Orissa opposes Centre, bats for Vedanta project

Sandeep Mishra

Bhubaneswar: The Orissa government on Tuesday moved the Supreme Court challenging the Centre's decision to disallow bauxite mining in the Niyamgiri Hills for Vedanta's Rs 5,000-crore alumina refinery at Lanjigarh.

The state government's move came six months after Union environment minister Jairam Ramesh last year withdrew the permission to Orissa Mining Corporation (OMC) to mine the eco-sensitive Niyamgiri Hills, home to the primitive Dongaria Kondh tribals. Orissa steel and mines minister Raghunath Mohanty told TOI on Tuesday OMC had moved SC on mining the Niyamgiri Hills. He refused to divulge details.

Sources said the state government had challenged the Centre's decision to re-examine issues the Supreme Court had earlier dealt with and settled.

The SC in August 2008 gave the green signal to mine Niyamgiri through an OMC-Sterlite Industries joint venture. Sterlite is a Vedanta group arm. But the Centre, after taking advice from the attorney-general, deputed two committees to study forest law violations and decided not to allow mining. Officials said the state government had three options: To obey the Union government order; to approach the Centre seeking review of the decision or move SC against the environment ministry directive. If Orissa accepts the central order, it has to provide 150 million tonne of bauxite to Vedanta in tune with its MoU signed in 2004. Orissa moved SC seeking relief, like it has done in the Posco and Polavaram cases, an officer said.

Earlier, an Anil Agarwal-led Vedanta Aluminium Limited moved Orissa high court, seeking quashing of the Centre's decision stalling expansion of its refinery and captive plant at Lanjigarh.
Rio sweetens Riversdale bid

OUR SPECIAL CORRESPONDENT

Calcutta, March 10: Rio Tinto has increased its bid price for Australian coal miner Riversdale, where India’s Tata Steel is the single largest shareholder, after seeing a lukewarm response to its initial offer.

The global major will now offer Aus $16.50 compared with Aus $16 per share to gain control of the company.

Rio also freed the proposal from all conditions except a minimum subscription of 50 per cent and extended the offer period to April 1.

However, it ruled out the possibility of raising the price again unless a competing bid emerges.

Rio has managed to garner only 17.52 per cent stake but there is hardly any reaction from the two major shareholders—Tata Steel and Brazil’s CSN.

CSN and the Tatas together hold 47.12 per cent in Riversdale, which has world-class coking coal mines in Mozambique in Africa.

The Rio move comes close on the heels of Tata Steel raising its holding in Riversdale to 27.33 per cent. CSN has also jacked up its stake in the Australian firm to 19.9 per cent.

In its address to the shareholders of the Aussie miner through the Australian Securities Exchange today, Rio talked tough by sending feelers to Tata and CSN that their worth in Riversdale, both in stock value as well as net assets (coal), might slide without Rio.

“The increase in the offer price from Aus $16 to Aus $16.50 gives Riversdale shareholders a highly attractive premium and now is the time for them to accept our recommended bid,” Rio Tinto Energy chief executive Doug Ritchie said.

“There has been no sign of a competing proposal in the 11 weeks since the bid was announced. The choice for Riversdale is clear — accept the Aus $16 or Aus $16.50 on offer or risk seeing their share price return to pre-bid levels. There is no question that Rio Tinto’s expertise is crucial to overcome the development challenges of Riversdale’s projects,” he said.
SC raps panel for illegal mining in the Aravalis

New Delhi: The Supreme Court's environment bench, comprising Chief Justice S H Kapadia and justices Aftab Alam and K S Radhakrishnan, reacted sharply on Friday to TOI's story on illegal mining in the Aravallis in Faridabad.

"What is this going on despite SC orders?" the bench asked, drawing the attention of the central empowered committee (CEC), the court-appointed environment watchdog. CEC promised to look into the report and get back to the court. The comments came during the hearing on a petition filed by Shella Village Action Committee, questioning the environmental clearances given to Lafarge for limestone mining in Meghalaya.

TOI had reported how truck and tractor loads of stones continue to be removed from Faridabad, Gurgaon and Mewat, two years ago.

The court had said that no mining was to be allowed in these areas till Haryana government evolved an environment management plan.

Incidentally, the old, closed mines still have piles of unused stones. Locals say even if there is no blasting, mining with mobile equipment does happen on the sly. TOI found signs of fresh earthmover activities at Dhauj, and an enormous pit from which sand-like material was being scooped out and ferried in tractors from Alampur.

Locals say the Dhauj crusher zone, which continues to function and is officially fed by stones from Rajasthan, is the key to flourishing illegal mining activities in Faridabad.

Haryana environment authorities feigned ignorance of the activities in the area. The secretary said that he would look into the matter. The degradation is so blatant that even the ditches, which had been dug up at entrances of the closed mines, have since been filled up and tractors full of stones freely ply through the mines.
SC orders stoppage of work in eight Karnataka mines

New Delhi: Mining in Karnataka appears to be a jinxed business.

After alleged violation of environment rules by mining companies owned by the Reddy brothers turned into a raging battle between governor H R Bharadwaj and the BJD government headed by B S Yeddyurappa, an ancient temple in Bellary has now led to stoppage of mining in eight mines.

A Supreme Court bench comprising Justices G S Singhvi and A K Ganguly stayed work in eight mines in Bellary district's Hospet town as a petition filed by one A Guruprasad Rao alleged that digging endangered the ancient Jambu Nageshwar temple.

The bench had asked Archaeological Survey of India (ASI) to inspect the area and give a report.
New Delhi: The country’s industrial output slowed to 3.7% in January, dragged down by sluggish manufacturing sector and a sharp decline in capital goods.

