5% of the total project cost has to be spent on the social welfare projects

Vedanta gets nod with riders

AKSHAYA K. SAHOO | DC BHUABANESWAR, SEPT. 19

The Union ministry of environment and forests (MoEF) on Monday gave its green nod to the expansion of Vedanta Aluminium Limited’s (VAL) refinery project at Lanjigarh in Orissa’s Kalahandi district but with 70 conditions.

The expansion of the 4-million-tonne refinery had been put on hold by the MoEF on October 21, 2010 following objections from certain quarters.

Sources aid the environment ministry’s expert appraisal committee (EAC) has cleared the project with 70 conditions.

One of the major conditions is that five per cent of the total project cost would be spent on social welfare projects.

The company will also be required to submit rehabilitation, resettlement policy covering tribals, which should be in line with centre’s policy.

The company will also be required to submit corporate environment policy approved by the company’s board.

Sources in the VAL are not happy with the conditions laid down by the ministry of environment and forests.

“Some of the conditions are very tough. It is very difficult on the part of any company to comply with these riders. Still, we are hopeful about some positive outcome,” said the company sources.

Earlier in July this year, a division bench of Orissa High Court had also affirmed the decision of the ministry.

The project was stuck due to environment-related concerns and rehabilitation of tribals, which would have been affected by expansion of the aluminium facility.
HIND COPPER NOT TO SELL EQUITY VIA FPO

STATE-OWNED Hindustan Copper’s chairman and managing director, Mr Shakeel Ahmed, on Tuesday has ruled out the company selling fresh equity through the proposed follow-on offer to raise funds. “HCL does not require issue of fresh equity to support expansion of mines,” Mr Ahmed said. The earlier plan was to issue 10 per cent fresh equity and another 10 per cent disinvestment by the government through FPO. Mr Ahmed said the company had already informed the ministry of mines and the department of disinvestment about the change in its stance. “The Cabinet Committee on Economic Affairs will now take its decision on disinvestment,” he said, and added that another hindrance in the way of the FPO is filling up of posts of five independent directors. — PTI
हाशिये पर जंगल

न सलाहकार समिति से जुड़े तीन सदस्यों ने पर्यावरण राष्ट्रमंडल विवरण नदराजन को लिखे पत्र में जैसे तीनों टिप्पणियों को है, दे कुछ नेताजीमेददार अधिकारियों की कार्यरतता के साथ-साथ अन्य संस्थाओं के मामलों में नीतियों का निर्धारण पर सरकार के रूप में कार्य करती है। इस पत्र के मुताबिक नींवचे से उपर तक के संबंधित विषयों, राज्य सरकारें और वन विभाग नियमानुसार तौर पर अंतर्गत लेने वाले परियोजनाओं पर असल का इजाजत दे रहे हैं। यह कोई ही बात नहीं है कि यह स्थिति उच्च उच्च उच्चतम दरोगाजी के नुकसान नहीं है। इन सदस्यों ने संदेह जाहिर किया है कि संसाधन महसूल और अभियानी तालाब राजनीतिक या दूसरे दर्जे में वन संस्करण आधिकारिक के तहत अनिवार्य विषयों को भी ताक में रख कर काम कर रहे हैं। वनभूमि के जरूर नांकरों को तोड़-मरोड़ कर, तरफियों को छिपा या खानानों को ध्ता देना कर बढ़ी परियोजनाओं के लिए राजता साफ रखना।
जा रहा है। गैरतल्ल है कि एक समय भारत में पचास फ़ीसदी से भी ज्यादा वन्यजीव था, लेकिन आज यह रिकॉर्ड कर जीवन फ़ीसदी के आसपास रह गया है। विकास के नाम पर बड़े-बड़े बाढ़ या दूसरी आंधीय इकाइयों के लिए ज्यादा सुखद सरकार जंगल उजाड़ने में लगी है, यहाँ वन माफिक और अवैध खनन के चलते वन्यजीवों की क्रमांक होती जा रही है, यह अपराधी है। हालांकि यह निर्देशक कानून लागू होने के बावजूद जंगल को जमीन कठिनाई की प्रवृति में कोई कमी नहीं आई है और वन खंडों में रहने वाले आदिवासियों के अधिकारों का लागू होना होगा रहा है।

दरअसल, आंधीय मात्रा और विकास के नाम पर विस्त जंगल उजाड़ी जा रही है और जमीन की लुट मची है, जहां हमेशा देख-देखकर वह दोहरी मांगने के साथ-साथ सुखद सरकार भी शामिल दिखाई है। हालांकि कई मंजिल अक्सर इस तरह से लीकरण बढ़ता रहता है कि ये जंगल को खाम करने की चीज़ में रहे परियोजनाओं लाने के लिए निर्देशन है।

लेकिन कुछ समय पहले रुचनाधिकार कानून के तहत मांगी गई एक जानकारी में यह खुलासा हुआ कि पर्यावरण मंजी रहते जब रुपया रोकने के लिए तीन धारा के अधीक्षक इन इकाइयों के लिए हरी झंडी दी, जिसके लिए वन्यजीव को साहेब इकाइयों जहाज़ होंगे।

