SAIL bid to boost Chiria output

JAYANTA ROY CHOWDHURY

New Delhi, Dec. 11: SAIL's Australian mining consultant Hatch has devised a strategy for a massive 15-fold jump in iron ore output from the PSU's Chiria mines.

Hatch's plan, submitted to SAIL, envisages production from Chiria to reach 15 million tonnes (15mt) per annum from 1mt now, which will make it the most productive ore mine in the country.

The Rs 5,000-crore investment proposal on mining facilities and an ore beneficiation plant will lead to Chiria meeting a third of SAIL's ore requirements. With reserves of 2.2 billion tonnes, Chiria has Asia's largest deposits of high-grade ore.

Hatch has proposed that output be raised in phases — first to 7mt per annum and then to 15mt.

SAIL, with a turnover of Rs 45,000-crore, also plans to ramp up ore production at the Kiriburu mine to 5.5mt per annum and Meghalatiburu to 6.5mt per annum. The PSU plans to raise production at Bolani to 10mt per annum, Gua to 10mt and Kalta to 2mt.

Rowghat, a new mine having a reserve of half-a-billion tonne high grade ore, will supply 3mt annually to SAIL's Bhilai Steel Plant.

SAIL plans to set up a 4mt pelletisation plant at IISCO's Gua mines and three smaller pelletisation plants of 2mt-per-year capacity at other sites.

Officials said SAIL had obtained stage-I forest clearance from the forest and environment ministry for 595.075 hectares of Chiria covering the Ajitaburu, Budhaburu, Sukri-Latur and Dhobil leases. Separate environment clearances have been obtained in March for Chiria's Budhaburu and Ajitaburu leases.

The Indian Bureau of Mines has approved the mining plans for Chiria's Ajitaburu, Budhaburu, Dhobil and Sukri-Latur leases.

SAIL executives said the development of Chiria was crucial to the PSU's long-term plans. "It's the only deposit in India capable of sustaining up to 30-50mt of mechanised mining annually. Over the next half a century, around 40 per cent of SAIL's iron ore requirement will be met from this one single field."

Once the ore in the other mines in eastern India gets depleted, Chiria will be the sole supplier to the PSU's four integrated facilities at Bokaro, Burnpur, Durgapur and Rourkela and to the new unit being built at Burnpur.

A SAIL-led consortium has bagged rights to three mines in Hajigak in Afghanistan with reserves of 1.28 billion tonnes; if costs permit, ore from these mines can be transported to the Iranian port of Chabahar for delivery to India. SAIL now plans to use the ore for a proposed 6mt plant in Afghanistan.

Coal concern

The PSU, however, has not yet been able to solve its coal problems. At present, it sources just 3.5mt of coal from within the country and 10.5mt from abroad every year.

This requirement will go up by a third once its modernisation programme is completed. Fluctuating prices of imported coking coal have been affecting the PSU's bottomline. SAIL's net profit fell 54.6 per cent in the July-September quarter because of rising input costs and a strong dollar.

The steel major has signed deals or is in the final lap of sealing deals with Indonesia, South Africa and Mongolia to set up plants in exchange for possessing high quality coking coal mines in these countries.
New Mining Bill
tabled in Lok Sabha

PTI ■ NEW DELHI

The Mines Ministry on Monday tabled the new Mining Bill in Lok Sabha proposing coal miners to share 26 per cent of the profit and non-coal miners' 100 per cent of the royalty annually to project-affected people.

The Mines and Minerals (Development and Regulation) Bill, 2011, which will replace the over-a-century old, often-amended Act of 1957, also seeks to empower state governments to constitute special courts for the purpose of providing speedy trial of offences relating to illegal mining.

"The holder of a mining lease shall pay annually to the District Mineral Foundation. In case of major minerals (except coal and lignite) an amount equivalent to the royalty paid during the financial year," the Bill proposes.

In case of coal and lignite, an amount equivalent to twenty-six per cent of the profit.

In case of minor minerals, such amount as may be prescribed by the State government with the concurrence of the National Mining Regulatory Authority," it added.

The long-pending Bill also envisages introduction of competitive bidding process to encourage participation of private parties and a change in the role of the Central and State Governments.
Industrial growth sinks to 5.1%

It’s the lowest since March 2009 when it had contracted by 5.2 per cent

Already grappling with an ever-rising headline inflation, the Government on Monday had a fresh headache as the industrial output registered a negative growth of 5.1 per cent in October, the lowest in over two years, riding on rising interest rate, high prices, depreciating rupee and global uncertainties, forcing the industry to unanimously describe it as a “disappointing” development.

India’s October Index of Industrial Production (IIP) contracted by 5.1 per cent from a year earlier, the Government data said. The negative growth in industrial production is the lowest since March 2009 when it had contracted by 5.2 per cent. The IIP data for October 2010 was 11.4 per cent.

The impact of the sharp fall in the IIP numbers could even be seen on the markets as the Bombay Stock Exchange benchmark Sensex dipped below the crucial 16,000 level after two weeks, losing over 343 points or 2.12 per cent on negative factory output numbers and weak global markets.

The decline in industrial production has mainly been on account of poor performance of the manufacturing and mining sectors, resulting from the twin impact of high interest rate and global slowdown.

In view of the negative factory output and moderation in inflation, especially food prices, the RBI may lower the key policy rates — which it has increased for 13 times since March 2010 — in its monetary policy review on December 16.

