Mining Bill: Deviations from Hoda package will be retrograde

DNA, Mumbai
Thursday, 17th March 2011, Page: 10

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The Ministry of Mines has put on its website a draft of the proposed Mines and Minerals (Development and Regulation) Bill (MMDR Bill) dated June 3, 2010. The Bill represents a comprehensive overhaul of the mining law of the country. It is based primarily on the recommendations of the Hoda Committee report and it attempts to translate into action, the new National Mineral Policy, 2008, which is based on that report.

However, there are at least three deviations in the proposed MMDR Bill from the Hoda report which are serious enough to jeopardise the very objective of the new dispensation — that of creating a world-class mining sector in India contributing significantly to the country’s GDP without damaging the environment or conflicting with the interests of project affected persons (PAPs).

These deviations are contained in the core provisions relating to the grant of prospecting licenses in Section 13 (1), grant of mining leases in Section 13 (4) and transfer of mining concessions in Section 17 These provisions appear to be designed to favour certain classes of beneficiaries at the expense of the exchequer and they hit several core recommendations of the Hoda Committee including those which relate to attracting private sector investment through direct investment (FDI), in the mining sector.

The other deviations which, though, not fundamental, have serious implications such as those relating to sustainable development and PAPs in Section 17 and 46 of the Bill.

Geological case
Geologists have made a clear case for India. Nearly 200 million years ago, “chips” of land to add to the existing subcontinent, along with Latin America, South Africa and low India, was part of the southern land mass called Gondwana. India’s geological being akin to these regions, its resource position follows that pattern of abundance and quality. It is rich in mineral wealth, the oldest office of the Government of India, the Geological Survey of India, opened and located in Calcutta, the then seat of government. The British knew the wealthy existed and wanted to get on with the task of exploiting it.

The Hoda report begins with the revelation that we have not prospected more than 5% of our mineral bearing hard rock area in the last 150 years. Now, consider these facts: Out of the top five resource-rich countries in the world, the first four — Canada, Australia, Brazil and South Africa — spend upwards of $100 million every year prospecting and they keep hitting new finds and revising upwards their resource base. Sixth, seventh and eighth resource-rich countries — China, Russia, CIS and the US — spend more than $100 million every year and are still discovering away from their existing mining districts. Contrast these with the fact that the fifth resource-rich country in the world, India, spends less than $1 million a year on prospecting. Here we are faced with the problem of losing our position in a class within whose position in a class where our potential can become a reality, the world will be a better place for the one-third world that we are.

We have not used our iron ore reserve and lime stone. We have not used our iron ore by then, its value will be greatly reduced.

We are also the largest storehouse of iron ore, which goes to make iron in the world. But we have been in Section 13 (2). Under Section 22 (6) (b) proviso 2, an application can be rejected on the ground of incompleteness which requires us to want the prospector to pay. This has serious implications.

Despite being one of the top five resource-rich countries of the world, we lack a geological setting which assures a secure future. We have no clear idea of what our storehouse contains. It is simply amazing by the standards of prospecting being done. Prospectors require risk funds on a massive scale — in hundreds of millions of dollars every year. Funds on this scale cannot come from the government. In no resource-rich country is the risky work of detailed prospecting done by the state. In India, we have kept private investment out of law (15% PMI post 1993). A new policy is needed which can enable the exploration companies to bid for licences.

The Hoda package is a holistic scheme for creating a secure future using the country’s abundant and untapped natural resources. The objective is to achieve a higher growth trajectory without damaging the environment. The National Mineral Policy, 2008, lays down the framework for implementing this solution. Unfortunately Sections 13, 17, 18, 19 and 43 of the new draft Bill and indeed several other sections hit at its very core.