इसके अलावा, इसके अन्य के नीचे दूसरी परियोजनाओं को भी ‘सैकड़ों दीवार’ कहा गया, जिससे परियोजना हो जा जाती है। इसके लिए जंगल को साहेब इकाइयों होगे।

इसके अलावा, इसके अवधि में नीचे लिखते दूसरी परियोजनाओं को भी ‘वैदिक तीर्थ’ कौन दो गया, जिसके लिए पौधा हो जाता है। इसके लिए जंगल को मंजी दी गई।

यह तो यह है कि संयुक्त परियोजनाओं को मंजी देते जब न केवल नियोजक-कार्यवाही की अनदेखी की गई, बल्कि शाले के तीर पर अनियमित दलालों की भी मांग नहीं की गई। राज्य सरकार अपने तरह पर जंगल को उजाड़ने में लगी है। ये उदाहरण है कि जंगल के असत्य पर गहरे संकेत पर अफसर निकले जा जाते हैं। वन खंडों के तीन अनियमित सरकारों का रूप हाथी के दोनों हाथों के तीन मांगने की है।

इसके आदिवासी क्षेत्र में राज्य सरकारों को यह अधिकार मिला है कि विभिन्न परियोजनाओं में वे कंपनियों को पूर्व आंदोलन कर सकते हैं, जिनके लिए जंगल के अनाधिकारिक दलालों के बीच ज्यादा विकास के नाम पर आंधीय इकाइयों के पश्चात खड़ी हो जाती है। अगर समय रहते वन्यजीवों को बचाने के लिए इंजीनियर इकाइयों के साथ धीरे-धीरे मांग नहीं की गई तो इससे पर्यावरण को हुई खत्म न केवल विकास के नाम पर तो जंगल की जीवन-जगत के लिए उन्मूलन की वापसी होगी।
Coal India to invite bids for abandoned mines again

BS REPORTER
Kolkata, 20 September

COAL India (CIL), the government’s near-monopoly producer, is planning to again try to interest major firms, here and abroad, into reviving some of its abandoned mines. Its first attempt, in 2008, finally had no takers.

The idea was to develop 18 abandoned underground mines, with estimated reserves of 1,600 million tonnes of coking and thermal coal, under joint ventures with international players. “After a pre-notice inviting tender (NIT) meeting with the shortlisted parties, the government had approved the model NIT document. However, in the first round of limited tendering, none of the shortlisted parties responded. We are looking to go for a second round of tendering in another two months,” said N. C. Jha, chairman and managing director, on the sidelines of the firm’s 37th annual general meeting here today.

This was the first AGM of the company after its initial public offer got it listed on the Bombay Stock Exchange. The firm had invited expressions of interest from global mining giants in 2008 for abandoned mines owned by three subsidiaries — Eastern Coalfields, Bharat Coking Coal and Central Coalfields.
Hindustan Copper alters FPO proposal

State-owned Hindustan Copper’s fresh follow-on public offer proposal is being initiated, with the public sector unit (PSU) deciding against a fresh equity of 10 per cent. Under the original proposal, the government would have disinvested 10 per cent and the PSU would have raised fresh equity of 10 per cent. The same was cleared by the Cabinet Committee on Economic Affairs last year.

“Hindustan Copper does not require fresh equity to support the expansion programme,” Chairman & Managing Director Shuker Ahmed said.
Railways inquiry exposes Bengal’s Bellary

shiv karan singh

NEW DELHI/BANGALORE, 20 SEP. With national attention held by investigations into illegal mining in Karnataka, greater loot of higher quality iron ore in eastern India and the diversity of associated corruption have gotten short shrift. Now, a Railways’ investigation has unearthed massive fraud by the Bengal-based Rashmi Group (3,000 crore turnover) in the transport of iron ore. At least one Group company has fraudulently exported false bills of tons of ore meant for domestic consumption, and choked Railways’ freight charges.

An investigation led by Ms Papiya Lalani, CVO of SE Railway, found that Rashmi Metalliks Ltd gave fraudulent declarations to avail low freight rates in the past three years on a whopping 18 lakh tons of iron ore. Following an interim assessment, the Railways have slapped Rs 660 crore damages on the company.

The Railways’ findings open up a critical angle to the iron ore scam, unexplored by the Karnataka Lokayukta or the Supreme Court Central Empowered Commission. Prior to 2008, in not hiking export-bound iron ore freight rates in response to the China-led red metal boom, the Railway Board knowingly gifted at least Rs 17,000 crore to the iron-ore mafia as a matter of policy. Since 2008, the Railways freight for export-bound ore has been far higher than that levied on ore intended for domestic steel consumption or any royalty/tax in taking ore from mine to port. Numerous transport middlemen posing as domestic manufacturers to evade these hiked rates may have caused maximum losses in government revenue, sources have said.

According to the Railways spokesman, Mr Soumirmo Majumdar, a similar fraud in Rashmi Cement, another Group company, is being investigated, and that priority 'C' transporter status has been withdrawn from this company after it was found to have submitted forged excise documents. Officials in the Central Excise have raided the premises of the Group and seized records. Assistant Director Mr Sachin Gupta, who led the Excise Intelligence team from Delhi, confirmed to The Statesman that tax fraud angles are being probed. The CBI is also believed to be trailing the Rashmi case.