Rupee depreciation though has been a significant reason as well for the falling industrial production numbers. The Indian rupee on Monday hit its lifetime low of 52.84/85 against the dollar as demand for the US currency soared amid signs of FIIs pulling out money in the wake negative growth in industrial production in October.

“As foreign institutional investors (FIIs) pulled out from markets due to weak IIP numbers, the rupee has seen such a big fall today. Also, a weakening euro has added to the pressure,” head of Treasury Operation of IDBI Bank, NS Venkatesh, said.

Analysts said existing economic woes were compounded by decline in industrial output which dented the confidence of investors.

Describing the industrial output numbers as “disappointing”, Chairman of Prime Minister’s Economic Advisory Council (PMEAC), C Rangarajan said: “Somewhat lower growth in industrial production was expected, but not a negative growth. We certainly need to look at all our actions in order to provide situation in which the industrial growth rate is not only in the positive but it is respectably high.”

Continued on Page 4
Industrial...

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On the monetary policy, Rangarajan said the RBI will have to look at what is happening to the inflationary trend. "If the inflation trend indicates a definite decline, then perhaps (reversal) of policy actions can be thought of," he added.

The gravity of the situation has already sunk in with the UPA leadership and the Government plans to hold consultations on December 19 with industry leaders over the matter. An official release said that sharp decline in IIP, particularly in the manufacturing sector, is engaging Government's attention at the highest level.

"Commerce and Industry Minister Anand Sharma will hold Government-industry consultation on the issue on December 19 after his return from WTO Ministerial," it said.

As per the latest data, while the mining sector output declined by 7.2 per cent in October, the fall was 6 per cent in case of manufacturing sector, which accounts for over 75 per cent weight in the index.

Mining and manufacturing grew 6.1 per cent and 12.3 per cent respectively during the corresponding period a year ago. As per the data, industrial output growth moderated to 3.5 per cent in the April-October period this fiscal, as against 8.7 per cent in the same period last year. Production of capital goods fell sharply by 25.5 per cent in October. The segment had grown by 21.1 per cent in the corresponding month of 2010.

Output of consumer goods also fell by 0.8 per cent during the month under review, as against a growth of 9.3 per cent in the corresponding month of 2010. "We believe that the Reserve Bank will keep its rates unchanged. They have to watch the headline inflation for some time and we think IIP de-growth will not continue in next few months although the rate of growth may be low," Crisil Chief Economist DK Joshi said.

Industry body CII termed the IIP numbers as "serious disappointment to industry", adding that if allowed to continue, this (de-growth) would have serious consequences on employment and livelihoods.

"CII believes urgent measures are required to induce investments, including creating a shelf of bankable projects particularly in infrastructure... Gradual roll back of interest rate increases, improve the fiscal situation which in turn would help ease the effective rate of interest..." CII Director General Chandrakirti Banefteer said.
Long haul for aluminium

Anglo-Australian Rio Tinto conceded as much as 25 per cent value in London trading in the same period, thanks mainly to its ownership of very large aluminium assets. The world's leading aluminium producer, Alcoa, has not fared any better at the bourse. To make a guess as to when aluminium will be back to the May level or how soon Hindalco will return to its 52-week high level will be throwing a dice. Who will not agree with Rio Tinto CEO Alcan Jacynthe Cote that "each commodity has its moment in the sun and in the shadow"? It is not only aluminium but a whole lot of other metals and minerals are now under dark clouds. Jacynthe says there will be an "upsie for aluminium in future," without giving hints as to when the metal will start shining.

As for now, the aluminium division of Rio is resigned to second half earnings "well below those of the first half." Like Hindalco in a major expansion mode, Rio is investing $3.3 billion to rebuild and expand its Kitimat smelter in Canada to 450,000-tonne capacity. The smelter, to be run on hydroelectricity to cut its emission intensity by half. The ambition is to make Kitimat one of the world's lowest cost smelters, so that it fits with the Rio strategy of margin improvement across its 'struggling' aluminium division. While Rio is trying to put life in its aluminium business by focusing on good assets as it attempts exiting high cost operations, Indian industry officials are keeping an eye on the outcome of BHP Billion's ongoing review of its aluminium portfolio, which is a mix of some wholly-owned assets and a string of joint ventures. They say the review may result in BHP either selling all or some of its aluminium/alumina assets. Indian business houses have a demonstrably appetizing appetite for foreign acquisitions. According to officials here, in case BHP decides to move out of aluminium, the existing partners will stand a better chance to acquire the assets.

In the face of global aluminium capacity overhang and the euro zone crisis starting to impact metal demand outside Europe, the producers are reacting in two ways— postpone-ment of restart of smelters idled earlier and shuttering of high cost smelters. Leading European aluminium major Hydro has said it will consider recommissioning its Sundal smelter in Norway only when the market behaves better. At the same time, speculation is there that Chinese producers have curtailed yearly production by about 1.5 million tonnes. The market must have had a cue that the rumoured Chinese move would to some extent take care of industry overcapacity. A Morgan Stanley official says the world is seeing a reassuring "disciplined approach from producers in balancing supply and demand." But aluminium price rebound will call for more than a disci-iplined supply position to a "strong recovery in demand."
Ministry mulls freeing gold alloy imports

RBI to take a call soon; move could help bring down jewellery prices

ANINDITA DEY
Mumbai, 12 December

The commerce ministry is considering a proposal to free the import of gold dore in India, hitherto allowed only through the Reserve Bank of India (RBI) or its nominated agents.