Section 13 (1)
Section 13 (1) has been introduced despite Section 22 which deals with the same subject. Section 13 (1) says that prospecting licences will be sold through a competitive bidding process. Section 22 says that prospecting licences will be granted on first come first served basis. The Hoda report proposes, for reason to be explained shortly the competitive bidding process will affect large amounts over long periods, the prospectors may find that the deposits are not mineable. So the returns, of course, have to be sold. It is possible to make the permit at the least cost and re-eruption on no-find operations. Not more than two of five ventures will succeed. The prospectors take the risk of extracting on the basis of the meso data that preliminary exploration or reconnaissance has been found. Risk funds in Canada and Australia is speciality in this kind of funding and all countries use for these funds. So like China we have to make ourselves attractive to risk investors for prospecting if we want to attract these risk funds for locating our minerals. This cannot be done by asking the investors to pay for spending their own money at the risk of their own risk.

Private investment in prospecting is a specialized and international business which is becoming more and more high-tech. The technology is closely held by the exploration companies who are also the known as “junior” companies. It cannot be bought off the shelf. In India there is only one company which holds the technology, the Indian Exploration Corporation Limited, which does detailed exploration. It mainly explores for large deposits as an exploration company. It consists of exploration for base and noble metals and precious stones is low to negligible. If we cannot get a Canadian or Australian Junior to prospect for us, then our resources are likely to remain under the ground for a long time. For these reasons Section 13 (1), if it must be retained, should be restricted to bulk. In all other cases it should be clear.
पर्यावरण मंत्रालय की चुप्पी से स्टरलाइट की परेशानी बढ़ी

दिक्कत ♦ पर्यावरण मंत्रालय ने नियमगत हिल्स में उत्कलन पर लगा रखी है पाबंदी

अंदाज़ अस्तित्व नियमित स्टरलाइट इंडस्ट्रीज़ पर हमने तीन माह से पर्यावरण एवं बन मंत्रालय से उद्धरण में अपने पुरावश प्रोटेस्ट को जारी रखने के बारे में जानकारी देने के लिए साइट पर प्रयास किया है।

बताया 2007 के सुप्रीम कोर्ट के एक आदेश के सूचना से निर्भरित, स्टरलाइट को सभी मात्र कर्मचारी अनुदानित करने के लिए सायजी में पुरावश प्रोटेस्ट का कार्यक्रम करना है।

लेकिन, पर्यावरण एवं बन मंत्रालय द्वारा समस्त मामले में स्टरलाइट के उत्कलन पर संबंधित लागू नहीं है।

2007 के सुप्रीम कोर्ट के एक आदेश के उपरांत, स्टरलाइट की संपत्रित प्रक्रिया ने उनके पूर्वी हिल्स में पुरावश प्रोटेस्ट को अंदाज़ बढ़ाना दिया।

लेकिन, स्टरलाइट को संपत्रित प्रक्रिया के लिए साइट में उत्कलन करने का अंदाज़ नहीं।

स्टरलाइट की सीमाओं को एक रूप में अंदाज़ बढ़ाना दिया।

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स्टरलाइट का आदेश

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नाल्को का अप्रिम कर 476 करोड़

भूलेश्वर • सार्वजनिक क्षेत्र की नवालं लिमिटेड अनुसार निवेदन एकनिष्ठ समायोजन भिडियो लिमिटेड (नाल्को) के बारे में जानकारी की गई है कि वर्ष 2010-2011 में नाल्को के लिए अप्रिम कर के रूप में 476 करोड़ रुपये की राशि का भुगतान किया गया है। यह कर के रूप में 295 करोड़ रुपये की राशि का भुगतान किया गया था। नाल्को के लिए दीपक ब्यूटीफुल खाली भाग एक्सपोजर के बाद नाल्को की राशि का भुगतान किया गया है।
Gold falls for 3rd day on global cues

Both the precious metals continued their losing streak for the third straight day on Thursday, due to a weak global trend. While gold fell by ₹50 to ₹20,750 per 10 gm, silver declined by ₹500 to ₹52,000 a kg. In global markets, gold fell by 0.9 per cent to $1,386.65 an ounce and silver edged lower by 1.5 per cent to $33.70 an ounce.
Gold May Advance as Japan Crisis Spurs Demand

