A turning point

There are signs of tribal support for the Maoists dwindling in Orissa. Tribal voters recently ignored a Maoist call for boycott of by-elections in the Umardqu constituency in Nowrangpur district and showed up in record numbers, with 75 per cent voters exercising their franchise. The Maoist call for a bandh to protest the killing of Kishenji too was ignored by the state's tribal population, which has hitherto been regarded as a reservoir of support for the Maoists. Tribal children went to school braving Maoist threats. The message that tribals have sent out is clear and unambiguous. They are turning their backs on the politics of the gun that the Maoists espouse and instead putting their hopes in ballot box politics. However, it is too early to interpret the developments as signaling the decline of the Maoists. Whether it results in the defeat of the politics of violence will depend on how the government responds to the opportunity that has opened up. If the government uses the space to initiate dialogue with the Maoists and to kick-start socio-economic programmes to benefit the tribals, then it could prove to be a game-changer. However, if authorities interpret the tribal despair with the Maoists as a victory for ‘Operation Green Hunt’ and persist with exploitative development it could end up being a lost opportunity.

As for the Maoists, they need to read the writing on the wall. Their traditional support base is drying up. Tribals are fed up of the Maoists forcing their children to join their ranks and of bearing the brunt of Maoist vengeance against the state and the security forces. The Maoists must wake up to the fact that their strategy of unrelenting violence is counter-productive. The very people in whose name they are waging war against the state are moving away from them. There is no way the Maoists can sustain their guerrilla war in the absence of support from the locals.

Orissa's tribals have traditionally articulated their anger against the state and mining companies by participating in non-violent mass demonstrations. These have met with some success. They are now protesting against the Maoists by not co-operating with them. Although this will draw the ire of the Maoists they must persist on the democratic path.
**Vandalising Aravalli**

**Development cannot be at the cost of environment**

**ANURADHA DUTT**

We do the same stupid thing again and again, and expect different results. This is the story of those who led the Chhatarpur campaign to save the Aravalli forest and today the same placards, same slogans, same sounds are heard in the city of the sun, where all the development work has been approved by the Delhi Government. As a result, the Aravalli forest, scantily covered with vegetation, is being divided into parts and the beautification project in full swing. The forest near the 2G area is being cleared in order to beautify the area. The project is being implemented without any concern for the environment. The Aravalli forest is an important ecological system and its destruction can have serious consequences. The Delhi Government has approved the beautification project without any concern for the environment. The project is being implemented without any concern for the environment.

They say they are concerned for the environment. They are just concerned for the beautification of the area. The Delhi Government has approved the beautification project without any concern for the environment. The project is being implemented without any concern for the environment. The Aravalli forest is an important ecological system and its destruction can have serious consequences.
Domestic copper smelters to gain from falling rupee

DILIP KUMAR JHA
Mumbai, 15 December

In a significant boost to Indian copper smelters, treatment and refining charges (Tc/Rc) are settled 12.4 per cent higher for the next year. Domestic copper producers, including Hindalco Industries and Sterlite Industries, are also expected to gain from the rupee depreciation, as all charges are settled in dollars.

The leading Chinese smelters Jiangxi Copper Corp and Freeport-McMoran Copper Gold, have agreed to raise Tc/Rc for 2012 to $63.5 a tonne and 6.35c/lb, respectively. This sets the benchmark for global copper smelters and mining companies. Tc/Rc are paid by mining companies to smelters for converting copper concentrate into refined copper products like cathode and bars.

"An increase in refining and treatment charges for copper will improve the top line of processing companies but it would be limited, as copper concentrate is largely imported in India," said Pukhray Sethiya, senior consultant, PwC.

In the mining sector, treatment and refining cost the most in extracting metal from ore. Treatment costs are those of the smelting process, which uses heat to melt metal to extract it mechanically from the ore. Refining costs are for use of the electro-refining processes, the output of which is metal pure enough to be sold for most purposes.

Public sector Hindustan Copper produces 20,000-30,000 tonnes of copper cathode and bars annually by excavating concentrate from domestic mines.

India’s annual copper production is estimated to be 680,000 tonnes, of which Hindalco Industries is 340,000 tonnes and Sterlite Industries 310,000 tonnes. Neither owns mines in India and are dependent on imported copper concentrates.