A gold dore bar is a semi-pure alloy of gold and silver, usually created at the site of a mine. It is then transported to a refinery for further purification. After gold ore is mined, the first stage of purification produces a cast bar (gold dore) that is approximately 90 per cent gold. The other 10 per cent comprises mostly metals like silver and copper.

To this effect, a proposal has been sent to the department of economic affairs in the finance ministry. RBI governs the import, since gold is considered to be dual currency for reserve purposes, explained an official.

Gold dore, said the official, is primarily a raw material and there are no exchange-related worries if it is imported and used for making gold jewellery. "With the number of refineries growing in India, raw material availability is an issue. Alternatively, gold refiners depend only on scrap, which is not available readily for use. People hold on to the scrap, in anticipation of benefitting from the rising gold prices," explained an industry source. There are around 25 gold refineries in India.

Officials further explained that this could help in bringing down the prices of gold and gold ornaments in India, since the prices follow trends in the international market due to the fact that refined gold is imported for making gold jewellery. Besides, there is huge domestic demand for gold jewellery.

India produces about 10 tonnes gold a year. Of this, about eight tonnes is extracted as a by-product of copper by Hindalco Industries. Domestic refiners, including Hutt Gold, the only gold mining company in the country, contributes another two tonnes.

Gold is refined mostly in Zurich (Switzerland) for producing bars and coins approved by the London Bullion Markets Association (LBMA). Since LBMA standard gold bars are globally recognised, all trading activities are executed on the basis of the price announced by it, said an industry source. Last year, the finance ministry removed both basic customs duty and special additional duty for gold dore bars of up to 80 per cent gold purity, imported for refining and manufacturing serially numbered gold bars.
Slowdown fears deepen as industrial output contracts 5.1%

Contraction after more than 2 years; worried govt convenes industry meet on December 19

The optimism exuded by the government of 7.5 per cent economic growth this financial year on a better second half is ringing hollow, with industrial output contracting 5.1 per cent in October. The contraction, seen after more than two years, was led by a 25.5 per cent fall in the capital goods sector, despite the festive season.

It may not be a repeat of what happened during the global financial crisis, when industrial production contracted for seven months in a row from December 2008. But, the euro zone crisis, the RBI’s tight monetary stance and the government’s policy inaction have subjected the economy to tough times. The manufacturing and mining sectors are among the worst affected.

Manufacturing output declined six per cent and mining 72 per cent. This was the third month in a row that mining output contracted and the fourth month of falling numbers out of seven so far this financial year.

None of the use-based industries — basic goods, intermediate goods, capital goods and consumer goods — saw positive growth. Capital goods segments such as electrical machinery and equipment witnessed a whopping 58.8 per cent fall, while machinery and equipment contracted 12.1 per cent.

The indications were already there, though. Passenger car sales in the domestic market declined 23.77 per cent in October, the sharpest drop over a decade. In mining, coal production fell for the third month in a row, by nine per cent in October. The eight core industries yielded more or less flat growth, with five segments contracting and cement remaining flat.

Economists say, probably, all the data were not reported in October and some may spill over to the next month, which may push Index of Industrial Production (IIP) growth into a positive zone.

However, bigger concerns may emerge not in November but in December, as the month last year saw IIP go up to 17.6 points from 11.8 in November. So, December might see contraction on a high base, economists said.
Industrial output...

The Prime Minister's Economic Advisory Council chairman C Ranganathan is still hopeful of 7.5 per cent economic growth this year, with agriculture and services expected to perform better. However, he does not rule out a 7.25 per cent growth scenario.

"The (IIP) numbers are disappointing. We should see some revival in the last quarter of the current fiscal. We should see economic growth in the range of 7.25-7.5 per cent as agriculture will do better, services are doing well and manufacturing is not doing good but is expected to do better," Ranganathan told Business Standard.

The economy grew 7.3 per cent in the first half.

Commerce and Industry minister Anand Sharma said the lacklustre performance had drawn government attention at the highest level. He will hold talks with industry representatives on December 19.
खनन विधेयक लोकसभा में पेश

मैं दिल्ली, (भारत) : सरकार ने लंबे समय से प्रतिक्षित खनन विधेयक को आज लोकसभा में पेश किया। इसमें प्रक्रियाओं को पूरा करने का प्रारंभ है ताकि नियमित क्षेत्र की हिस्सेदारी दिखाई दे सके।

खन मंत्री विनोबा हेडिले ने खन एवं खण्डन (विधेयक एवं नियम) विधेयक, 2011 पेश किया, जिसमें आधा दसक युग खन कानून में संशोधन का प्रस्ताव है। विधेयक में कहा गया है कि नयी राष्ट्रीय खण्डन नीति केंद्र और संसद सदस्यों की सुविधा में बदलाव की जरूरत करता है। विधेयक में राष्ट्रीय खनन नियमक प्राधिकरण के खटन का भी प्रस्ताव है।
House gets down to business, finally

HT Correspondent
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NEW DELHI: With Parliament functioning resuming from Monday morning, the government’s legislative business got done as the winter session commenced its fourth week.

The Lok Sabha passed a bill that allows suspension of sealing drive in the Capital for another three years, a bill that allows increase of the paid up capital of Life Insurance Corporation of India and an amendment to the Oil Pipelines Act to make “acts of terrorism to destroy oil and gas pipelines” in the country punishable by a maximum of death sentence.

The government also tabled the Mines & Minerals (Development and Regulation) Bill, 2011, which seeks to replace the over half-a-century old Mining Act, 1957.