The January data was an improvement on the revised 2.5% growth the sector posted in December and higher than market expectations. Industrial output has slowed in recent months and analysts say the impact of seven interest rate increases by the Reserve Bank of India (RBI) was visible. But economists expect industrial output to gather some pace in the months ahead as the statistical high base effect wears off. Industrial output in January 2011 stood at 16.8%.

“While we are unlikely to get a double-digit industrial production growth anytime soon, it is not unreasonable to expect industrial production growth to return to its growth level of 8-8.5% in the second quarter of 2011, in our view,” Deutsche Bank said in a note.

The mining sector rose 1.6% in January compared to 15.3% in the same month last year, while the key manufacturing sector expanded 3.3%. Manufacturing sector growth in January 2010 stood at 17.9%.

Policymakers expressed concern over the sluggish industrial growth. FM Pranab Mukherjee said he was unhappy with the numbers despite the fact that the average growth was 8.3% in the first ten months. The electricity sector rose 10.5% this January compared to 6.6% in January 2010. Industrial output growth in the April-January period stood at 8.3%. But the performance of the capital goods sector remains a key concern. Capital goods fell 18.6%.
धीमा पड़ा उद्योगों का चक्का

नई दिल्ली (एजेंसिया)। उद्योगों की ओर से सकार को महात्मा इंद्राजी लगा है। विनिर्माण और उत्पादन क्षेत्र में उत्पादन वृद्धि से पहले के चार वर्षों में देश की आर्थिक वृद्धि के महत्व 3.7 फीसद पर आ गई। जीते यह तीसरा महीना में यह 16.8 फीसद थी। इस आंकों को देखकर हुए चित्तर का इस रूप से प्रभाव बढ़ा जाने की दिशा में इस मह ऐक्टिवियों ने बाली प्रभावी संकेत में कोई कठिन कदम उठाने की संभावना लगभग है।

चौथे जनवरी, 2011 में विनिर्माण क्षेत्र दिसंबर, 2010 से बेहतर हो रही है। दिसंबर में आर्थिक उत्पादन सुधार की वृद्धि दर 16.9 फीसद थी जो वांछित भाग में संशोधित कर 2.53 फीसद कर दी गई। लंबी अंडर के अनुसार विनिर्माण (काराबाज़ा) क्षेत्र, वित्तसंबंधी विनिर्माण तथा उपभोक्ता बाजार दोनों की वृद्धि की वापसी से यह लगभग हुआ है। जनवरी में विनिर्माण क्षेत्र की वृद्धि दर एक साल पहले के 17.9 फीसद की तुलना में केवल 3.3 फीसद रह गई। चार वित्त के पहले 10 महीने में अगस्त-जनवरी 2010-11 में उत्पादन वृद्धि दर एक साल पहले इसी अवधि के 9.5 फीसद की तुलना में 8.3 फीसद रही। इससे विनिर्माण क्षेत्र के अलावा विकली और खाने के क्षेत्र का उत्पादन सुधारक भी शांतिम खिल जाता है। योजना आयोग के उपाध्यक्ष मोदी सिंह आर्थिकियों ने कहा, 'जनवरी के लिए विनिर्माण वृद्धि की तुलना में वृद्धि अच्छी है, लेकिन यह उसकी बेहतर नहीं है जिसकी हमें चाहिए। आर्थिक क्षेत्र में दे-वीन महीने से नीति रहा कमजोर रुप से विद्युत का लक्ष्य है। बिजनेसों के मानने की जानकारी के लिए एक रिपोर्ट प्रदान के मार्ग पर है।' वित्तसंबंधी का मानना है कि आईआईटी में गहराई को देखते हुए रिपोर्ट बंदी संंघ का समकालीन रूप में क्षेत्रीय न बने। इस बार जनवरी में पुनर्गठित मामले के बारे में उद्योग का उत्पादन एक सतह पहले की तुलना में 18.6 फीसद की बढ़ती गिरावट में रही। जनवरी 2010 में इस वृद्धि 57.9 प्रतिशत थी और उत्पादन का भारी को कम कर दिया गया था। इसे दीर्घ गरीबी रूप से प्रभावित बनाने वाली इकाइयों की उपयोग वृद्धि सुधार लेने 6.9 फीसद रही।
Industrial output grows 3.7%, but capital goods see sharp fall

ENS ECONOMIC BUREAU
NEW DELHI: MARCH 11

INDUSTRIAL output for January grew at a lower rate of 3.7 per cent, mainly due to poor performance by the manufacturing and mining sectors, raising concerns that further monetary tightening to rein in inflation will exacerbate liquidity conditions and make fund availability for the industry that much more difficult. In January last year, the industrial output, as measured by the index of industrial production (IIP), jumped 16.6 per cent.

What has worried experts most, however, is the sharp 18.6 per cent contraction in the capital goods sector. This is the second consecutive month that the sector has seen a drop. In December, the sector witnessed a negative growth of 13.7 per cent.

"This is a worrying sign as it may imply that the sector is suffering from strong capacity constraints," said Rajiv Kumar, Director General, FICCI.

"This indicates some slowdown in investment demand," added Chandrakant Banerjee of CII.

According to data released today by the Ministry of Statistics and Planning Implementation, the manufacturing sector, which accounts for almost four-fifth of the total output, grew a meagre 3.3 per cent in January as against 17.9 per cent in January 2010.

Mining output grew just 1.6 per cent compared to 15.5 per cent in the same period last year. Electricity production, that has a 10 per cent weight in the total output, grew a robust 10.5 per cent as against 5.6 per cent during the corresponding period a year ago.