LONDON Gold gained for a second day in New York as unrest in the Middle East and North Africa and Japan's nuclear crisis pooped demand for a protection of wealth. Platinum and palladium touched three-month lows. Helicopters and riot-control water cannons were enlisted in the battle to contain radioactive pollution spreading at Japan's Fukushima Dai-Ichi power station that was damaged after last week's earthquake and tsunami. Rebels said Libyan leader Muammar Gaddafi's warplanes bombed Benghazi airport as the United Nations Security Council prepares to debate action. "The situation in the Middle East and North Africa is discouraging people to go short on gold and the situation is rather delicate in Japan," said Bernard Sin, the head of currency and metal trading at MKS Finance, a bullion refiner in Geneva. "There's no other alternative really to gold." Gold futures for April delivery rose $6.60, or 0.5%, to $1,402.70 an ounce at 8:04 a.m. on the Comex in New York. The metal for immediate delivery in London was 0.3% higher at $1,402.57.
Pawar aide under scanner for illegal mining in Goa

MAYABHUSHAN PANAJI

The Goa Forest Department is probing Prafulla Hede, a close aide of Sharad Pawar, for operating an open cast iron ore mine without requisite permissions in a forested area in the State. According to State Forest Minister Filipe Neri Rodrigues, his department had already filed a complaint against the manager of the mine operated by Hede.

Hede is a Nationalist Congress Party’s (NCP) State coordinator and has a big say in party affairs in Goa, given his proximity to the NCP supremo.

In a written reply, Rodrigues told the Goa Legislative Assembly that Ramratan Vaidya, a mining manager at Hede’s mine located in Collem, near the Bhagwan Mahavir Wildlife sanctuary, had already been booked in course of the enquiry conducted by the Forest Department.

Hede’s mine is one of the 17 mining outfits, which have been pulled up by the Forest Department for illegally mining in Goa’s forests.

The State Mining Department has already cracked the whip against NCP national secretary Jitendra Deshpahlu for illegal mining in Pernem, a sub district in north Goa located 35 kms from here.

"Jitendra Deshpahlu is indulging in illegal mining activity in survey number 299/0 of Corgao village of Pernem taluka (sub district)," Kamat said. Incidentally, the Chief Minister has himself been accused of sheltering illegal mining in the State.

"After hearing on the submissions made by him, a demand was raised towards value of the minerals," Kamat said. Deshpahlu has already been fined Rs 1.72 crore by the State Mining Department.

Chief Minister Digambar Kamat, who is also the Minister for Mines, told the Winter Session of the Goa Legislative Assembly in February that the senior NCP functionary had already been issued a show cause notice for illegally extracting nearly 50,000 tons of iron ore.
Lavasa may be fined for illegal mining

Amruta Bystnal

PUNE: A site inspection of the Lavasa hill city conducted by the Pune district administration has revealed that 778.86, 600 cubic feet of mining has been conducted in two villages by Lavasa Corporation Limited (LCL). The comprehensive data regarding the remaining 17 villages is still being consolidated by the authorities, according to Pune Additional Collector R.K. Gaikwad.

This might result in LCL being made to pay a fine for 'illegal mining.' "The nature of the permissions secured by LCL is not known to the district administration. The amount of the fine will be known in a week after the report is completed," Mr. Gaikwad told The Hindu.

The report will be submitted to the Ministry of Environment and Forests (MoEF) which will then decide the nature of penalty.

The MoEF had directed the district administration to quantify the excavation done by LCL for the development of the 25,000-acre hill city. A 10-member team then conducted a two-week survey to investigate the environmental damage caused by the quarrying undertaken by LCL.

The report submitted to the MoEF by the Expert Appraisal Committee (EAC) in January had pointed out that "the haphazard way in which the hill cutting has taken place is expected to result in landslides, high erosion and consequent siltation of water bodies."

The report also stated that the manner in which quarrying was being done needed to be reviewed for evolving a scientific way of undertaking such operations, particularly in ecologically-sensitive areas of Western Ghats, where the 25,000-acre hill city is located.

LCL however claimed that it has permission for quarrying.
Industry expresses concern

Special Correspondent

NEW DELHI: Industry on Thursday expressed concern over the Reserve Bank of India’s strict monetary policy saying while it was unlikely to tame inflation, it had affected industrial production.