This bill envisages introduction of a competitive bidding process to encourage the participation of private parties in the sector.

But, before the passage of the Life Insurance Corporation (Amendment) Bill, 2009, the government had anxious moments because a division was sought by the opposition on an amendment moved by a Left member.

The Lok Sabha passed bills to amend LIC Act and oil pipelines Act.

The government also tabled a new Mines and Minerals Bill.

Banara Gopal Choudhary’s (CPI-M) amendment, however, was negated by 107 votes against it and only 17 in its favour.

Later, the Left MPs staged a walkout.

Minister of state for finance Namo Narain Meena said the bill would not have any effect on the present policy holders and it was in line with the recommendations of the Insurance Regulatory and Development Authority (IRDA), which had suggested that the LIC Act should be changed in order to bring it in consonance with the Insurance Act, 1938.

Earlier, the government introduced an amendment bill to enable banks and financial firms to effectively deal with the problem of bad loans.

Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Bill, 2011, which was introduced Meena in the Lok Sabha, seeks to strengthen recovery process of secured loans.
Economic outlook grim

THINGS could get worse before they get better on the economic front even as the Union government has slashed the target for the country’s economic growth rate to 7.5 per cent from 9 per cent.

The contraction in the crucial manufacturing sector will translate into fewer jobs and lower incomes for people.

The high interest rates that have resulted from the RBI’s hawkish monetary policy have choked demand as consumers cannot afford to take loans to buy goods. Corporates have been forced to curtail output and put their expansion plans on hold as the demand for goods has fallen.

The mining output has also shrunk during October which spells further trouble as the shortage in coal could adversely impact power supply which, in turn, would hit industry.

Clearly, the RBI requires to ease off on its tight money policy so that interest rates come down. The government also needs to act on war footing so that large infrastructure projects including highways, ports and power plants are cleared to give a fillip to the economy.
यूरोप कर्ज संकट गहराने से वैश्विक कमोडिटी में नरमी

कॉपर, क्रूड ऑयल और अत्यूषीयित्व और पाम तेल के वैश्विक दम घटे

संकट • लंबे

यूरोप में आर्थिक अक्सर्स के लिए प्रभाव किया जा रहा है लेकिन इसके निपटान में भारतीय भी हाथ रखा है। पहले बताया गया कि न्यूजिल्यून कमोडिटी एक्सचेंज (नाममात्र), लंदन मेटल एक्सचेंज (एलएमई) और शंघाई कमोडिटी एक्सचेंज में बंग मेटल्स में निरंतर दबाव की गई।

नाममात्र में क्रूड ऑयल की दिल्लीभी 2.16 डॉलर सिक्कर 97.75 डॉलर प्रति बैरल रह गई, जबकि ब्लैक्वेट 1.62 डॉलर सिक्कर 107 डॉलर प्रति बैरल रह गई।

एलएमई में तीन महीनों की कॉपर दिल्लीभी 2.24 डॉलर सिक्कर 7,640 डॉलर प्रति टन रह गई। लंदन मेटल्स की सीधी दिल्लीभी 7,617.25 डॉलर प्रति टन तक चढ़ गई थी। कॉपर में 30 नवंबर 2011 के बाद स्वशक्तिग्रस्त गिरावट नजर आई। नाममात्र में कॉपर में महीनों की कॉपर दिल्लीभी 2.38 डॉलर सिक्कर 346.60 डॉलर प्रति टन पर घुम गई थी।

नाममात्र में अत्यूषीयित्व तीन महीनों की दिल्लीभी 2.04 डॉलर सिक्कर 2,027 डॉलर प्रति टन रह गई। ब्लैक्वेट में अत्यूषीयित्व तीन महीने की दिल्लीभी 1.84 डॉलर सिक्कर 4,52,022 टन हो गई।
घरेलू बाजार में अल्यूमीनियम नरम

उत्तर-चढ़ायां

विज्ञापन मामले में कार्य संकेत के अंतर्गत रहने के कारण संबंधित को पैगम्बर व घरेलू तरह पर इसकी कंपनियों में गिरावट दर्ज की गई। काराबीरियों का आरोप है कि पैगम्बर मेरी के साथ पैगम्बर बाजार में मांग कमजोर रहने के कारण वह इसके समय सुरक्षित नहीं रही। हालांकि पिछले सप्ताह आरामदायक बाजार में अल्यूमीनियम में तेजी के कारण पैगम्बर बाजार में भी इसके ताम तेजी अभी भी। पैगम्बर अल्यूमीनियम उत्पादक कंपनियों ने भी तेजी में दो रुपये पहुँचे की जा रही की को मानी।

पिछले सप्ताह लंदन एल्फा एस्समिट (एलएसई) पर अल्यूमीनियम की कीमतों में 20 लाई की गई। कंपनियों के काराबीरी ने भी यह पूछा कि पैगम्बर कंपनियों की ओर से जाने लगने में कमजोरता के कारण टाइम बंद कर गए। तथा लंदन एल्फा एस्मिट में मांग कमजोर रहने व पैगम्बर पर कीमतों में गिरावट के कारण फिक्तान हस्तियाँ हस्तियाँ सुरक्षित नहीं।

अल्यूमीनियम कंट्रोल 104 रुपये से बढ़कर 106 रुपये, अल्यूमीनियम इंडेक्स 131 रुपये से बढ़कर 133 रुपये और अल्यूमीनियम बाजार 129 रुपये से उड़कर 131 रुपये प्रति किलो गया था। काराबीरियों का आरोप है कि मांग में तेजी नहीं होने से इसमें सुरक्षित रही। कंपनियों ने यह कहा कि पैगम्बर संकेतों को देखते हुए कीमतों में पूरे से विचार आ सकती है।

