copper stocks in LME-registered warehouses dropped 4,575 tonnes, with large amounts leaving warehouses in South Korea. Aluminium slipped to $2,221 a tonne in official rings, down from a close of $2,228 a tonne on Friday. Lead was untraded in official rings, but bid at $1,956 a tonne. It closed at $1,944 on Friday. Data showed lead stocks in LME warehouses rose by 1,600 tonnes to a fresh record high of 382,000 tonnes. Zinc traded at $1,920 a tonne, unchanged from Friday's close, while tin rose to $23,030 from $22,900. Nickel traded at $18,900 a tonne from $18,910 on Friday.
Bureaucrats named in mining scam

Press Trust of India
Hyderabad, Oct. 10

The CBI has named a former bureaucrat and an IAS officer as accused in the Obulapuram Mining Company scam. Former Andhra Pradesh Mines and Geology director, Mr V.D. Rajagopal, and senior IAS officer, Ms Y Srilakshmi, were added to the list of accused yesterday after probe indicated their alleged role in the illegal mining. CBI officials said today.

The duo was charged under relevant sections of IPC for criminal conspiracy and violation of the Mines Minerals Development and Regulation Act.

The CBI, probing alleged illegal mining and irregularities in allotment of mining leases to OMC, on September 5 had arrested former Karnataka tourism minister and the company owner, Mr Gali Janardhana Reddy and the firm's managing director, Mr B.V. Srinivas Reddy from Bellary.
FICCI plea to govt

Our Bureau
Bangalore, Oct. 10

The Federation of Indian Chambers of Commerce and Industry (FICCI) has said that the Government should put in place transparent market-based mechanisms in the allocation and utilisation of natural resources.

"This can be done through a competitive and transparent bidding system," said Mr Harsh Mariwala, President, FICCI.

"The Government should immediately implement the recommendations of Ashok Chawla's Committee Report which has looked into the issue of allocation of natural resources," he said at a press conference on allocation of natural resources.

India's coal imports have risen substantially in the last three years, causing heavy outflow of foreign exchange.

The country's imports have increased from 59 million tonnes in 2008-09 to 89 million tonnes in 2010-11.

The country's imported coal is now worth Rs 37,000 crore.

"Substantial reliance on coal imports is unsustainable. Current productivity in coal mining in India is one tenth of the US, which is the second largest producer of coal," Mr Mariwala said.

Referring to the impact of mining ban in Karnataka, he said, "An open, transparent, market-based mechanism could have avoided such a situation."