"The IIP numbers show that growth bottomed out in December last year and is likely to accelerate as the impact of very high growth rates in the previous year wears out. Currently, there is a negative base effect, which is reflecting poorly on the number," said Chandrakant Banerjee, director general of CII.
FDI in mining sector up

THE MINING sector has received foreign direct investment (FDI) worth $728.77 million between April, 2007, and December last year, the mines minister, Mr Dinsah Patel, informed the Lok Sabha on Friday. The inflows of FDI were the highest in 2007-08, at $444.26 million, and in the last fiscal, touched $174.4 million. FDI inflows were the lowest in 2008-09 at 34.2 million. The mining sector received $75.90 million in FDI till the end of December of the current fiscal, Mr Patel said. During the April-December period of the current fiscal, Bengaluru received the highest FDI of 31.75 million, followed by Mumbai, at $28.28 million.
औद्योगिक वृद्धि दर घट कर 3.7 फीसद हुई

वर्तमान में वृद्धि की दर अधिक है। वित्त वर्ष के पहले हर महीने में डाए जा रही आर्थिक वृद्धि की दर अप्रैल में जनवरी (2010-11) में औद्योगिक उत्पादन के लिए औद्योगिक वृद्धि दर एक साल पहले 3.7 फीसद थी। इसके बाद से इस दर की दर में घटना हुआ है। जनवरी, 2011 में औद्योगिक वृद्धि घट गई, 3.7 फीसद से 2.52 फीसद तक निकली। इस वर्ष के उत्पादन की दर में घटना हुआ है।

जनवरी में वित्त वर्ष की तुलना में नवंबर में केवल 3.3 फीसद घट गई। बाद में वित्त वर्ष के पहले हर महीने में डाए जा रही आर्थिक वृद्धि की दर अप्रैल में जनवरी (2010-11) में औद्योगिक उत्पादन के लिए औद्योगिक वृद्धि दर एक साल पहले 3.7 फीसद थी। इसके बाद से इस दर की दर में घटना हुआ है। जनवरी, 2011 में औद्योगिक वृद्धि घट गई, 3.7 फीसद से 2.52 फीसद तक निकली। इस वर्ष के उत्पादन की दर में घटना हुआ है।

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Minal to issue bonus shares

Mining and engineering firm Minal Industries on Friday said it had decided to issue two bonus shares for each three held by the existing shareholders. Though the bonus issue was decided in July 2010, it could not materialise as the procedure was not completed within two months from the date of declaration of bonus shares, Minal Industries said in a filing with the BSE.

PTI
25 categories to qualify as infrastructure

BS REPORTER
New Delhi, 11 March

Around 25 categories will qualify as infrastructure, according to a new definition being planned by the government to clear the mess over what constitutes this sector.

A harmonised list of infrastructure will shortly be sent to the Committee of Secretaries. Those items that qualify for criteria like non-tradeable and yield external benefits will come under the sector, which is being incentivised in various ways to remove bottlenecks in this key area.

The list will then be sent to the Cabinet Committee on Infrastructure for approval. The whole process of having a uniform criteria for infrastructure will take around three months.

As such, while oil and gas may not qualify as infrastructure since they are tradeable, pipes carrying them will certainly come under the sector, a key government official told Business Standard.

Categories like road will naturally come under infrastructure since they provide external benefits to people living around it, he added.

Currently, there are various definitions of infrastructure, which create problems, particularly in the wake of infrastructure debt scheme, being prepared by the government and various other incentives. Reserve Bank of India (RBI) itself has various definitions for infrastructure. For the purpose of external commercial borrowings (ECB), it defines infrastructure to include power, telecommunication, railways, road, sea port and airport, industrial parks, urban infrastructure (water supply, sanitation and sewage projects), mining, exploration and refining and cold storage.

While the nodal agency for what constitutes infrastructure or not will be the department of economic affairs in the finance ministry, for purposes like ECB, RBI will be allowed to have its definition on infrastructure.

Earlier, the Rangarajan Commission had indicated six characteristics of infrastructure sectors like natural monopoly, high sunk costs, non-tradability of output, non-rivalness (up to congestion limits) in consumption, possibility of price exclusion, and bestowing externalities on society.

Based on these criteria, it suggested infrastructure to include railway tracks, signalling system, stations, roads, transmission and distribution of electricity, telephone lines, pipelines for water, crude oil, etc.

Income Tax Department, for the purpose of tax concessions, defines infrastructure as electricity, water supply, sewerage, telecom, roads and bridges, ports, airports, railways, irrigation, storage, special economic zones, etc.
Industrial growth edges up to 3.7%  

By S.P.S. Pannu in New Delhi

INDIA’S industrial production clocked a growth rate of 3.7 per cent in January, which is higher than the previous two months but lower than the average of the first half of the current financial year, official figures released on Friday showed.

Industrial output for December was also revised upwards to 2.5 per cent from 1.6 per cent announced earlier.

The industrial growth rate for the first 10 months of the current fiscal now works out to 8.3 per cent.

“The Index of Industrial Production (IIP) has come down. The average is now 8.3 per cent for the first 10 months. It is better. But I am still not happy,” Finance minister Pranab Mukherjee said.

Planning Commission deputy chairman Montek Singh Ahluwalia said, “IIP growth rate for January is a little bit higher than December but it is still not as good as it should be. Overall, IIP for the last two to three months is a matter of concern.”

There is also a cause for worry as the capital goods output, which includes machinery used to produce goods and is an indicator of the amount of investment taking place in the economy, contracted by 18.6 per cent.

This could have a cascading effect on industrial output in the coming months.

However, on the positive side, the筑s of consumer durables such as refrigerators, TVs and mobile phones has gone up by 23.3 per cent while that of consumer non-durables such as soaps and cosmetics is up 6.9 per cent. The higher consumer spending reflect a buoyant demand in the economy.