पैगम्बर जो में कार्य संकेत के समाप्त तक होते हैं उसमें इसमें गिरावट जा रही है क्योंकि कंपनियों के अनुसार उपकरण अपनों अपनों की ओर से किया जा रहा है। आरामदायक से अल्यूमीनियम को कमी नीड़ी है। एलएसई के अनुसार 2011 में एलएसई पर पैगम्बर संकेत व्यापक अपने में अल्यूमीनियम की कीमतों में 2 रुपये प्रति किलो गई कीमतों की पत्ता तो इसमें सुरक्षित रही। कंपनियों के कारण बाजार में सुरक्षित नहीं रही। इससे इसमें सुरक्षित नहीं रही।
New mining law unlikely before next year as Bill heads for closer look

By Aman Malike, Liz Mathew & Ruchira Singh

The Mines and Minerals (Development and Regulation) (MMDR) Bill, which seeks to replace a decades-old mining law, was introduced in the Lok Sabha on Monday, but may become law only by next year as a parliamentary committee is now expected to examine it over the next few months, a mines ministry official said.

“The standing committee will be looking at the Bill. They might take two-three months to examine it,” said the official, who didn’t want to be named “After that it can come up for debate in Parliament.”

The government has drafted the MMDR Bill over many months with the objective of boosting production of much-needed mineral resources in the country with greater transparency and quick approvals than before.

The draft Bill also seeks to empower the Central and state governments to enable better regulation of the sector and to combat illegal miners and Maoist insurgents impeding its development.

The standing committee of labour and employment has been entrusted with the task of studying the Bill, being seen as an overhaul of the original MMDR Act of 1957.

“The standing committee will take a few days to get the Bill,” said Hemanand Biswal, Congress party’s member of Parliament from Sundargarh in Orissa, who is the chairman of the standing committee.

He declined to say what were the points of the Bill he would look at closely and what his deadline would be for submitting the report.

The most debated aspect of the Bill is its recommendation for substantial payouts to people living in mining areas, including a profit-sharing clause that seeks to have companies pay out 26% of their net profit or an amount equivalent to royalty to the state government.

However, political entities have differences over the Bill, with the biggest opposition party, the Bharatiya Janata Party (BJP), still not making its stand on the Bill public.

“Our party will make its stand clear on the mining Bill in due course,” Ravi Shankar Prasad, chief spokesperson for the BJP, said.

He did not say if the BJP will support or oppose the Bill.

The mining Bill seeks to establish a district mineral fund that will have representatives from mining companies, government officials and local residents, who will manage the funds and decide where they must be spent.

The Bill mandates that the holder of a mining lease pay annually to the District Mineral Foundation a sum equivalent to the royalty paid during the financial year in case of major minerals except coal and lignite.

In the case of coal and lignite, an amount equal to 26% of the profit from the preceding financial year will have to be paid to the foundation, it says.

The Bill also seeks to allot at least one non-transferable share of the mine to each person of a family affected by the mine’s operation.

“The government is actually transferring natural resources to the private sector,” said Nilotpal Basu, a member of the central committee of the Communist Party of India (Marxist).

“That is becoming a major cause for corruption. We are not confident about how profit will actually be shared with local people and how they will benefit,” he said.

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THE MINING GAP

India's rate of capital expenditure on mining exploration is very low relative to some other major mining economies in the world. The focus on exploration at a depth of 50-100 metres against a depth of 300 metres in other countries is one reason for the low spend on exploration. The result is a stagnant reserve base for India's mineral categories. Also, India's mining sector's contribution to the gross domestic product (GDP) has been stagnant at 1.2% compared with a decade ago, while countries that have invested more, such as Chile, Australia and China, have seen a significant rise during the same period.
एमएसडीआर विवेक
लोकसभाओं पैशा

यह लिखित, जानिए: तीन वाले के नियुक्त-पिच्चर के बारे अधिकीवर्त्तमान में विवेक उद्योग (पिच्चर द नियुक्त) विवेक, 2011 रोजमर्यादा की संसद में विवेक का प्रयोग गया। यह योगदान क्षेत्र में तामू मौजूद होने वाले पुराने व्यक्ति का स्थान रखता है।

संयोजक ने इसके ताला ऐसे अलगाव प्रदान किए हैं, जिनके साथ तीर्थकर्मी ने अपने व्यवसाय स्थान लेने, की तरफ़ यह रहने की मांग करते, लेकिन क्षेत्र में लागू हुई स्थानीय नियोजन को जानने चुकाने का अभियांत्रिकी किया। संयोजक का वाद है कि इसलिए रहते, जिन्होंने तामू अलगाव अपनाया।

विवेक के बारे में रूपक बदलने, तथ्य के साथ संयोजक ने इस तत्व को प्राप्त कर रखा है कि खानी रहने वाली अधिकारियों में प्रेमार्थियों का अभियांत्रिकी। इनके बाद अलगाव रखा गया है कि यह ही निर्माणिक नागरिकों की स्थानीय क्षेत्रीय उम्मीदें रहने के लिए निर्माण तीर्थकर्मी ने नहीं ही चाहता। अगर सालाना क्षेत्र का विवेक उद्योग के लिए स्थानीय समितियों की उम्मीदें तो जाँचा है तो वह उन्हें अंतर्गत क्षेत्र में पुनर्निर्माण कर सकता है। अगर नहीं, तब नरेश के निर्देश के लिए जीवनकार्य वालों को अपने हस्त जीवन का 25 प्रतिशत जीवन कर्म प्रदान कर देना होगा। अगर उन्हें यह पता चले कि उनकी गृहीता या भूमी देरी, तामू ने लिखा है कि इस रूप में देरी तामू स्थानीय क्षेत्र का विवेक हो।
MMDR Bill tabled in Lok Sabha