In response to the Rs 660 crore demand notice issued by the Railways in August, the owners of Rashmi Metalliks have approached the Central Excise High Court. Refusing to grant the company owners unconditional stay, the court has asked the Railways to complete adjudication on the 660 crore damage by 31st December. SE Railways General Manager R. Murthy told The Statesman that this adjudication process is presently being insinuated by the Railways.

'The matter is sub judice', said Mr Sunil Puranik, an owner of the Rashmi Group, when asked by The Statesman about freight fraud. He brushed off the excise raid as a routine check. And, when questioned about documents alleging accounting fraud circulating in the government, Mr Puranik said such questions should be directed to the Central Excise.

Group spokesperson Mr Mira himself alluded to the entire issue having been planted by a competitor. He, however, did not name the competitor when asked and said details could not be provided over telephone. Incidentally, Mr Janardhan Reddy, ex-Karnataka tourism minister presently in judicial custody, had also cited 'jealous competitors' in dismissing questions on illegal mining in Bellary last year.

Trinamul MP Somendra Nath Mira has expressed concern about the Rashmi Group’s practices. Writing to Prime Minister Mr Manmohan Singh in July, Mr Mira endorsed 'incredible proof of excise malpractice and movement of money through investment companies into their manufacturing companies by way of share capital' and termed the persons involved 'very very influential.' The Statesman has accessed the MP’s covering letter, but not documents of the Group’s alleged fraud beyond freight evasion forwarded to the PMO.

The Rashmi Group, with plants in Thrissur and Jhargram, has been given ‘Ultra Mega Project’ status by the West Bengal
RAILWAYS PROBE EXPOSES:

(continued from page 1)

Industrial Development Corporation and thus avails tax rebates under the state’s ‘Industrial Incentive Scheme.’

Unknown to the state govt, however, Rashmi Metaliks has been channelling most of the ore ~ procured from Orissa and transported to its Bengal plants ~ not for manufacturing finished steel goods in Bengal, but for export to China. Though the ore reached the Bengal plant as declared to the Railways, most was subsequently packed off by road to ports like Haldia.

‘The growth of the group over the last few years has been phenomenal and fast catching the attention of bankers, professional and industry as a whole,’ states the Rashmi website. Balance sheets of Rashmi Metaliks back this growth story. From 15.59 lakh in 2006, the firm’s income shot up to 1,184 crore in 2010 ~ courtesy overwheming portion of sales being the export of iron ore fines to China.’

While the Karnataka Lokayukta report reveals that the Reddy brothers’ flagship Obulapuram Mining Company exported 71 lakh tons of ore in five years, Rashmi Metaliks balance sheets show a sale of 82 lakh tons in just two years, most being exports. That is, just one Rashmi company appears to have exported annually on average as much iron ore as the Reddy brothers.

Mr Murry, SE Railways GM, told The Statesman that other firms are also being investigated in his zone for a similar fraud.

However, sources in the ministry have spoken of mounting pressure to scuttle investigations, given the power of the iron ore mafia, thousands of crore rupees of dirty profits, and the skeletons that stand to tumble out of the closet.
Mining made easy in forests

CONTENTIOUS GoM scraps Jairam policy that was opposed by coal sector

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NEW DELHI: In a setback to environmentalists, a group of ministers on Tuesday scrapped the environment ministry's policy of categorising forests into those where mining can be allowed and those where it can't be.

The group of ministers (GoM), headed by finance minister Pranab Mukherjee, said the policy — known as Go and No-Go — had no legal basis.

The GoM has, however, asked the Forest Survey of India (FSI) to identify "pristine" forests where mining will not be allowed in the interest of preserving biodiversity.

"These forests would be ones which cannot be humanly rejuvenated and where no mining will be allowed," a senior government official said, adding that the demarcation should be done on scientifically agreed norms.
Mining made easy

CONTINUED FROM PAGE 1

Once the FSI identifies pristine forests — for which no time-frame has been set — the environment ministry will notify them as no-mining zones.

Till the new notification is issued, the environment ministry’s Forest Advisory Committee (FAC) will consider held-up coal projects on a case-to-case basis. The FAC is a statutory body to allow diversion of forestland for projects. The FAC has since 2010 refused examination of coal projects in non-permissible areas in 209 coal blocks. Forest areas where mining was not allowed formed 44% of the country’s total forest area but this was reduced to 29% after the prime minister’s office intervened.

Former environment minister Jairam Ramesh had disbanded the policy but coal minister Shripaksh Jaiswal convinced Prime Minister Mamohan Singh to have the policy reviewed by a ministerial group.

The GoM’s decision is seen as a boon for the coal sector, which had blamed the policy for reduction in the production target for 2011-12 from 680 million tonnes to 554 million tonnes.

Environment minister Jayanthi Natarajan, who held the coal sector responsible for the fall in production, reportedly opposed the move to open the entire forestland for mining.
SHAREHOLDERS’ NOD

Australia’s Legacy approves NMDC bid for majority stake

By Ruchira Singh
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NEW DELHI

NMDC Ltd’s bid for a majority stake in Legacy Iron Ore Ltd has been approved by shareholders of the Australian company, the local firm said on Tuesday. This is the state-owned miner’s first iron ore venture overseas.

