Scorching sun delays 3-D laser survey of mines

It will help get an idea of the extent of illegal mining

SANDUR: The 3-D laser survey of the mines belonging to the Associated Mining Company (AMC) - owned by former minister Janardhana Reddy - at the Ramgad forest area of Sandur taluk in Bellary district could not be undertaken on Sunday and had to be postponed to Monday, due to the scorching sun which has left the personnel fatigued.

On Sunday, they could only undertake work on marking the boundaries and finding the depth to which mining had taken place. The 3-D laser machine can scan areas in a radius of 1,400 metres and ascertain the extent of ore extracted as also the quality of the ore mined. The 3-D survey will thus help get an idea of the extent of illegal mining that has taken place in the region.

The CBI team - led by DIG Hitendra and SP Subramanyeshwara Rao - conducted the survey at the central station area of Sandur on Sunday.

It is believed that 10 lakh metric tonnes of ore has been extracted in the mines belonging to AMC. It is said that the ore collected by AMC as hafta from other mining companies was also transported using AMC's mining licence. The CBI had recently taken Ali Khan, close aide of Janardhana Reddy, to the ore dumping spots at Jaisinghpura and Siddapura near AMC's mines to collect necessary information.

DH News Service
Hindustan Zinc, Balco residual stake sale may not happen soon

High stakes and litigation make govt cautious in responding to Sterlite’s offer

SUDHEER PAL SINGH & SANTOSH TIWARI
New Delhi, 16 April

The residual stake sale in Hindustan Zinc Ltd and Bharat Aluminium Co Ltd (Balco) is unlikely to happen soon, with the government deciding to tread cautiously keeping in mind the high stakes and the litigation process involved.

While the government is in the process of formalising a response to metals and mining conglomerate Vedanta Resources’ offer to buy the residual stakes in the two group firms for about ₹70,000 crore, officials involved in the process indicated that a final decision could take time.

A senior official in the disinvestment department said a committee of secretaries (CoS) had discussed the offer and the mining ministry, the nodal ministry in this case, was taking legal opinion for drafting the response to be approved by the CoS. The draft response will then be placed before an empowered group of ministers for the final approval.

“The response has to be legally consistent. The stakes are very high and the litigation is going on, so nobody would like to take a chance that this correspondence creates a problem in that process,” said the official.

Sterlite Industries, an arm of Vedanta, had bought a 51 per cent stake in Balco for ₹553 crore in 2001. The deal had a call option. This meant the buyer had an option to buy the remaining government equity in the company at a future date and price.

When Sterlite chose to exercise the option in 2004, three years after the deal was completed, the Congress-led United Progressive Alliance had replaced the Bharatiya Janata Party-led National Democratic Alliance at the Centre. Since the Balco disinvestment had come in for severe criticism and the new government had given up the policy of strategic sale, the government did not reciprocate with the “put” option.

The government cited Section IIIA of the Companies Act, which says shares of a company are freely transferable — in other words, the government could not be forced to sell its remaining stake to the company. In 2007, when the company went to court against the government’s decision, the court held that since the dispute arose out of the shareholder agreement, it should be resolved through arbitration prescribed in the agreement.

While rejecting Sterlite’s plea in early 2011, the arbitration award held that the law of the land comes first, followed by the articles of association of a company and only then the mutual contract between two partners. The dispute has not ended though, with both the government and Sterlite deciding to approach the Delhi High Court — the former on the valuation of shares whenever it decides to go for sale, and the latter for its claims on the call option being rejected.

In Hindustan Zinc, Sterlite had acquired a part of the government’s stake in 2003 for around ₹750 crore. The government holds 29.5 per cent in Hindustan Zinc, India’s only and the world’s largest integrated producer of zinc and lead. Analysts say at Vedanta’s current offer price of ₹17,000 crore for the two companies, the deal is less likely to be clinched soon.

“We think the deal is heavily undervalued at the current price, as both companies are worth much more. What the company is willing to pay is less than the value of the stakes and the government might not be willing to sell at this price,” said Bhavesh Chauhan, research analyst at Mumbai-based brokerage firm Angel Broking.
Goa issues orders for iron ore extraction, transportation

Leaseholders to submit papers on lease, fencing of lease areas, daily reports on transportation

Special Correspondent

PANAJI: In a bid to regulate iron ore extraction and transportation by the private sector in Goa, the Directorate of Mines and Geology on Monday issued two orders, directing all leaseholders to submit daily reports on transportation and asking them to submit documents concerning the lease and fencing of the lease areas.

The orders were issued in line with the no-nonsense approach adopted by new Director of Mines and Geology Prasanna Acharya. He took over after the suspension Arvind Lolylekar owing to alleged irregularities and his failure to tackle illegal and irregular mining.

The Director said on Monday that the mining companies and leaseholders were told that the department was in the process of streamlining all activities. As a temporary measure, it was decided to obtain daily reports on ore transportation.

Miners were directed to submit in advance the details of vehicles and ore to be transported on the succeeding day. In case, the transportation plan was changed on the day of transport, the details should be sent to the e-mail address of the department.