The financial performance of these two companies, therefore, largely depends upon the prevailing quality of ore in overseas mines and the rupee movement against the dollar. Debabrata Bhattacharyya, managing director of Hindalco Industries, had recently raised concerns over falling ore quality globally. "The 22 per cent fall in the rupee since August would certainly benefit these smelters in terms of higher realisation. But, the ongoing fiscal condition in the country remains a major concern for the overall demand. There are apprehensions that copper demand may continue to remain under pressure in coming months due to unfavourable economic conditions," said Bikash Bh脱otia, an analyst with PINC Research.

The quantum of concentrate import, however, depends upon the quality of ore and copper content in it. Industrial activity has witnessed a decline in the second quarter of the current financial year, which signals a slowdown in economic activity. Against the earlier estimate of a recovery in consumption in the second half of the current financial year, demand continued to remain under pressure.

"The trend is likely to continue until the second half of the next calendar year. Even if adequate measures are taken to support the growth in industry activity, there is hardly any possibility of their actual impact until June 2012," said Reena Walia, senior research analyst with Angel Broking.
अदानी करेगा 4 अरब डॉलर निवेश

बाजी कंपनी ने तीन अरब डॉलर से अधिक की मात्रा में अदानी बॉक्स के लिए निवेश किया है। अदानी कंपनी के साथ कोल बॉक्स निर्माता ने एक बड़े निवेश पर हस्ताक्षर किए हैं। यह एक बड़ा और महत्वपूर्ण निवेश है जो अदानी कंपनी के विकास की भूमिका को बढ़ा सकता है।

अदानी कंपनी की तरफ से निंदित कंपनी ने अदानी बॉक्स के लिए विभिन्न निर्माण स्थलों को निर्माण किया है। यह बॉक्स कंपनी के लिए एक बड़ा और महत्वपूर्ण निवेश है।
Goa’s lost legacy of measured mining

Path to profits: VM Salgaocar’s iron ore beneficition plant in Goa. (bottom) Iron ore being loaded onto a hump near the plant.

By Buchika Singh

In the last few years, China’s big demand for the resource has pushed up its price, making it attractive to many countries, including India. India has been the world’s second-largest buyer of iron ore after China. The iron ore market is dominated by China, which has a large population and a rapidly growing economy. As a result, China has been a major consumer of iron ore, which it uses to produce steel.

In 2011, iron ore was put in the open list from the restricted list, which also marked the turn in iron ore trade. “I remember going to China in 1994. China was used to the hard life and the trains that took us from the ports to the steel works would have hard benches,” Salgaocar said.

China is in a different culture. In the earlier stage, Chinese steel makers wanted discounts. But this changed by 2003-04, when the country’s steel production surged and China started paying a higher price. Then came 2005, three years prior to the Olympics in Beijing, when China accelerated the pace of its infrastructure development even more and its blast furnaces could take more of China’s low grades and blend in high grades from Australia and Brazil.

The blast furnace was a phenomenon by itself. In China, it could consume low grades, effectively it could take any mix,” Salgaocar said. “It could take in different blends of iron ore feeds including pellet and lump ore of different grades.”

While demand from China has helped Goa miners to prosper, it has also contributed to the destruction of farmland and had affected livelihoods.

Salgaocar, who is also the president of the Goa Mineral Explorers’ Association (GMEA), admits there could have been errors made by the industry.

“Some sort of self-regulation is needed. If there are any irregularities being pointed out, they can always be set right,” he said.

As a way to deal with the blame on them, Goa’s miners are being transparent with data and information with the authorities.

“We just want to say the facts on the table,” Salgaocar said. When asked why the group that has always held a low public profile is now speaking up on Goa’s mining industry when it has reached a crisis point.

A reputation for mining responsibility and a history of philanthropy may help Salgaocar’s voice to carry weight.

“Everyone agrees there has been a qualitative difference in the last few years,” said Claude Almeida, director of Goa Foundation, which has filed a string of public interest litigation against miners. “For many years, mining has been on a very low scale. Environmental damage was there, but not gross.”

Next, an interview with Tushar Bimal, managing director of Ferrum Mining Resources.