“They (Legacy) have confirmed to us that they are okay with us,” chairman Rana Som said. “A draft share purchase agreement has to be now prepared and that will be approved by our board.”

NMDC’s board is expected to meet early in October to approve the share purchase agreement for buying a 50% stake in the Perth-based company.

Som didn’t say what NMDC’s bid amount was, but a 15 September PTI report had said that industry sources have pegged it between A$32 million (around ₹158 crore) and A$40 million.

Legacy holds prospective iron ore tenements in both the central Yilgarn and Pilbara areas of Western Australia and has five exploration licences, including that for gold.

A stake in an Australian miner means NMDC can boost its iron ore availability and become a global firm as demand for the crucial steel-making raw material rises around the world. NMDC officials have said iron ore from its mines in Australia could be brought to India, or simply be sold in the global market.

NMDC, India’s largest iron ore miner, is seeing stagnant production at around 25 million tonnes (mt) a year, well below a 30 mt target, hamstrung by slow clearances for opening new mines and bottlenecks in evacuation of iron ore due to shortage of railway wagons.

Som said NMDC was expecting to complete all remaining formalities for the acquisition quickly, possibly before the end of 2011.

“We have been told Australia’s foreign investment promotion board will be very quick in granting approval,” Som said. “After we formally become majority stakeholders, we can put our money in exploration. It will take a couple of years before production can start.”

Analysts said share prices of NMDC are unlikely to react to the news on Wednesday as details such as bid amount and mining potential are still unknown.

“It is too early to get excited over this,” said Rakesh Arora, managing director and head of research, India, at Macquarie Capital Securities (India) Pvt. Ltd. “The market will wait for more clarity and for more details such as the capex plan.”

Arora said the estimated funds value of the transaction seems small for a company of NMDC’s size, which could indicate the deposits of iron ore may not be very large.

Shares of NMDC closed on the Bombay Stock Exchange up 0.55% at ₹248.55 each on Tuesday, on a day the Sensex gained 2.11%. Tuesday’s closing price was down over 18% compared with its 52-week high of ₹304.9 on 7 April.

Another analyst said NMDC might find it easier to execute its projects in Australia owing to its inherent expertise in mining.

“NMDC can compensate for its discounted sales in the Indian market by selling its iron ore from Australia to the global market at international prices, which are higher,” said Manish Pande, regional director at CRU Strategies, an international metal consultant.

For Legacy, NMDC’s presence would mean a substantial cash infusion for pursuing the company’s future plans, “to transition from a junior exploration company into a substantial mining company”, as it said in a filing to the Australian Securities Exchange on 15 September.
Illegal mining: Cong faced with Karnataka-like situation in Goa

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NEW DELHI: The Congress is mulling various options to avoid a Karnataka-like situation in Goa, where charges of illegal mining have come to haunt chief minister Digambar Kamat.

Kamat, who has been holding the mining portfolio for the past 12 years, has come under attack from both the BJP and his own partymen for the growing illegal mining in Goa.

According to rough estimates, the illegal mining in Goa is pegged between ₹3,200 crore and ₹10,000 crore. Former Goa deputy chief minister and Congress legislator Dayanand Narvekar had reportedly told the Justice MB Shah commission that the scandal is worth ₹8,000 crore.

Congress sources said the central leadership was “disturbed and concerned” over the allegations against the CM.

The sources said the party high command was mulling various options, including replacing Kamat with a person having a clean image, to avoid the embarrassment the BJP had to face in Karnataka.

“We don’t want to carry any baggage to next year’s assembly elections,” a senior central leader said.

Kamat along with state Congress president Subhash Shirodkar met many central leaders in Delhi on Tuesday to clarify his position.

Jagmeet Brar, party in-charge of Goa affairs, when contacted said, “Unlike the BJP, the Congress will not hesitate in taking stringent action against anybody, however big, found involved in the illegal mining. There will be no compromise on corruption.”

The BJP was forced to dump its then Karnataka chief minister BS Yeddyurappa whose 26-month tenure was marked by a spate of scams which culminated with a damning indictment by a Lokayukta report on illegal mining.

BJP leader Manohar Parrikar, who is also the chairman of public accounts committee, has alleged that the illegal mining in Goa continues to exist on account of Kamat.
Hind Copper not to raise funds via FPO

BY MANISH BASU
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STATE-OWNED Hindustan Copper Ltd will not raise funds through a follow-on public offer (FPO) as robust cash flows from soaring copper prices will be adequate to meet capital expenditure (capex) plans, chairman and managing director Shakeel Ahmed said.

An 11% increase in the price of copper in the first four months of the current fiscal year has boosted HCL’s profitability, Ahmed said, adding that the company should now be able to fund its capex plans till 2014 through a combination of internal accruals and debt.

The company has decided to spend ₹3,300 crore on ramping up the combined annual production capacity of its eight mines from 3.2 million tonnes (mt) to 12.4 mt in the next five years, he said.