The details to be reported to the department would include the registration number of vehicles/barges, their date of registration, the make and carrying capacity, the quantity of ore loaded, the grade of the ore, the royalty challan number, the date of payment of royalty of the ore proposed to be transported and destination of the ore. The department has also told the miners that reports should be sent for each transportation challan separately.

The State has nearly 20,000 ore transporting trucks. The ore transport by road has been one area that has invited the ire of people for fatal accidents, excessive illegal transport of ore and dust pollution.

Goa has about 20,000 iron ore transportation trucks

So far 100 to 150 out of 461 traders have submitted documents

Many of the mine owners are accused of usurping the area from around their lease area, including huge forest land, by use of corrupt methods. They have been asked to submit full set of documents pertaining to their mining lease, including duly authenticated copy of Title of Concession, along with the copy of translation in English. This is because most of the lease-related documents are in Portuguese or any vernacular languages. Other documents would include plan of transport challan (TC) number, survey plan of the lease area with details such as the survey number, GPS coordinates and demarcation plan of the lease area under the Land Revenue Code.

The department has directed that all the documents mentioned above, along with other relevant documents, including clearances, No Objection Certificates and consents issued by various authorities, should invariably be submitted within 15 days from April 16. Ostensibly to deal strictly with the complaints of use of areas beyond demarcated mining areas, the department has directed them to fence the lease area with boundary stones/pillars that could be identified distinctly with TC number and keep only one opening with a gate so that the entry to the lease area could be properly regulated.

Policy measures

In an informal chat with reporters at his office, Mr. Acharya said, “We are not dealing with individuals, but putting policy framework and checks and balances mechanism in place.”

With the department’s last date for submission of documents to the ore traders having expired on Monday, it was stated to have received documents from 100 to 150 traders out of a whopping 461 registered traders but who continued to indulge in illegal and irregular trade and export activity in ore.

The next area on the department’s radar seems to be to getting the mechanism activated to do a random check of the Fe content of the ore declared by the extractors while paying royalty, sources in the department indicated.

The State exported nearly 43 million tonnes of iron ore last year, fetching close to Rs.17,000 crore in foreign exchange.

The Bharatiya Janata Party government, which came to power in the recent Assembly elections, has taken up cleansing of the mining activity as a priority, with Chief Minister Manohar Parrikar retaining the charge of the Department of Mines and Geology. His predecessor Digambar Kamat presided over it for nearly a decade.
Copper pares losses on bargain hunting

**Reuters**
London, April 16

Copper held below $8,000 a tonne on Monday, a significant level for market sentiment, after earlier hitting three-month lows due to Chinese demand worries and renewed fears about the eurozone economy.

Rising concerns on Spain's budget deficit sent safe-haven German bond prices to record highs and Spanish 10-year bond yields above 6 per cent for the first time this year on Monday.

Three-month copper on the London Metal Exchange fell as low as $7,985.25 a tonne, a level not seen since mid-January.

But bargain hunting and a recovery in European equity markets later helped the red metal come back to $7,991 a tonne in official midday rings, versus $7,970.50 at the close Friday, when it slid 2.8 per cent after Chinese data showed the economy growing at its slowest clip in nearly three years.

In other metals, tin was down 1.85 per cent at $31,795 while nickel shed 1.61 per cent to $18,010. Aluminium was off 0.55 per cent to $2,068.50.
Disinvestment process may begin in June, says Khan

BY ARUP ROYCHODHURY & MANOJ KUMAR

NEW DELHI

India plans to kick-start stake sales in state-run firms in June—preferably through the auction of shares—to meet a target of ₹30,000 crore set for this fiscal, the official in charge of disinvestment said on Monday.

Raising revenue from selling stakes in state-run firms, along with cutting subsidies, is seen as key to India’s efforts to repair its damaged finances. India aims to lower the fiscal deficit to 5.1% in 2012-13, after it blew out to 5.9% last year. “When you push an FPO (follow-on public offering), the market prices come under pressure. Hopefully, we will go more for ONGC-type auctions,” Mohd Haleem Khan, who heads the government’s share sale programme in the finance ministry, said in an interview.

Although India’s ₹2.6 billion auction of shares in the Oil and Natural Gas Corp. Ltd (ONGC) in March did not attract many institutional investors, the government was able to direct state-run Life Insurance Corp. (LIC) of India to pick up a large stake.

Khan defended the ONGC sale, which even some government officials said was badly handled. He said the government got the price it was aiming for.

In fiscal 2012, the government raised just ₹14,000 crore from share sales in state firms, well short of its ₹40,000 crore target. The government dragged its feet on the offerings because of unfavourable market conditions.

Indian equities were one of the worst performers in 2011, with the 30-share benchmark index shedding more than a quarter. So far this year, the index has risen about 12%. “Depending upon how things unfold in a month or two, some FPOs can also be looked into, like Oil India, Bhel (Bharat Heavy Electricals Ltd), MMTC, SAIL (Steel Authority of India Ltd), Neyveli Lignite, Nalco,” Khan said.

Other probable candidates include Hindustan Aeronautics Ltd and Hindustan Copper Ltd, he said. “The earliest period to look forward to will be June,” Khan said, when asked when the stake sales would begin. Reuters

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