Associated Chambers of Commerce and Industry of India (Assocham) President Dilip Modi described the hike in the repo rate as a fire fighting exercise with limited options and said that it would further slowdown the manufacturing sector. The performance of the capital goods sector was a matter of concern as it had shown lower growth for the second successive month, he said.

Pointing to the high inflation rate, low profit margins and curbs in capacity expansion, Mr. Modi said it would have been better if the RBI had waited for the new agriculture crop to arrive before reviewing its monetary policy.

Federation of Indian Chambers of Commerce and Industry Director General Rajiv Kumar feared that the measure would affect the growth process given the nervousness due to global developments and the rising cost of finance and raw materials.

Mr. Kumar hoped that the government would take industry’s concern into consideration and fine tune its monetary policy and address supply-side constraints and improve the investment environment.

Confederation of Indian Industry Director General Chandrakant Banerjee too expressed his anxiety over the prospects of industrial growth in the coming financial year particularly in the face of rising lending rates and the high inflation rate due to prices of global commodities such as fuel, minerals and fibre. He said the persistent shortage of liquidity had pushed up deposit and lending rates which would hit fund investment activity in the coming year.

PHD Chamber President Sallie Bhandari feared that this would impact consumer demand as supply-side bottlenecks continue to affect the economy as well.
Gold gains on W. Asia unrest

Bloomberg
March 17

Gold gained for a second day in New York as unrest in West Asia and North Africa and Japan’s nuclear crisis boosted demand for a protection of wealth. Platinum and palladium touched three-month lows.

Gold futures for April delivery rose $6.60, or 0.5 per cent, to $1,402.70 an ounce at 8:04 a.m. on the COMEX in New York.

The metal for immediate delivery in London was 0.3 per cent higher at $1,402.57.

Silver for May delivery in New York was little changed at $34.49 an ounce.

Palladium for June delivery was up 1 per cent at $712.40 an ounce after earlier falling to $687, the lowest level since Nov. 30.

Platinum for April delivery dropped as much as 2.8 per cent to $1,658 an ounce, the lowest price since Nov. 30, and was last down 0.4 per cent at $1,693.70.

Bullion rates
Mumbai: Silver spot (999 fineness): Rs 53,010; standard gold (99.5 purity): Rs 20,506; Pure gold (99.9 purity): Rs 20,710.
Business Line, Delhi
Friday, 18th March 2011, Page: 18
Width: 4.45 cms Height: 12.32 cms, Ref: pmin.2011-03-18.30.115

Copper at 3-month high on demand

Bloomberg
March 17

Copper rose for a second day in New York, heading for the biggest gain in more than three months, on speculation that demand may increase as Japan rebuilds after last week's earthquake and tsunami.

Copper for May delivery on the COMEX in New York rose 11.05 cents, or 2.6 per cent, to $4.3080 a pound at 8:50 a.m. A close at that price would represent the biggest climb since Dec. 1. Copper for three-month delivery gained 2.3 per cent to $9,468.50 a tonne on the London Metal Exchange.

Aluminium for three-month delivery on the LME rose to $2,499 a tonne, lead climbed to $2,647 and nickel advanced to $25,550. Zinc added 1.7 per cent to $2,327 and tin gained to $79,050 a tonne.
Ore prices to decline on better supply

Indranil Roychowdhury

Kolkata, March 17: Indian iron ore prices are set to come down by at least ₹400 per tonne with the domestic market currently witnessing an increased supply, though exports have not witnessed any hit as yet. The market is expecting a short-term dip in iron ore exports owing to tremors in Japan, said a Federation of Indian Mineral Industries (FIMI) official.

Sources told FE while KJS Ahluwalia-controlled Nau- gaon Iron Ore Mines have already brought down iron ore prices by ₹400 per tonne, Essel Mining and Runguna Mining are also considering a downward revision. Spot prices of Indian iron ore were hovering between ₹180-$184 per tonne for the last two months and the prices last Saturday were at ₹7,700 per tonne.

According to S Bhattacharya, secretary, Sponge Iron Manufacturers Association, supply of iron ore fines has increased in the domestic market and this would lead to reduction of pellet prices. KIOCL is also likely to reduce pellet prices, sources said.