However, India Inc is worried that if the Reserve Bank of India (RBI) increases the interest rates to control inflation this could dampen demand and choke growth as consumers would not be able to afford loans to buy goods.

Director general of the Federation of Indian Chambers of Commerce and Industry (Ficci) Rajiv Kumar said, “The growth of the manufacturing sector is moderating. The performance of the capital goods sector is of particular concern as it has witnessed negative growth for the second consecutive month. The rising cost of capital may be responsible for this slowdown in investments.”

This perhaps reflects that manufacturing capacity expansion may not be feasible in the light of rising cost of borrowing and increased competition within domestic market from imports, he added.

With crude oil prices skyrocketing to a two-and-a-half-year high in the wake of the unrest in the Arab world and international prices of commodities, such as coking coal, shooting up, there seems to be more turbulent weather ahead for the economy.

Headline inflation in January was at 8.23 per cent, well above RBI’s perceived comfort zone of four to five per cent. Clearly, the central bank will have to do a delicate balancing act to keep the growth story going.

On his part, finance minister Pranab Mukherjee exuded confidence that the economy would return to nine per cent growth in 2011-12.

“We can and we shall achieve nine per cent GDP growth,” he said while replying to the debate on the general Budget in Lok Sabha.

“In the year which is coming to an end, the GDP (gross domestic product) growth is 8.6 per cent. And, therefore, if I project that my GDP growth will be nine per cent next year, the figure is credible,” he explained.
ETFs are good options for patient investors

EXCHANGE Traded Funds or ETFs as they are popularly known were among the few fund products that witnessed asset under management (AUM) growth through most of the calendar year 2010. In comparison, most of the traditional equity and even some debt schemes were witness to heavy redemptions during the same period.

Although ETFs are not yet as popular in India vis-à-vis the developed markets of the West, they are certainly gaining popularity and acceptance. This is evident from the fact that there has been an increase of 80 per cent in the AUM of ETFs over the past one year.

However, closer scrutiny of ETF growth statistics reveals that the primary reason for the increasing popularity of ETFs can be attributed to the surge in popularity of Gold ETFs. These ETFs allow investors to invest in gold on account of its affordability, lowers transaction costs and ease of handling.

Gold ETFs have now become a very popular product in the market ever since the 2008 global financial crisis. It was in 2008 when investors turned to investing in gold having realised its safe haven status. Importantly, gold also acts as a hedge against inflation and given India's burgeoning inflation rate, it has led to significant popularity in Gold ETFs. Furthermore, increasing awareness of ETFs and their cost efficiency seem to have buoyed AMCs to launch new ETFs in the market.

A noteworthy feature of ETFs is that they are passively managed funds. This is because they are based on the basic premise that it is not possible to consistently outperform the markets. On the other hand, actively managed funds follow an approach based on the belief that at all points in time it is possible to generate alpha returns (returns in excess of the market) as multiple opportunities are thrown open by the markets.

As mentioned earlier, ETFs are cost efficient simply because they are not actively managed funds that involve transacting frequently, which in turn also escalates transaction and management expenses.

Typically, the expense ratio for an actively managed fund is in the range of two to 2.25 per cent, while for passively managed funds it stands between 0.8 to one per cent on an average.

To trade in ETFs investors must have a demat account

However, as these (ETFs) can be bought and sold, real time at the bourses through a broker the investor will have to pay some brokerage, which too, in any case, works out to much lesser than any other mutual fund scheme.

ETFs also do not have to pay distributors by charging heavy loads on investors which was what the Securities and Exchange Board of India (Sebi) had cracked its whip down on in August 2009 when it banned entry loads.

Liquidity is yet another important aspect, which must be considered while investing. Although, mutual fund schemes can now be traded on the exchanges, they are highly illiquid as compared to ETFs which are normally traded through the broker on a platform that offers much better liquidity.

However, to be able to trade in ETFs it is mandatory for an investor to have a demat account with a broker as against MF schemes which can be bought or sold through a distributor or directly through the fund house.

So, ETFs as an investment tool is suitable for investors with a longer time horizon and also for those who would like to participate in equities, without its attendant excitation of under or outperformance of their fund manager.

(Ashok Kumar is promoter, theIPOguru.com & director, Lotus Knowledge)
औद्योगिक उत्पादन जनवरी में 3.7% बढ़ा

उद्योग के दौरान उद्योग का व्यापार जोधार है, लेकिन आर्थिक विश्लेषक प्रमुख दर में संबंधित व्यापार से पहले उद्योग जनता के निवेश में कमी के माध्यम से आर्थिक वृद्धि दर के अनुमान में लोहे करने पर मजबूर हो सकते हैं। अर्थशास्त्रियों का मत मानता है कि आईआईटी आयात औद्योगिक उत्पादन दर कम रहने के बजाए पसंद है। फिर से साल जनवरी में औद्योगिक उत्पादन वृद्धि दर 16.8 प्रतिशत थी। औद्योगिक उत्पादन दर में कम रहने की मुख्य मैनुफैक्चरिंग सेक्टर का अभाव सबसे हुआ।

रेडिंग पृष्ठ के मुख्य अर्थशास्त्री मदन सैमन्थरस के मुद्धाजी, 'यह देश तो सफल है कि उद्योग जनता की सिफारिश अच्छी नहीं है। चाहे विश्व के दौरान मैनफैक्चरिंग उत्पादन में 8.6 प्रतिशत वृद्धि का जो अनुमान सत्य से लिया गया है, उसका हासिल होना मुश्किल लग रहा है।' जनवरी में मैनुफैक्चरिंग सेक्टर की शेर रेट 3.3 प्रतिशत रही है, जबकि फिर से साल इसी महीने में यह 17.9 प्रतिशत थी। अर्थशास्त्रियों का कहना है कि चाहे विश्व में 7 बार आधुनिक दर में जल्दी के अवघड इकाई मैनफैक्चरिंग उत्पादन में वृद्धि होना उपकार रह सकता है।