To read the earlier chapter in the series, go to www.livemint.com/goa
सबसे बड़े हीरे को नहीं मिला खरीदार

पत्र (प्र)। एनआईडीसी द्वारा संचालित महानगर खाद्य में पाए गए अब तक के सबसे बड़े हीरे की खुफिया को हुई नीलामी में कोई खरीदार नहीं मिला। माना जा रहा है कि इसकी अंतिम कोटा के अनुसार देखा हुआ। एनआईडीसी के अधिकारियों के अनुसार, खुफिया को 37.68 कैरेट हीरे समेत एक अन्य हीरे की नीलामी का आज आयोजन किया गया था परंतु दोनों हीरों का कोई खरीदार नहीं मिला। महानगर खाद्य में कुल 5200 कैरेट के हीरे नीलामी के लिए उपलब्ध थे। इस नीलामी में शामिल होने के लिए देश भर से हजारों जुटे थे।
Temporary relief for SM Krishna, Kumaraswamy

KESTUR VASUKI • BANGALORE

A single-judge Bench of the Karnataka High Court on Thursday stayed proceedings against two former Chief Ministers — SM Krishna and HD Kumaraswamy — for four weeks in an illegal mining case. Based on a plea by Foreign Minister SM Krishna to dismiss the case against him, Justice BV Pinto has stayed proceedings and posted the matter for January 6. The judge also ordered complainant TJ Abraham to make his submission in the case.

When the matter came up in the high court, Krishna's counsel Uday Lalit contended that the allegations made in the private complaint did not constitute an offence prima facie as they were based on the Lokayukta report on illegal mining which, he said, did not refer to his client's name. He argued that Mysore Minerals Limited and the forest officials were responsible for de-reserving the forest land. He also said the loss incurred by MML was due to the company signing MoU with private mining companies.

In another case regarding former CM HD Kumaraswamy, the same Bench stayed the proceedings by the Lokayukta against Kumaraswamy and his family till January 6 in the illegal mining case.

Justice Pinto, who on Wednesday took up Krishna's petition, adjourned the hearing to Thursday as the former CM's lawyer sought time. Krishna had filed the petition on Dec 9 after the Lokayukta police registered a FIR over his alleged role in allowing illegal mining when he was the Karnataka CM during 1999-2004.
JSW Energy ups stake in S African coal firm

SHUBHASHISH
Mumbai, 15 December

JSW Energy has acquired a 31.56 per cent stake in South African Coal Mining Holding Ltd (SACMH), raising the Mumbai-based company’s total shareholding in the entity headquartered on Johannesburg’s suburbs to 93.27 per cent.

JSW Energy chief financial officer Pramod Menon, while informing this today, recalled that the agreement between the two companies featured a put option last year when his firm bought certain SACMH shares. “The promoters decided to move on. Hence, we exercised the put option,” he added.

Subsequently, JSW Energy, through its wholly-owned step-down subsidiary, went on to acquire Royal Bafokeng Venture Proprietary Ltd’s 50.20 per cent stake in Royal Bafokeng Capital (RBC).

“With this, the total shareholding of JSW Energy in SACMH stands at 93.27 per cent, against 61.71 per cent at the end of the September quarter, Menon revealed.

Last year, JSW Energy had, in its bid to secure coal for its power plants in India, bought a 49.8 per cent stake in RBC, which holds 54.06 per cent stake in SACMH. The company also bought 34.79 per cent stake in SACMH directly from the open market, at 30 cents per share.

At that point in time, on April 4 this year, an appeal committee of South Africa’s securities regulation panel filed a case against JSW Energy in the South Gauteng High Court of that country to protect the rights of minority shareholders.

The panel conducted a “price test” to safeguard the minority shareholder interest in the deal – and came up with a ruling that JSW Energy has to offer 38.6 cents per share to the small shareholders.

JSW contested the order, pointed out the CFO. On November 22, the court ruled in favour of JSW Energy and said the comparable price offered to the minority shareholders of SACMH was 30 cents a share. At the end of the last quarter, SACMH had mined 225,000 tonnes of coal and sold 119,000 tonnes at $111 per tonne. “The margin continued to remain under pressure,” Menon said.
HINDUSTAN ZINC
PAYS ₹400CR AS TAX

New Delhi: Vedanta Group firm Hindustan Zinc has paid ₹400 crore as advance tax for the October-December quarter, an over 23 per cent rise on a year-on-year basis, the company said on Thursday. "The higher advance tax payment is due to improved efficiency in business operations and expansion in business," the company said in a statement.
Health cloud on uranium mine

K.M. RAKESH

Bangalore, Dec. 14: A state government agency has sought an immediate halt to land acquisition for a proposed uranium mine in a north Karnataka village.

In a report to chief minister D.V. Sadananda Gowda, the Western Ghats Task Force has cited serious health issues among many of the 15,000 villagers in Gogi, in Yadagir district, where the Uranium Corporation of India Limited has been carrying on exploratory mining over nearly eight hectares.

This is part of the 39 hectares UCIL took on lease since it got the Centre’s permission for exploratory mining in 2007. However, it has not yet got the environment ministry’s clearance for commercial mining.