Hind Copper may raise additional funds, if required, after 2014 through external commercial borrowings or by selling a minority stake in its biggest mine at Malanjkhand in Madhya Pradesh to National Aluminium Co. Ltd (NALCO), Ahmed said.

Hind Copper had cash reserves of ₹428 crore at the end of the year ended 31 March.

The government had initially planned to launch Hind Copper’s FPO in November last year as a part of its ₹40,000 crore disinvestment plan. The company had planned to issue new shares amounting to 10% of its paid-up equity, along with the sale of an equal number of shares by the Union government.

Now, only the Union government will sell 10% stake in the FPO when it happens. Currently, only 0.4%, or 3.798 million shares of Hind Copper, are held by the public.

The stock is listed on BSE Ltd and the National Stock Exchange. The FPO will enable Hind Copper to comply with the Securities and Exchange Board of India’s requirement of minimum 10% public holding in listed state-owned companies, Ahmed said.

It isn’t clear when the FPO will be launched, but according to Ahmed it could take up to a year.

On Tuesday, Hind Copper’s shares gained 1.47% to close at ₹234.10 on BSE on a day the bourse’s benchmark Sensex rose 2.11% to 17,099 points.
दो सौ कोयला ब्लॉकों में खनन का रास्ता साफ

*अधिकार इंडिया ‘मो’ और ‘नो-मो’ का स्वकार ख्यात

जापानकाश संजय, यही दिखली

बैंक सरकार ने तीन आरोपित परियोजनाओं के गर से मंडल और बैंक ने बैंक के नियम को खाली करने के दस्तावेज़ किया है। इससे दो सौ सौ लोगों में कोयला खनन का रास्ता साफ हो गया है। इस नियम के बाद से लोगों ने निःशुल्क रूप से खुद की स्वारक्षकीय अभियान के साथ उठाया गया है। अन्य बैंक ने भी पत्रकारों को अपने अधिकार जानते हैं कि अब खनन का रास्ता सही है। कोयला को खनन का रास्ता साफ करने के लिए दर्जनें के दस्तावेज़ किये गए हैं।

आरोग्य सेवा के लिए जल सहयोग ने दो सौ कोयला में कोयला खनन की अधिकार जानते हैं। सरकार ने पत्रकारों को कोयला खनन का रास्ता साफ करने के लिए दर्जनें के दस्तावेज़ किये गए हैं। अन्य बैंक ने भी कोयला खनन का रास्ता साफ करने के लिए दर्जनें के दस्तावेज़ किये गए हैं।
China launches iron ore index to keep tab on price

Saibal Dasgupta | TNN

Beijing: China is trying to influence the international prices of iron ore, one of India’s main exports, by formally launching a iron ore price index on Tuesday. The index has undergone a one-month trial before the launch. The move that covers two indices — one for domestically produced iron ore and another for import prices — is expected to affect not just the pricing but also the volume of exports from India to China, sources said.

The index will be made available on a weekly basis from October. It uses iron ore prices in April, 1994, as the base for computation. At present, the world trade in iron ore uses three major indices — the Steel Index, the Metal Bulletin Iron Ore Index and the Platts Iron Ore Index. The Chinese index will have to strive hard to obtain international acceptability but it will help Chinese importers, who are buying iron ore from places like India and Australia to benchmark prices.

The China Iron Ore Prices Index, as it is called, is being compiled by the China Iron and Steel Association (CISA), the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters, and the Metallurgical Mines’ Association of China. The import price index is based on data collected from eight ports, the CISA said. The domestic iron ore price index is based on the prices of iron ore concentrates in 14 provinces, autonomous regions and municipalities as well as in 22 mining areas.

China was pushed into a situation where it needed an index of its own because three global mining giants — Rio Tinto, Vale and BHP Billiton — announced the end of the long-term iron ore contract pricing mechanism and started adjusting iron ore prices quarterly or monthly based on price indices last year, government sources said. The official media quoted local experts as saying that the China Iron Ore Prices Index will more accurately reflect price changes and provide better information services for steel companies and trading enterprises.
**Tough norms for mining in forests**

Nitin Sethi | TNN

New Delhi: Mining in forest areas will be subject to tough conditions like strict adherence to forest rights laws, consent of gram sabhas and a case-by-case approach.

While a “go/no-go” policy will not be followed, a group of ministers on Tuesday agreed some forest areas will be considered inviolate — where no mining can be permitted. These areas will be considered fragile from the environmental aspect as well as with regard to tribal populations.

Environment minister Jayanthi Natarajan found support from Pranab Mukherjee, who heads the GoM, and P Chidambaram over protecting forests and mandating strict clearance norms. Tribal affairs minister V Kishore Chandra Deo also argued against any dilution of the forest rights law.
Copper Edges Up From Nine-Month Low

LONDON Copper picked itself up on Tuesday from nine-month lows hit in the previous session but concern in the global economic slowdown will crimp demand for the red metal continued to weigh on sentiment. Other than euro zone worries, investors were bracing for a two-day meeting of the US Federal Reserve, with an eye on what policymakers will do to ignite the faltering US economy. Three-month copper on the London Metal Exchange (LME) rose to trade at $8,421 a tonne in LME rings from Monday’s close of $8,364 a tonne. The metal used in power and construction tumbled more than 3% in the previous session to hit its lowest level since November 30. "It's Europe, Europe and more Europe," Natixis analyst Nic Brown said. "It's a messy situation in Europe and until we get some sort of clarity on it, the market will continue to be concerned."
Mining-ravaged Bellary chosen for green award

BANGALORE: Bellary miners could have earned notoriety for causing irreparable damage to the ecology in the district, but the Karnataka State Pollution Control Board (KSPCB) thinks otherwise.