जनवरी में अच्छी बात यह है कि इस महीने ग्रीष्म के मदन से मैनफैक्चरिंग उत्पादन में 10.5 प्रतिशत की वृद्धि है, लेकिन माहंगा उत्पादन में 1.6 प्रतिशत की वृद्धि दर से निरंतर हार लगी है। फिर भी अनुकूलक बात यह है कि के बीते में गैर के उत्पादन बढ़ने से माहंगा उत्पादन दर तेज हो सकती है।

इसके अलावा, आईआईटी में सभी नया उत्तर-विवेक बाली मैनफैक्चरिंग सेक्टर का उत्पादन दर में 18.6 प्रतिशत की गिफ्ट आई है।
Riversdale may go for $2-b debt sale if Rio Tinto takeover fails

March 11

Riversdale Mining, the subject of a takeover bid from Rio Tinto Group, plans to sell $2 billion of bonds to US investors to fund two coal projects in Africa should shareholder opposition cause the offer to fail. “We have been looking at the bond market for the past 18 months and there’s strong demand,” Mr Michael O’Keeffe, Chairman and CEO, said in an interview. “If Rio falls away, I would suggest we would go straight to the bond market.” Rio raised its bid on Thursday to $3.9 billion as stock purchases by Riversdale’s two biggest shareholders threaten to scuttle the deal. – Bloomberg
Mining in Khasi hill not in breach of rules, Lafarge tells Apex Court

Press Trust of India
New Delhi, March 11

French cement major Lafarge today pleaded before the Supreme Court that it did not breach any rules while mining in Khasi hill region in Meghalaya without getting proper approvals as the land was not identified as forest land at the time of allotment.

Senior advocate Mr Fali S Nariman, who was appearing for Lafarge, submitted before a special three-judge forest bench headed by the Chief Justice Mr S.H. Kapadia that the land allotted to them for the limestone mines was not identified as forest land and forest clearance was not mandatory.

“We have not identified this land as forest land, prior to approval. How can it be (forest), when there was no prior determination,” said Mr Nariman in his defence of Lafarge.

He further stated that even if there was forest, “at no stage, the Ministry of Environment & Forests (MoEF) and the Government of India tried to check it”.

Mr Nariman also rejected the argument for the existence of a forest based on number of trees in the mining site and said that there were “conflicting reports” over it.

“At the most, the case can be a change of opinion by MoEF for holding an area which was earlier held to be a non-forest area,” he said.

Meanwhile, Attorney-General Mr Goolam E. Vahanvati appearing for the government and MoEF submitted that the government had given clearance to Lafarge, based on reports sent by the Meghalaya state government and Khasi Hills Autonomous District Council that said there was no forest on the site.

He said that the environmental clearance given to Lafarge in August 9, 2001 was based on a report submitted by the Khasi Hill Autonomous District Council that there was no forest and plantation in the area.

The apex court was hearing the plea over the revised environmental clearance given to Lafarge.

The MoEF had given revised environmental clearance to Lafarge last April on the directions of the Supreme Court after finding the mining project in the forest land.

People of Shella village, which is near the mining site, are opposing the revised clearance given by the MoEF. Lafarge is defending its case on the basis of a report by the Divisional Forest Officer, given on June 30, 2000, stating that it was a waste land and there was no forest there.
Rio Tinto makes take-it-or-leave-it offer for Riversdale

Offers 50 pence a share more — only if it gets 50% stake

**Promit Mukherjee**

As a last-ditch effort to woo investors and shareholders of Riversdale Mining Ltd in which Tata Steel holds the largest stake, Australian mining major Rio Tinto has raised its offer price for the Africa-focused mining company to $16.50 per share from $16 per share.

However, the offer comes with a rider. Rio Tinto will offer $16.50 a share only if it succeeds in acquiring 50% holding in the company by March 23. Or else, the offer price would remain $16 a share.

“There has been no sign of a competing proposal in the 11 weeks since the bid was announced. The choice for Riversdale shareholders is clear — accept the $16 or $16.50 on offer or risk seeing their share price return to pre-bid levels,” said Doug Ritchie, energy chief executive, Rio Tinto.

Before the bid, the share price of Riversdale was at $14.10 per share and closed at $15.13 on the Australian Stock Exchange on March 9.

Currently, Rio Tinto has 17.86% stake in Riversdale and is desperately seeking more from the open market to cross the required figure of 50%.

The company is not keen to sign a deal with Riversdale unless it has a shareholding of 50% or beyond in the coking coal mining company.

**Graph:**

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<th>Date</th>
<th>Share Price</th>
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<td>Jun 12, 10</td>
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<tr>
<td>Mar 10, 11</td>
<td>16.00</td>
</tr>
<tr>
<td>Mar 9, 11</td>
<td>15.50</td>
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In a statement, Rio Tinto said there will be no further increase in offer price beyond $16.50 in the absence of a competing proposal and it fears the bid of all conditions other than the 50% minimum acceptance condition.

Rio Tinto has also extended the offer period by two weeks until April 1, 2011. While the Riversdale Board has approved the sale of shares to Rio Tinto and recommended the offer to its minority shareholders, the biggest impediment for Rio Tinto is in the form of Tata Steel and Brazilian company CSN.