“I visited the place after a public outcry over radiation-related sicknesses and saw how serious the issue is,” A.H. Ashisar, chairman of the task force, a government body that monitors the state’s forests, told The Telegraph today.

“I have gathered the opinions of a cross-section of people from the village and experts to conclude that land acquisition must be stopped until all parties achieve a proper consensus.”

The report alleged that UCIL was yet to take all the necessary permissions from regulatory bodies like the ministry of environment and forests, Atomic Minerals Directorate and the Directorate General of Mines Safety for the proposed mine in Gogi, 600km from here.

No officials from UCIL were immediately available for comment. The state government is yet to make any statement on the issue.

The exploratory mining started after UCIL got the Centre’s nod in 2007. The state government gave an “in-principle” go-ahead in July this year for commercial mining.

By then, the village had been allegedly polluted, with effluents from the mining site being flushed into a tank, the main source of drinking water for the village.

Cases of skin rashes, vomiting and giddiness are being reported from the village. “I saw many cases and have confirmed the nature of the sickness after consulting medical specialists,” Ashisar said.

UCIL has drilled in a shaft 5 metres in diameter. The shaft has already been sunk 140 metres to test the mined soil.

“This has polluted the air and water bodies in and around the village,” Ashisar said, adding it was anybody’s guess what would happen once the mine comes up in a proposed area of 105 hectares.

The total deposits of uranium in the area are estimated to be around 4,250 tonnes. According to the report, soil extracts from Gogi are expected to yield 0.17 per cent uranium, considered high by Indian standards.

According to the plan, uranium will be extracted in a unit 6km away. The extracts of sodium diuranate will then be sent to the Nuclear Fuel Complex in Hyderabad, 280km away for further processing.

“All this shows the extensive uranium activities in the area would eventually cover around three large villages,” Ashisar said.
Mining sector told to update technology

Special Correspondent

JAIPUR: The mining sector and the users of dimensional stones have been asked to follow sustainable practices in quarrying and processing to ensure minimum damage to environment. The industry also should make use of the secondary raw material apart from the primary material for keeping the wastages to the minimum, it has been said.

A gathering of experts and practitioners of the stone sector at the fourth edition of the "Global stone technology forum" jointly organised by Centre for Development of Stones (CDOS) and FICCI here on Thursday, felt that adoption of eco-friendly technologies in both mining and processing and introduction of composite stone products would go a long way in preserving the ecology.

Rajasthan's Additional Chief Secretary (Forest & Environment) V.S. Singh, in his inaugural address, said mining industry should ensure that it did not destroy the future. Referring to the intervention of the Supreme Court in the case of mining in the Aravalli hills, Mr. Singh said the hill top mining should be avoided and instead, surface and sub-surface mining should be promoted.

The conference, which alternates with the India Stone Mart every year in Jaipur, aims to provide a forum to deliberate on best global practices and technologies for dimensional stone quarrying, processing and finishing, marble waste disposal, utilization, testing standardization and quality certification, besides use of stone installation/cladding in modern buildings.

"A debate on safe mining practices is already on. We have to protect our hill systems and the flora and fauna," Mr. Singh said. He suggested that the industry should not totally rely on the primary raw material for construction but also go for the abundantly available waste material-- in the form of slurry -- for manufacture of cement and other products.

Mr. Singh asked the industry to promote cluster mining using eco-friendly technologies. He said the government also would like to encourage the planting of vegetation in areas adjoining mining sites.

Principal Secretary (Industries) and Chairman, CDOS Sunil Arora noted that the stone industry had a direct link to labour, masons and architects thus providing direct and indirect employment to about 5 lakh persons in Rajasthan alone. Mr. Arora said that CDOS, established in 1998, has provided a comprehensive umbrella and platform to those associated with the stone industry -- the quarry owners, equipment manufacturers, stone traders, processing units and the like. The State Government as well as CDOS was committed to play the role of a catalytic agent for spurring research and investments, he promised.

National Programme Coordinator of United Nations Industrial Development Organization (UNIDO - ICAMT) M.S. Dhakal on the occasion said that encouraging results from the first phase of CDOS, has prompted UNIDO to plan a second phase with CDOS. "The stress would be on technological upgradation in Rajasthan for stone mining, quarrying and extraction industries to bring them at par with international standards," he said. As part of this programme UNIDO would also initiate research on stone in the universities and colleges, he said. Eminent architect Ravindra Bhan on the occasion announced Rs. 1 lakh award for exterior facing category to Arun K. Bij of New Delhi for his NATCO project in Noida.
Copper rebounds on technical buying

Reuters
London, Dec 15
Copper rallied from three-week lows on technical buying on Thursday although concerns about the risk of the Euro zone returning to recession and the effect that would have on top metals user China suggested gains could prove short-lived.