The government on Monday tabled the long-pending mining Bill that envisages introduction of competitive bidding process to encourage the participation of private parties in the sector.
Coal mining for captive use to attract sharing of royalty

Parul Chhaparia
New Delhi, Dec 12

LEFT COMPANIES engaged in coal mining for captive use earmark an amount equal to a fraction of the royalty they pay the states for the benefit of affected communities in the mining areas, instead of 26% of post-tax profits as suggested earlier, the coal ministry has said.

It is practically difficult to separate the profits from captive coal mining for steel, cement and power companies, the ministry told the finance ministry.

The Mines and Minerals Development Regulation Bill which included the provisions for mobilising resources from mining firms for local area development and for the welfare of the population affected by mining, was tabled in Parliament on Monday.

As for coal companies which does commercial coal mining (Coal India and its subsidiaries), the 26% profit sharing clause will remain. In the case of these companies, an extra payout equivalent to 100% of royalty, like in the case of firms in non-coal mining, could turn out to be a bigger burden than profit sharing, going by historical data.

For captive coal mining, what is being proposed now is a charge that is a fraction of the royalty.

Coal India registered a post-tax profit of about Rs 11,000 crore in fiscal 2010 and the royalty payments by the firm (including all its subsidiaries) was around Rs 5,500 crore. So, 26% of profit would have been a lesser burden on the firm that having to pay an additional amount equivalent to the total royalty sum.

The coal ministry plans to make the proposal to the Standing Committee when it begins its discussions on the Bill.

"There is a problem in calculating profit of captive coal blocks as they own the steel, power and cement companies do not maintain separate accounts for their mining activities. A royalty based charge would make the process transparent and prevent companies to escape the benefit-sharing objective of the new legislation," said a government official privy to the development.

The MMDR Bill will replace the over half-a-century old Mining Act, 1857 and is expected to bring in more private companies in exploration and mining areas.

Private coal companies had also objected the 26% profit sharing formula saying it would make a huge dent in their profits and make Indian mining one of the costliest in the world.

The draft Bill also seeks to establish a National Mining Regulatory Authority which would constitute a chairperson and not more than nine members to advise the government on rates of royalty, dead rent, benefit sharing with district/mineral foundation.

The coal ministry has raised an objection to this as well. It has told the finance ministry that since it already has a plan to set up a separate regulator for coal sector, the MMDR Bill's provision in this regard should not be applicable to the coal industry.
New Bill drags mining stocks
Weak IIP data also affect sentiment

Vishwanath Kulkarni
New Delhi, Dec. 12

Major metal and mining stocks lost further ground in a weak market on Monday to hit yearly lows after the new Mining Bill, which proposes to bring in the concept of profit and royalty sharing, was introduced in the Lok Sabha by the Government.

The Steel Authority of India Ltd (SAIL) scrip touched a 52-week low of Rs 77.70 before recovering to close at Rs 78.50 on the BSE, a loss of 5.65 per cent over previous close.

NMDC also hit a yearly low of Rs 168 before recovering to close at Rs 169.15, a loss of 4.54 per cent.

Private player Sterlite Industries also hit a yearly low of Rs 98 before closing at Rs 98.20, a loss of 3.16 per cent.

SELLING SPREE
Hindalco Industries and JSW Steel lost the maximum in percentage terms to shed over six per cent on the BSE.

Hindalco scrip ended 6.37 per cent to close at Rs 123.55, while the JSW Scrip ended 6.07 per cent lower at Rs 551.85.

Besides, weak IIP data also aggravated the selling. In October, the sector’s output contracted by 7.2 per cent, taking the cumulative growth in the first seven months of FY12 to negative 2.2 per cent.

"The weakness in the mining sector growth is a matter of concern as it adversely impacts the manufacturing sector’s output," said a Crisil note.

According to the new Mining Bill, coal and lignite companies would have to share 26 per cent of their previous year’s profits for the welfare of project affected people, while companies mining other major minerals such as iron ore and bauxite will have to pay an amount equivalent to their royalty for the same.

The industry estimates an impact of over Rs 10,000 crore because of these new provisions. The sell-off in these stocks dragged down the BSE Metal Index by 4.14 per cent, while the benchmark Sensex ended 2.12 per cent lower.

Coal India lost 3.85 per cent to settle at Rs 304.45, while Neyveli Lignite lost 2.59 per cent to close at Rs 71.35 on the BSE. Other major players such as Sesa Goa lost 1.94 per cent, while the Tata Steel scrip shed 3.14 per cent to close at Rs 385.75 on the BSE.

The Hindustan Zinc scrip shed 2.18 per cent while that of Gujarat Mineral Development Corporation and Hindustan Copper plunged over three per cent each. Shares of NALCO and MOIL shed less than 0.5 per cent each.

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New Mines Bill provides for profit sharing

Punitive provisions to prevent illegal mining

The non-coal mineral firms which mine iron ore and bauxite will have to pay an amount equivalent to the royalty paid for the financial year for community benefit plans.