Together Tata Steel, which is the biggest shareholder of Riversdale with 27.14% stake, and CSN currently hold over 47% in Riversdale and there have been no signs of a sell-off from both the companies.
Cold response from shareholders

Rio hikes Riversdale bid price

Tata Steel along with CSN, hold over 47% stake in the Aus firm, making it difficult for Rio to take over Riversdale

Melbourne/New Delhi

Rio Tinto, the world’s second-largest mining company, improved its bid price for Australian firm Riversdale Mining Ltd to AUD 16.50 per share following the lukewarm response from shareholders of the targeted firm.

At the earlier price of AUD 16 per share, Riversdale was valued at AUD 3.9 billion. The new offer of Rio Tinto would value Riversdale at AUD 4.95 billion.

Rio’s move comes within 10 days of Tata Steel, the largest shareholder in the Australian firm, increasing its stake by 2.95 per cent to 27.14 per cent.

The mining giant, however, said the new offer would be conditional on acquiring stake of over 50 per cent in the company and it will not increase its price, if no competing bid is made.

“Tata Steel along with Brazil’s steelmaker Companhia Siderurgica Nacional (CSN), which recently increased its stake in Riversdale to 19.9 per cent, together hold over 47 per cent stake in the Australian firm, making the job difficult for Rio Tinto to take over Riversdale.

Both the companies have maintained that they are more interested in getting coal rather than making a quick gain and would stay invested in Riversdale, which has about 33 billion tonnes of rich coking and thermal coal reserves in Mozambique.

“We are the sustainable shareholder there, so we would like to remain there (in Riversdale), We are interested in coal, not in all these current things that are happening,” Tata Steel’s Managing Director H M Nerurkar had said last month.

“The cash increase is unlikely to tempt the Tata Steel to sell their stake. They need coal for Corus (now Tata Steel Europe) and would not like to lose the secure supply from Mozambique,” said Consortium Securities AVP Vishwesh Choudhary, who keeps a track of Indian steel sector companies.

He, however, added that CSN may agree to partly sell its stake, so that Rio develops Riversdale’s mines in Mozambique.

Essar to buy Zimbabwe steel firm

Essar group has reached a deal to acquire majority stake in Zimbabwe Iron and Steel Company (ZISCO) and would invest an estimated USD 750 million for revival of the African nation’s state-run steel maker. The Ruias-led Indian conglomerate said in a statement that its privately held company Essar Africa Holdings has reached an agreement with the Government of Zimbabwe for revival of ZISCO. While Essar did not disclose the investment amount, sources said it would make an initial investment of USD 750 million to help restart of operations at the Zimbabwe firm, which had ceased operations due to capital constraints. ZISCO is an integrated steel company with capacity of 1 million tonnes for manufacturing of long products. It has been non-operational for the last few years.

—PTI
Green law violation to be made non-bailable offence

Amitabh Sinha
New Delhi, Mar 11

Tightening the noose further around companies that flout environmental norms, the government is now proposing to make violations of green laws, including the non-compliance of conditions specified while granting approvals, a cognisable and non-bailable offence.

The environment ministry today said it was accepting, in full, the recommendations of a committee it had set up to examine issues regarding compliance of environmental conditions by companies while executing their projects. The committee, headed by special secretary in the ministry J M Mauskar, noted several limitations in the current system of monitoring compliance and said provisions under the existing law (Environment Protection Act, 1986) was neither “deterrent nor punitive enough”.

Recommending enhancement of penalties in the Environment Protection Act, the committee has said that the violations of the Act, including non-compliance of conditions, should be made a cognisable and non-bailable offence. It has also recommended that the quantum of penalty be enhanced to a sufficiently high level and that there should be no upper limit in this regard for serious violations.

In most of the recent high-profile tussles, including those involving Posco and Vedanta, the ministry had acted against the companies for violations for conditions specified while granting the environmental clearance to them.

As of now, the Environment Protection Act provides for a maximum of three years of imprisonment and a maximum of ₹1 lakh fine in serious cases of violation but there is hardly any conviction on these charges. Mostly the companies get away by paying a financial penalty. In some rare cases, like Vedanta’s proposed bauxite mining project in Niyamgiri Hills in Orissa, the ministry withdrew its clearance granted earlier.

“Environment pollution can even result in deaths to people. So the penal provisions regarding callous violations of environmental laws need to be enhanced,” said a member of the committee. In order to implement the recommendations of the committee, the government would need to amend the provisions of the Environment (Protection) Act. The committee has also recommended a strengthening of the monitoring agencies like the Central Pollution Control Board, its state affiliates, the Coastal Zone Management Authorities, both in terms of human resources as well as technical capabilities.
GoM on go, no-go mining areas delayed by 10 days

Meeting has been postponed due to extended Parliament session

The Financial Express, Delhi
Saturday, 12th March 2011, Page: 3

PRESS INFORMATION BUREAU
प्रेस सूचना कार्यालय
GOVERNMENT OF INDIA
�ारत सरकार

QAL and mining projects awaiting a green nod will have to wait longer for the clearances as the second meeting of the group of ministers (GoM) on coal mining in go and no-go areas has been postponed by 10 days. The second meeting of the 12-member GoM will now be held on March 25 due to the extended Parliament session.

The GoM first met on February 18 but could not come to a conclusion on the issue, however environment minister Jairam Ramesh had assured the GoM that his ministry would adopt a positive attitude and respond to the issues raised by the coal ministry by March 15.

"The next meeting was postponed to March 21 but will now happen on March 25 because of the extended Parliament session," said an environment ministry official. The GoM considered all issues relating to reconciliation of environmental concerns emanating from various developmental activities including those related to infrastructure and mining and finalize its recommendations within two months.