The Board has selected Bellary for its Green Award, which would be conferred on September 21 at Jnanajyothi auditorium here.

At a press conference to detail the Board's plans for the foundation day award ceremony, Chairperson A S Sadashiviah said Bellary was chosen for the 27 lakh saplings planted there last year.

"During the previous monsoon, 27 lakh saplings were planted there. Many mining firms, sponge iron units and steel plants have huge tracts of land and they voluntarily came forward to plant saplings, which is an encouraging indication," Sadashiviah said.

He pointed out that 57 lakh saplings were planted across the State last year, of which 27 lakh were planted in Bellary alone.

However, the Board did not verify whether those saplings survived or not.

"We have to check whether the saplings survived but the initiative is praiseworthy," he said.

When asked about the paradox of Bellary winning the green award despite extensive damage to the ecology by the mining mafias in the district, Sadashiviah said: "We are trying to bring back greenery in that region. People voluntarily came forward to our proposal of planting saplings. The miners and industrialists could afford such a measure because they had money and land."

Other awards
The KSPCB will give away Environment Excellence Awards to four industries for adopting best practices to check pollution.

The four industries chosen out of eight are Vasavadatta Cement at Sedum, Bananariyamman Sugars at Nanjangud in Mysore district, Lalithadri Coffee Estate at Chikmagalur and Maradi Eco Industries Private Limited in Ramanagara district.

The Board had organised a quiz programme on ozone protection on International Ozone Protection Day on September 16.

In this category three children — Niharika, N Rao and T Prajwal U Rao, who represented Saint Narberth School at Koppa in Chikmagalur, won the first prize, while Vivek G and Sharath R of Sri Vani Vidya Samsthe at Rajajinagar in Bangalore won the second prize.

These awards will be presented on the Board's foundation day.
Deccan Herald, Bangalore
Tuesday, 20th September 2011, Page: 11

Polar Gold Fields
awaits new Midas’ touch

By Jo Winterbottom

Richard Johnson has a glittering dream he hopes India's dilatory government won't thwart. The 60-year-old mining engineer belongs to Kolar, site of one of the world's deepest mines in the heart of gold-fevered India. The Kolar Gold Fields in Karnataka are just a two hour drive from Bangalore and were shut a decade ago when it cost nearly Rs 20,000 per ounce to produce 10 grams of gold there and the selling price was about Rs 4,500. Now, gold has hit record highs of almost $3,000 per ounce — or around Rs 28,000 per 10 grams on the domestic market — intensifying the allure of reopening the mines.

"If anyone can get this mine going again, I think I can," says Johnson, who has been mining gold for 40 years from South Africa to Australia. "That's my vision." India is the world's biggest importer of gold, buying last year a record 958 tonnes. Its 1.2 billion people, legendary lovers of the metal, buy more than 800 tonnes a year. Only about two to three tonnes are produced domestically, mostly at Harri, which is also in Karnataka and north of Kolar.

Johnson, who only wears gold in the frames of his glasses, thinks the Kolar mine could be profitable again and his company, Kolar Gold, is working with ex-miners to make a bid if the government does put them back on the block. According to officials in New Delhi, the Supreme Court could decide by next month whether a global tender should go ahead for Bharat Gold Mines Limited (BGML), the state-run firm now in charge of the mines which were nationalised in 1956.

"There has been a lot of flip-flop on the part of the central government, which first didn't want to run the mines and then said it wants to and now finally has said again it doesn't want to. The matter is with the Supreme Court," said the official on condition of anonymity as he is not authorised to speak to reporters. "I think the case is listed for hearing next month in the court of the chief justice." Johnson has no illusions about India's meandering political and legal timetable. "We think now it's the most advanced it's been in the process," says Johnson, sipping a lime soda in a Bangalore coffee shop. "I hope I'm just still alive when it's finalised." Heat and hearts
The Kolar miners and their families who still live in Kolar Gold Fields — the town built when British firms ran the mine from 1802 until they were taken over by India's post-independence government — are desperately hoping Johnson's dream comes true. In their heyday, the mines were producing about 42 grams of gold per tonne of rock. Workers toiled down shafts up to 3-4/2 km (11,500 ft) deep and in temperatures of up to 60 degrees Celsius (140 degrees Fahrenheit). "It was so hot some miners died of heatstroke, suffocation. The temperature rose one degree for every 100 feet and you went down 10,000 or 11,000 ft," says Yeshvanth Raj, a former supervisor at the mines.