Three-month copper on the London Metal Exchange traded at $7,255 a tonne at 11:14 GMT, up from $7,210 at the close on Wednesday.

COPPER SUPPORT CRACKS
London traders said the market was in a sell-the-rallies mode, even in copper which has been better underpinned than other metals given its crimped supply pipeline.

"Additionally weighing on the price of copper is the fact that mining company Freeport reached an agreement with workers at Grasberg Mine in Indonesia to conclude a new two-year collectively agreed contract," Commerzbank said in a note.

Amoung other metals, aluminium traded at $1,985 a tonne, up from a $1,962 close on Wednesday when it sank to a 2011 trough.

Battery material lead was at $1,987 from $1,998 while zinc was at $1,858 from $1,845 at Wednesday's close.

Nickel was at $17,700 from $17,400.

Tin was at $18,850 from $18,625.
Adani to Invest $4B in Mining Blocks

M V RAMSURYA
MUMBAI

Adani Enterprises, the flagship of the Adani Group, will invest more than $4 billion to develop and mine coal blocks awarded to its various joint ventures with state electricity boards, even as the government boosts fund injection in power projects to build more thermal plants.

The Gautam Adani-promoted company, which had last year acquired Australian coal company Linc Energy for $3 billion in one of the largest outbound transactions, has been appointed as a mining operator in five coal blocks through a competitive tender process, and will also build the infrastructure to deliver coal to projects under an agreement with electricity boards, a senior company executive told ET recently.

Adanis will acquire land, provide compensation to locals and wash coal before delivery to the various power projects being built by the Maharashtra, Gujarat and Chhattisgarh governments.

“We will mine coal on behalf of the utilities. We have till date committed to mine over 150 million tonnes of coal in India through mine development and operatorship business,” said Adani Mining CEO MK Thapar.

A wholly-owned subsidiary of Adani Enterprises, Adani Mining, will fund the coal development projects through internal accruals that could possibly include a proposed London listing. According to norms, an MDO — a mining development operator — is paid fee by the SEBs, but not before the operator builds part of the asset and accesses bank loans for the remaining portion of the project.
Company cautious as Greystone’s holding firm is listed in the British Virgin Islands

NMDC drops stake buy in Brazil mine

PRIYADARSHI SIDDHANTA
NEW DELHI, DECEMBER 15

STATE-RUN mineral giant National Mineral Development Corp (NMDC) is all set to drop its proposal to pick up 50 per cent equity of Greystone Iron ore Limited’s mine in Brazil, as the firm’s holding company Zamin Resources is listed in the British Virgin Islands, a known tax haven.

The company is exercising caution, given that the government is under pressure to unearth black money stashed in tax havens by both individuals and companies.

The move comes barely a month after the company shelved a proposal to acquire the Vinci coal project in Russia as one its owners were listed in North Korea.

NMDC was planning to pick 50 per cent equity in Greystone for $40 million to take the project to Bankable Feasibility Study stage and initiate exploration, drilling and allied activities after the equity transfer.

Greystone had suggested that NMDC pay $5 million on completion of the Bankable Feasibility Study stage and the remaining payments could follow on completion of stipulated milestones, a senior steel ministry official told The Indian Express.

Accordingly, NMDC was in talks with Greystone’s parent company Zamin Ferrous and had also inked an Exclusivity Agreement with Zamin to submit a binding offer for acquiring 50 per cent of Greystone in March 2011.

It was during the process of due diligence that issues related to ownership cropped up, triggering concerns among the Board.

“In subsequent perusal by NMDC of Greystone’s ownership last month it was found that the mining entity and its parent company Zamin Resources were unlisted firms. Also, Zamin’s fully-owned subsidiary company Block-V, which holds almost 100 per cent stake in Greystone is listed in the British Virgin Islands, a known tax haven,” the official said.

Moreover, the Bahia provincial government in Brazil is yet to renew the leases of the company, which is imperative for further exploration and NMDC is not in the know, when Greystone’s leases would be renewed.

“NMDC is worried ... there could be problems at a later stage if the takeover exercise is executed without adequate due diligence. The company is unwilling to proceed further on acquisition talks. In all probability NMDC is likely to drop its takeover proposal,” the official said.