SIMPLE MECHANISM
The Bill provides for a simple and transparent mechanism for grant of mining lease or prospecting licence through competitive bidding in areas with known mineral deposits and on the first-in-time basis in areas where mineralisation is not known. Under the current law, mineral concessions are granted by State Governments on a first-come-first-served basis.

It also enables advanced technology adoption for exploration of deep-seated and concealed mineral deposits and empowers State Governments to cancel the existing concessions to prevent illegal and irregular mining.

The new Bill enables registered co-operatives for obtaining mineral concessions on small deposits in order to encourage tribals and small miners to take up mining operations.

Besides, it empowers the Central Government to institute a statutory mechanism to promote scientific and sustainable mining, set up National Mining Regulatory Authority to advise Government on royalty rates, benefit sharing, conduct investigation and launch prosecution in cases of large-scale illegal mining. It also provides for better regulation and has punitive provisions to prevent illegal mining.

TOWARDS TRANSPARENCY AND EQUITY

Towards transparency and equity

The chief provisions of the proposed Mining Bill are:
- Bringing in transparency in grant of mining leases/prospecting licences
- States can introduce competitive bidding for grant of ML/PL in known mineral areas
- To help promote scientific and sustainable mining
- States can cancel existing concessions to prevent illegal mining
- Registered co-operatives can obtain concessions for small mineral deposits
- Special courts to be set up for speedy trial of offences related to illegal mining
- Mineral Funds to help capacity building of regulatory bodies like IITM
- Coal and lignite companies to pay 26 per cent of profits for welfare of project-affected people
- Other mineral firms to pay amount equivalent to royalty for welfare of project-affected people

SPECIAL COURTS
The Bill provides for setting up special courts at the State level for speedier disposal of cases relating to illegal mining. It also empowers the Central Government to intervene and act against illegal mining besides providing stringent punishment for contravention of certain provisions of the proposed legislation.

Related report on mining stocks on Page 9.
Bill to secure petroleum pipelines passed

Our Bureau
New Delhi, Dec 12

Sabotage of petroleum and mineral pipelines will now attract severe penalty and, in rare cases, even a death penalty. This is part of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Amendment Bill, 2010, that aims to provide for sufficient deterrence to criminals from committing the offence of pilferage or sabotage.

The Bill was passed by the Lok Sabha on Monday. According to an official statement, the proposed amendments provide for a higher quantum of punishment in terms of imprisonment and provision for death penalty in rare cases where the Act of sabotage is dangerous and is likely to cause the death of any other person.

The Bill will provide for offences under sub-Sections to be cognisable and non-bailable. The existing sub-Section (2) of Section 15 provides that whoever willfully removes, displaces, damages or destroys any pipeline shall be punishable with rigorous imprisonment of a term which shall not be less than one year, but which may extend to three years, and shall also be liable to fine. Section 16 provides that offence under sub-Section 15 shall be deemed to be cognisable under the Code of Criminal Procedure, 1973.

In a reply to the debate, the Minister of State for Petroleum & Natural Gas, Mr R. P. N. Singh, pointed out that organised gangs carry out sabotage on the pipelines. He said Sections 15 and 16 of the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act 1962 are not strong enough a deterrent to prevent such acts.

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As expected, industry shrunk in October by 5.1% compared to its level one year ago. It is not difficult to pinpoint where the biggest drops have come from: capital goods has dropped by more than 25% and mining is a significant laggard. Mining output continues to fall because several mineral-rich states have clamped down on mining altogether, rather than taking the more difficult route of cracking down on illegal miners. Capital goods numbers should be treated with some caution — these tend to be large, high-value machines and one missed order or a delay can dent the index significantly. With that in mind, a fall in capital goods points to a dip in India's overall investment story, which will be disastrous for growth. Unlike the West, where consumption is a driver of growth, India's momentum comes from investments. But evidence suggests that businesses are less willing to take risks and put their money where their mouths are. This is understandable: who will invest when government itself has shrunk into a shell, unable to take any decision of consequence?

Take the example of power, a sector vital for India, but now considered a highly risky investment. Most new power projects will be fired by coal. Apart from a handful, which have captive coal resources, the rest will have to depend on supplies from a monopoly seller, state-owned Coal India Ltd (CIL). CIL has cited reasons as varied as heavy rainfall or the impact of Naxalism to explain why it can't supply power plants on time. Importing coal is an option, but will raise the cost of electricity. However state utilities, which purchase power, do not allow these higher costs to be passed on to users. Populist governments in many states, including Tamil Nadu, have underpriced electricity and driven utilities deep into debt. Ideally, a government with more than two years left of its mandate should have gone into reform mode, taking decisions and trying to fix problems in troubled sectors. Yet, the UPA stays listless and unable to see beyond immediate concerns like the 2G court battle, Anna Hazare's anti-graft campaign and the internal bickering among its ministers. This will not do. Get to work, now.
LIC bill passed, mining bill tabled

New Delhi: A bill that seeks to increase the paid up capital of Life Insurance Corporation of India (LIC) and make the insurer conform to the same regulatory requirements as other life insurers was passed in Lok Sabha on Monday, with opposition Left and UPA ally Trinamool Congress both opposing it. The bill was passed when the Left members walked out.

Ahead of the passage of the Life Insurance Corporation (Amendment) Bill, 2009, there were some tense moments for the government as a division was sought by the Left parties on an amendment moved by an opposition member. The amendment moved by CPM's Bansagopal Chaudhury was negated with 17 ayes and 107 nos. Members from the Left parties staged a walk out after that. Several members, including Raghuvansh Prasad Singh (RJD) and Raviendra Kumar Pandey (BJP), stressed the need to ensure that the Interests of LIC employees and the customers are protected.