The iron skeletons of abandoned winding gear which dominate the landscape are symbols of the dependency of this community on the pit for survival. Miners no longer have access to the education the company provided for their children. A hospital which specialised in treating respiratory diseases is an empty shell. For the families in the town, the mine's closure also meant unemployment and the cessation of basic services. Those lucky enough to get a job commute at least four hours a day to help build the rapidly expanding Bangalore.

If the mine goes to tender, the local miners have first refusal, although it is likely they will have to match the highest offer and will need a partner to help funding. There is a reserve price but it's confidential. The assets of BGML include about 12,500 acres of land, plant and machinery, as well as a network of five stations and a railway which links to Chennai on the east coast, where trains once brought equipment from Britain and returned with gold.

But it also owes the government between $200-300 million of debts racked up as the mine had to sell gold to New Delhi at a fraction of the production cost. Potential buyers say the government should waive this debt — saying it is a miniscule sum in the trillion-dollar economy's budget and an albatross for any acquirer. 'Revival is a costly process and the only creditor is the government,' Johnson says.

Reviving the sick
The head office of BGML is a two-storey colonial-style house, where the wall painting is peeling and the lofty ceilings watermarked. A blackboard outside still bears shift timings. Up a single sweeping, now unsupervised staircase is the office of Sampath Kumar, the head of BGML, who sits dawdled behind his huge green baize desk and piles of dusty papers.

"Our company was declared sick in 1997... the cost of gold may have gone up since then, but so has the cost of everything, the cost of living, the cost of materials, the cost of equipment," says Kumar, who also spent years in the mines.

The government itself lacks the technology and expertise to manage these deep mines and both Jaykumar and Kumar say it would be unlikely to make the investments necessary. However, Kumar would not be drawn on whether the mine could now be profitable. "You have to wait and see. Below the ground nobody knows what there is. We have prepared the tender documents and in this we have given the assessed gold," he said.

The gold above the ground has always been easier to weigh. Tipu Sultan, 'the Tiger of Myonre' who harbored the British in the late 1700s, first noticed Kolar's potential when he was out horse racing with his entourage, according to Raj. "His closest servant went ahead of him, and Tipu saw gold in the hoes of his horse, and made everyone stop," he said.

These days the surface gold is in huge humps of sandy dust left over from cracking the rocks, which Kumar and Kolar Gold both suggest may contain 20 tonnes of gold. Johnson says a processing plant to filter out the gold from this dust would cost about $100 million, but the proceeds from findings could top $1 billion.

And then there is the elusive gold deep underground. Kolar Gold has already started examining the rocks around KGF, where it has rights to explore and hopes to average 10 grams per tonne after finding up to 160.2 grams per tonne in one small sample. "We believe this is one of the best opportunities for finding new gold deposits," says Johnson. The company estimates the BGML mines could have up to 10 million ounces — about 260 tonnes — of gold to recover in open pit and underground reserves. That's about a third of India's annual demand, but at current prices would be worth $20 billion.

Kolar Gold is currently valued by the stock market at about $40 million. No wonder its first successes near the mines were celebrated in grand style at Chief Executive Officer Nick Spencer's hotel room in Bangalore. "Three bottles of Moster later, two of our team missed their flights home," Johnson said.

Reuters
Coal India to float tenders for abandoned mines

Kolkata, Sept 20: Coal India Ltd (CIL) has decided to float tenders for second round of bidding for abandoned mines, though the successful bidders of the first round have backed out from all the 18 projects.

CIL in 2008 decided to open 18 abandoned mines with reserves of 1,600 million tonne and accordingly completed the bidding process in 2009. Although the bidding process was successful and it was envisioned that the production would start from mid-2010, the projects didn’t take off.

CIL chairman NC Jha after the company’s 37th annual general meeting said that the projects didn’t take off as bidders didn’t find it economically viable. The companies that were shortlisted in the bidding were Arcelor Mittal India, Rio Tinto, Titan Mining, JSW Steel, JSW Energy, Monnet Ispat, Essar Mineral Reserves, SNT Mining and Sunflag Iron & Steel.

“We gave a condition of lifting coal at 90% of the notified price. But most mines didn’t work out to be remunerative since the coal available in those mines were not of ‘higher grade,” Jha said.

He said the bidders found investment to be very risky because CIL abandoned all the 18 mines for safety reasons.
Environment ministry gives a quiet burial to go/no-go classification

fe Bureau

New Delhi, Sept 20: Environment minister Jayanthi Natarajan has quietly undone the proposal for go/no-go classification of the country’s coal-bearing areas, a key initiative of her predecessor Jairam Ramesh that drew flak from industrial users of coal, mainly large power companies.

Official sources said that at a meeting of the group of ministers here on Tuesday, the ministry — which was virtually the only one to pitch for this new rule — agreed to revoke it and allow green clearances for projects based on existing legal provisions. With this, the GoM’s job becomes easier, as other ministries are opposed to the norm anyway. The coal ministry too is upset over this classification, which has impeded its efforts to increase coal output and narrow the widening demand-supply gap in case of the most prominent fuel for thermal power.

A Planning Commission committee headed by member BK Chaturvedi had recommended withdrawal of the go/no-go classification.

Continued on Page 2
Environment ministry....