It was set up after the ministries of coal, power and road transport had accused Ramesh of causing delay to key infrastructure projects on environmental grounds. It was also formed in the backdrop of the fact that the ministry of environment and forests had designated about 30% of 4,50,000 hectare which have 206 coal blocks, as "no-go" areas for coal mining.

The coal ministry had then opposed the demarcation saying it would hamper India’s economic growth as production capacity of 660 million tonne per annum in 206 coal blocks falls in these "no go" zones.
MecSoft in pact with Sibe for vacuum solution

IT firm MecSoft Europe on Friday said it has entered into a partnership with Sibe Automation to provide a programming and machining solution. VisualMILL, bundled with Sibe’s CNC routers, provides an elegant and powerful solution for the vacuum forming industry. MecSoft Europe, a leader in Computer Aided Manufacturing (CAM) software, said in a statement. When used with Sibe’s CNC routes, VisualMILL provides users with the ability to quickly and efficiently create three-dimensional vacuum tools in non-ferrous materials.
A model to be followed

"Fresh fruit & pond fish erase scars at closed Goa mines" (FE, March 8) is good news. The Financial Express has done well to bring into focus how Sesa Goa's reclamation efforts on mining land have borne fruit. It is interesting and informative to know about the details as to how the mining area is again brought into a live garden of vegetation, cash crops and a oasis. It could be a model to be followed in all the mining areas that this necessary evil of mining could be converted to be good by obligation. Why not the ministry of environment and forests gives attention to this aspect and brings a mechanism to have required corrections?

Jacob Sahayam
Thiruvananthapuram
Power Ministry Rejects Conditional Nod for Orissa UMPP Coal Fields

SARITA CSINGH
NEW DELHI

The power ministry has rejected the environment ministry’s precondition of shelving two coal mining projects as a tradeoff for granting clearance to a third coal block of the ₹17,000-crore ultra mega power project at Bedabahal in Orissa.

This development would make another deferment of bidding for the 4000 mw project inevitable.

Environment Minister Jairam Ramesh has granted mining approval to the coal block on the condition that NTPC and Orissa Power Generation Corporation give up their respective coal blocks, Dulanga and Manoharpur, in the vicinity.

While NTPC will mine the Dulanga block for its various power projects, Orissa Power Generation Corporation will use coal from the Manoharpur blocks to fire its 1,320 mw project at Jharsuguda.

NTPC and the Orissa utility have conveyed their reluctance to give up their respective coal blocks, a senior power ministry official said on condition of anonymity.

“"The ministry is of the view that all the three power projects should come on stream. We will send an official communication to the environment ministry soon. It is likely that the last date for bid submission for the project will be extended by couple of months,” the official.

The Bedabahal project was allotted three coal blocks—Meenakshi, Meenakshi B and dip side of Meenakshi—in IB valley coal field with a total 886 million tonne reserves in 2006. The environment ministry denied mining permission to Meenakshi coal block with estimated 265 million tonnes of reserves while the other two had been cleared.

Orissa Chief Minister Naveen Patnaik has already written to Prime Minister Mammootty Singh seeking intervention in the issue.

NTPC chairman and managing director Arup Roy Choudhary said the company was re-drawing the boundary of Dulanga block in order to cut off substantial forestland. “We are hopeful that the ministerial panel constituted to look into issues related to green clearances to coal blocks will take a favourable decision,” he said.

The Dulanga block is expected to have 260 million tonnes of coal reserves, while Manoharpur and Dipside Manoharpur blocks have combined coal deposits of about 281 million tonnes.

The environment ministry has rejected mining permissions to 286 coal blocks with estimated capacity of 660 million tonnes. The government has constituted an inter-ministerial panel to look into the issue.
Mining sector gets FDI worth $729 m in 4 years?

Our Bureau

New Delhi, March 11

India attracted foreign direct investment (FDI) worth $729 million in the mining sector between April 2007 and December 2010, the Mines Minister, Mr Dinsha Patel, informed the Lok Sabha on Friday.

HIGHEST IN 2007-08

In a written reply, Mr Patel said the FDI inflows were highest in 2007-08 at $444.26 million and lowest in 2008-09 at $34.22 million.

However, in the last financial year, the FDI inflows touched $174 million.

In the current financial year till end of December, the FDI inflows stood at $75.90 million, Mr Patel said.

The mining sector was opened up for private investments including FDI in 1993 after the announcement of the New Mineral Policy.

FDI up to 100 per cent is allowed in exploration, mining, mineral processing and metallurgy under the automatic route for all non-fuel and non-atomic minerals including diamonds and mineral stones.

KARNATAKA TOPS

During the April-December period of the current fiscal, Karnataka received the highest FDI of $31.75 million, followed by Maharashtra at $28.28 million.

In the past four years, the highest FDI inflow of $378.62 million was reported by the RBI office in Kolkata covering West Bengal, Sikkim and Andaman and Nicobar Islands.

GDP CONTRIBUTION

Replying to another query, Mr Patel said the mining and quarrying sector contributed 2.52 per cent to the Gross Domestic Product (GDP) at current prices in 2009-10.
India Inc Feels The Jolt

While it will take some time to assess the impact of the disaster, businesses keep their fingers crossed

Base Metals Crumble under Japan Quake

TIDE OF DESTRUCTION: The biggest earthquake in 140 years struck the northeast coast of Japan on Friday.

The Economic Times, Delhi
Saturday, 12th March 2011, Page: 15
Width: 24.64 cms Height: 25.36 cms, Ref: pmin.2011-03-12.31.79

Base metal and energy prices dipped in a knee-jerk reaction to Friday’s calamity in Japan on fears it would affect near-term demand for commodities by the world’s third largest economy. However, economists felt the tide could turn if the damage to property was large, as this would entail revival of commodity demand for reconstruction.