According to Bhattacharya, of the total average yearly production of around 230 million tonne of iron ore and fines per annum, around 50% are exported and India so far have been bullish on China for exports. But an increasing appetite for Indian iron ore and fines were seen in Japan these days because of increased freight cost of bringing Brazilian iron ore and fines.

Bhattacharya said even after the 20% export duty on iron ore, exporters were upbeat since they were foreseeing extra Japanese demand coupled with steady Chinese demand.
The Shilong Times, Shilong
Wednesday, 16th March 2011, Page: 1

**MSPCB probes river diversion for mining**

By Our Reporter

**SHILLONG:** The Meghalaya State Pollution Control Board (MSPCB) has conducted a probe into the alleged diversion of Waikhyrwi river in Jaintia Hills to facilitate coal mining in the river bed, but the content of the report is yet to known.

According to earlier reports, the straight flow of the river was diverted into a bend by depositing sand and stone along its natural course.

A deep shaft was dug on the dried river bed to mine coal and the coal was deposited along the river bed and the river bank.

"A preliminary inquiry has been conducted into the matter," Environment Engineer of MSPCB WR Kharkrang has said but did not divulge any details.

He, however, admitted that unregulated mining has been polluting many of the river sources in the district.

"Mining is destructive and whenever it takes place, it is bound to adversely affect the environment," Kharkrang added.

The (Prevention and Control of Pollution) Act, 1974 Section 24 sub-section (1)(a) and (b) prohibit diversion of rivers but there are many instances of open violation of the rule in the coal mining areas.

The MSPCB also conducted an inquiry into depletion of rivers due to rampant unregulated mining. The report is not at all satisfactory, the environment engineer said.

There were large-scale deaths of fishes in Lukha river due to pollution caused by coal mining. Other major rivers like Mynindu and Kupli are also bearing the brunt of unscientific coal mining in the district.
Cong targets BJP ministers involved in illegal mining

NEW DELHI: The Congress on Wednesday launched a virulent attack against the BJP over the issue of illegal mining in Karnataka and alleged that two of the ministers in the BS Yeddyurappa-led government were involved in it.

Without taking the names of the ministers, the party demanded of the principal Opposition party to remove them from their posts. "Iron ore from Bellary district is transported through Andhra Pradesh. The illegal mining has been continuing for years but it is being done on a large scale for last two-three years," AICC secretary Sanjay Nirupam said while participating in a debate on the demand for grants of the Ministry of Mines in Lok Sabha.

"Who owns Obalapuram Mining Company? I won’t take his name but only tell that he is a minister in the Karnataka government," he charged, prompting the BJP MPs, especially those from Karnataka, to launch a vociferous protest. Continuing his tirade, the Congress leader alleged that the said minister in the Karnataka government had shown Rs one lakh as his annual income in 2001 and Rs 3 lakh till 2003 in his income tax return.

"He has now made Rs 3,000 crore. How can anyone make such a huge amount by legal means in such a short span?" he wondered, alleging that no transportation of illegal ore was possible in the state without the consent of "this minister". Nirupam also alleged that the said Yeddyurappa government minister had huge money stashed in his bank accounts in foreign countries including one in British Virgin Island.

DH News Service
I-T raid on South Western Mining company

Income Tax officials raided on Wednesday the South Western Mining Company owned by Jindal Steel Works, an action that came against the backdrop of the company and other firms making about Rs27 crore donation to an educational trust run by chief minister BS Yeddyurappa's kin.
MINT, Delhi
Friday, 18th March 2011, Page: 11

Nalco cuts India aluminium prices
Bhubaneswar: Indian metal producer
National Aluminium Co. Ltd (Nalco) has cut aluminium prices by ₹2,500 per tonne in the domestic market, a senior company official said on Thursday.

"The revision was done to match with the falling LME (London Metal Exchange) prices," the official, who did not wish to be named due to company policy, said.

He said the basic price of standard aluminium ingots has been cut to ₹140,200 a tonne and that of standard aluminium sow ingots to ₹140,150 per tonne. The new prices for all aluminium products, which were effective from Wednesday, will remain valid till 31 March. REUTERS