SUCI's Tarun Mandal opposed the bill. Kalyan Banerjee of Trinamool Congress alleged that the government was taking in a roundabout way to bring FDI in the sector, but the government eventually had its way.

MoS for finance Namo Narain Meena said, once the Bill is enacted, it would not have any effect on the current policy holders.

Meanwhile, in a major policy shift, the government also tabled the Mining Bill in Parliament proposing to give share of 26% of profits of coal miners and 100% royalty of the project to affected people, while seeking to bring coal block allocations under competitive bidding.

The sharing of profit and royalty with people of the region is estimated to have an additional burden of Rs 15,000 crore for mining firms, according to industry sources.

The Mines and Minerals (Development and Regulation) Bill, 2011, also proposes stringent punitive measures against illegal miners while empowering state governments to constitute special courts for providing speedy trial of offences.

The bill provides for the Centre to intervene in cases of illegal mining, where the state government concerned fails to take action against illegal mining. The pro-people bill, however, had an impact on the share market that saw heavy sell-off of mining stocks by investors.

Shares of SAIL plummeted by 5.65% to close at Rs 78.50, NMDC fell by 4.54% to Rs 188.15.

Industry sources said the Bill is a dampener for the sector with additional burden levied on them due to profit sharing and royalty payments. The Bill has a transparent mechanism for grant of mining leases or prospecting licences through competitive bidding in areas of known mineralization, and on the basis of first-in-time in areas where mineralization is not known.
Mining scam: Shah panel says bureaucrats involved

DEBABRAATA MOHANTY
BHUBANESWAR, DECEMBER 12

THE Centre-appointed Shah Commission, led by former Supreme Court judge Justice M B Shah today said that the mining scam in Orissa could not have happened without the connivance of bureaucrats even as Opposition parties and activists raised the demand for a CBI probe.

Ending his four-day tour to the state to investigate into the mining illegalities, Justice Shah held a public hearing in Bhubaneswar where he took representations from political parties, environmental activists and social activists as well as exporters over the scam.

"I am not too sure about the role of the politicians in the scam. It is matter of investigation. But bureaucrats were involved," he said after environmental activist Biswajit Mohanty submitted many evidences over the involvement of top forest, steel and mines officials in the scam.
रही है कोयले की कालाबाजारी

नई दिल्ली, 12 दिसंबर (भाषा)। सरकार ने माना है कि कोयला दुर्भिक्षित (सीआईएल) में कालबाजारी का कुछ रहस्यों को मिला है। लेकिन कोयला के मुख्य अध्यक्ष जी.ए. यादव ने इसकी जानकारी दी है कि वसूल मामले के लिए अधिकारी की तरह परिसर का कोई साक्ष्य नहीं है। कोयला राज्य बंदिस्त्र अधिकारी प्रवर्तने ने कोयला की जानकारी की बात कहा कि विशेष तीन साल में सीआईएल के समेत कोयला के कुछ रहस्यों को मिला है। उन्होंने कहा कि कोयले का दुर्भिक्षार के साथ साथ के दिशातिर्थ ज्योति का तथा भारत के दुर्भिक्षित एसआईएल के तीन मामले दंड के दिशातिर्थ ज्योति के तोड़ है। उन्होंने कहा कि कोयले के दुर्भिक्षित एसआईएल के दंड के दिशातिर्थ ज्योति के तोड़ है।
अस्सी खबर को नियमित करे
ओडिशा सरकार: नहीं आयोग

पुलिस, 12 दिसंबर (भाषा)। केन्द्र की ओर से सुप्रीम कोर्ट के पूर्व न्यायाधीश न्यायमूर्ति एसएम शाह के नेतृत्व में नियुक्त नहीं आयोग ने ओडिशा सरकार को राज्य में खबरों की नियमितता करने का निर्देश दिया है।

आयोग का तर्क है कि प्रसिद्ध संस्कृति का एक ही बार में खबर नहीं कर देना चाहिए। आयोग राज्य में अस्सी खबरों की विशेषता की जांच कर रहा है। आयोग ने राज्य सरकार के सचिव को बताया कि तीन सप्ताह में समाप्त हो जाएगा। आयोग के सचिव को अधिकारियों को बताया कि राज्य सरकार को नियमित करने का निर्देश दिया गया है।
MMDR Bill tabled: Mining stocks plunge

MUMBAI: Mining stocks witnessed heavy sell-off by investors as the Mines and Minerals (Development and Regulation) Bill, 2011, was tabled in the Parliament that proposes profit sharing and royalty payment by the miners with the project-affected people. Shares of SAIL plummeted by 5.65 per cent to close at Rs 78.50, NMDC fell by 4.94 per cent to Rs 169.75, while another state-run firm Coal India lost 3.85 per cent. Steel shares also declined 3.14 per cent, while JSW Steel's scrip dipped 6.07 per cent. Among other companies, Sterlite Industries shed 3.16 per cent, Hindustan Zinc saw its shares decline by 2.18 per cent, Sesa Goa went down by 1.94 per cent. Gujarat Mineral Development Corporation plunged 3.33 per cent and Hindustan Copper lost 3.66 per cent. Tata Steel shares also declined 3.14 per cent, while JSW Steel's scrip dipped 6.07 per cent.