Copper, aluminium, lead, nickel, and crude oil — beaten down in the last few trading sessions — extended losses by falling 1.8% to 3% on international bourses. “The devastation could have an impact on early green shootons seen in Japan and seems to have had a softening impact on commodities, particularly oil, as a knee-jerk reaction,” said Shubhadeep Banerjee, chief economist at Yes Bank. “However, Japan accounts for 6.5% of global trade and is not a small economy. Whether demand for goods and services shrink or rise because of reconstruction, as has been observed in Australia, will become clearer once damage assessment is completed.”

Agencies reported last month that Japan’s gross domestic product fell less than estimated in the fourth quarter in a pullback that may prove temporary as overseas demand revives production after the deal hit behind China as the world’s second largest economy.

Copper, which leads the base metals pack on London Mercantile Exchange (LME), was down 1.7% at $8,035 a tonne, aluminium fell by 2.6% to $2,577 a tonne, lead was down by 1.5% at $2,395 a tonne, and nickel fell by 1.9% to $15,555 a tonne. Benchmark crude oil on New York Mercantile Exchange (Nymex) slipped below $110 a barrel, falling 2.9% to $90.73, as major refineries were shut down after disaster struck Japan.

SK Jsih, director (finance), BCCL, said margins could rise if refinery throughput is above 20 tonnes a day but he did not expect the calamity to have a major impact on crude prices. Manoj Sawant, chief economist with rating agency Care, said demand for all commodities tended to rise after a large scale natural calamity. “We have to assess the damage before making any comment but normally events of such scale should boost commodity prices rather than pull them down. Japan is a net importer of most commodities and if the damage to property is great we could expect good demand for food and metals, which could be bullish for prices,” he said.
Gold gains on investor demand

Gold gained in New York, narrowing the first weekly loss since January, as demand for the metal as an alternative asset increases.

Gold futures for April delivery rose $1.30, or 0.1 per cent, to $1,413.80 an ounce at 8:05 a.m. on the COMEX in New York. Prices are down 1 per cent this week, after reaching a record $1,445.70 on March 7.

The metal for immediate delivery in London was 0.1 per cent higher at $1,413.85 an ounce in the morning fixing in London.

Silver for May delivery in New York declined 1.4 per cent to $34.57 an ounce. It climbed to $36.745 on March 7, the highest level since March 1980. Palladium for June delivery was down 1.2 per cent at $757 an ounce. Platinum for April delivery was 0.6 per cent higher at $1,776.40 an ounce.

Bullion rates

Mumbai: Silver spot (.999 fineness): Rs 53,175; standard gold (99.5 Purity): Rs 20,785; Pure gold (99.9 purity): Rs 20,890.
Copper shaken by Japan tremor

Bloomberg

March 11

Copper fell for a third day in London, dropping below $9,000 a tonne for the first time since December, after an earthquake struck Japan, one of the world’s largest consumers of the metal.

Copper for delivery in three months slid $138, or 1.5 per cent, to $9,053 a tonne by 11:55 a.m. on the London Metal Exchange. Prices dropped as low as $8,992. Aluminium for three-month delivery dropped to $2,523 a tonne, while nickel fell to $25,600 a tonne. Lead declined to $3,299, zinc fell to $2,263 and tin slid to $29,251 a tonne.
आयोगिक उत्पादन में सिर्फ 3.7% की वहनत

हाँ, बताएँ (एलोंसिस)। पूर्वी गोदाम में आयोगिक उत्पादन और विनियम, खाना शेष के उत्पादन में मदद का भाग को वह जान से जनवरी माह में कुल आयोगिक उत्पादन में सिर्फ 3.7 प्रतिशत की वहनत हुई है। इस से एजिक बैंक सख्त बनाया उन्हें नयी ब्याज दरों में बढ़ते हैं दिलचस्प सक्षम है। विविध स्तर नवर के में आयोगिक उत्पादन यूनियन (आईआईए) में 16.8 प्रतिशत की वहनत रही है। हालांकि, अधिक से पहले विवरण, 2010 में भी आयोगिक उत्पादन निर्भर 2.5 प्रतिशत बढ़ा, इस विवरण से जनवरी में उत्पादन बढ़ते हैं।

पहले विवरण, 2010 में उत्पादन के अधिक अंक में बढ़ा हिस्टर 1.6 प्रतिशत होते हैं जो माह की गई थी, लेकिन अब इसके संबंधित अंक में बढ़ता 2.5 प्रतिशत बढ़ते होते को अनुमान जाना चाहिए रहा। इस कारण लंबे हैं। अधिक से जनवरी के साथ आयोगिक उत्पादन घटक 8.5 प्रतिशत रहा रहा है, जबकि एक सत्र पहले की ऐसी अभाव में आयोगिक उत्पादन 9.5 प्रतिशत था। आईआईए के अंकों पर प्रतिक्रिया जताने हुए भिन्न जानकारी मुख्य सुधारों में प्रदर्शित रहा, अब आईआईए मान और पहले तिथि 10 महीनों में सकल औसत 8.3 प्रतिशत रहा। यह बढ़ते बढ़ते हैं, लेकिन अब भी मान से बढ़ता नहीं हुई।

यथार्थता आयोग के उपलब्ध मॉडल सिंध आशुतोष ने बताया, 'विवरण देख है कुछ खानाहौस के अनुसार जनवरी में आयोगिक उत्पादन बढ़ते हैं, लेकिन यह नया भी उत्पादन बढ़ता है नियत नहीं होना चाहिए। पहले 2-3 महीनों में आयोगिक उत्पादन में कम वहनत बढ़ा।'