"At today’s GoM meeting, there was a broad consensus that the existing Forest Conservation Act (FCA) is competent to handle green issues regarding coal mining,” said a government official privy to the development.

The GoM headed by finance minister Pranab Mukherjee has the wider mandate of formulating a composite policy on environmental and developmental issues relating to coal mining and other projects. The trigger for the creation of the GoM was of course the controversy over the go/no-go norm proposed by Jairam Ramesh, who is now rural development minister.

Ramesh had designated about 30% of 4,50,000 hectare encompassing 906 coal blocks, as “no-go” areas for mining. The coal ministry had then opposed the demarcation saying it would hamper India’s economic growth as potential production capacity of 600 million tonnes per annum falls in these areas.

"The ministry has accepted that there was no legal sanctity in the classification of go and no-go areas,” an environment ministry official said. Earlier, the MoEF had planned to introduce biodiversity indexing in the no-go areas, taking into account species of animals, insects, herbs, shrubs and reptiles which need to be preserved besides the forest cover.
Copper up; growth fears weigh on market

Reuters
London, Sept. 20
Copper picked itself up on Tuesday from nine-month lows hit in the previous session but concerns the global economic slowdown will crimp demand for the red metal continued to weigh on sentiment.

Three-month copper on the London Metal Exchange (LME) rose to trade at $8,421 a tonne in LME rings from Monday's close of $8,364 a tonne.

The metal used in power and construction tumbled more than 3 per cent in the previous session to hit its lowest level since Nov. 30.

Copper stocks at LME warehouses rose 2,200 tonnes to 466,925 tonnes, latest data showed. Levels are about a third higher than in December 2010.

LEAD STOCKS GAIN
Lead stocks at LME warehouses, which have been rising since mid-August, hit their highest in more than 16 years as they jumped 15,250 tonnes to 345,425 tonnes.

Battery material lead was untraded in rings but bid at $2,318 from $2,301 a tonne. Zinc, used in galvanizing, traded at $2,114 from $2,100 a tonne. Aluminium traded flat in rings at $2,540 a tonne.

Nickel traded at $21,200 a tonne from $21,000. Tin traded at $23,200 from $22,770 a tonne.
IVRCL-led consortium bags Hind Copper expansion order

Our Bureau
Kolkata, Sept. 20
A consortium led by IVRCL Infrastructures & Projects Ltd has become L-1 EPC contractor at a quoted price of Rs 1,176 crore for the three million tonnes per annum (mtpa) Malanjkhand underground mine expansion project of Hindustan Copper Ltd.

This is the biggest of the eight projects that the company has taken up. The bid was submitted August 2.

COST SAVINGS
Mr Shakeel Ahmed, Chairman and MD, said on Tuesday that for competitive bidding, the total estimated cost of the expansion projects of Hindustan Copper came down to Rs 3,400 crore from the Rs 3,677 crore, originally envisaged.

"The saving on the total project cost for Malanjkhand (Rs 1,857 crore) in Madhya Pradesh alone is Rs 176 crore," Mr Ahmed said.

The company awarded the contract for Khetri mine (Rajasthan) expansion to a consortium of bidder on July 29 for Kendadih Mine reopening an expansion project.

KOPEX, with a quote of Rs 260.85 crore, was declared on August 4 as a lowest bidder for Rakha project. Maheshwari mining also became the lowest bidder (Rs 264.96 crore) for the Chipli-Sideshwar mine project.

CONVERSION PLAN
Mr Ahmed said that during the Q3 and Q4 of 2011-12, Hindalco will convert 70 per cent of the metal-in-concentrate (MIC) produced by Khetri mines and the balance will be turned into cathode by Sterlite Industries.

Sterlite would also convert one-fifth of the total production of MIC at Malanjkhand. The rest of the production would be converted by Hindustan Copper at its smelter at Ghatshila in Jharkhand. Last fiscal, the company got 50 per cent of conversion (31,683 tonnes of MIC) outsourced from Hindalco alone.

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Some Forest Areas to be Out of Bounds for Projects

OUR POLITICAL BUREAU
NEW DELHI

The Group of Ministers (GoM) dealing with environmental clearances for infrastructure projects, particularly coal mining has agreed that some forest areas have to be kept out of bounds for projects. The ministerial panel headed by Finance Minister Pranab Mukherjee met on Tuesday to consider the recommendations of the BK Chaturvedi Committee on issues relating to environmental and forest clearances for mining projects, eight coal mining projects in dense forest areas identified by the Prime Minister’s Office for clearance, and other environmental and forest related issues.

The GoM was unable to take up the specific cases of Mahan, Morga II, Lohara and mining in Hasdeo Arand in Chhattisgarh due to paucity of time.

Sources said that while ministers had objected to classifying forest areas as “no-go and go”, the panel agreed that some areas of the country’s forest cover should not be considered for any project. “This is a pragmatic approach, and it balances the needs of development and environmental protection,” a panel member said. While ministers heading infrastructure departments would like this to be restricted to may be 15% of forest cover; roughly sanctuaries and wildlife reserves, the environment minister would like a more dynamic measure which would consider areas beyond currently designated protected areas.

Environment Minister Jayanthi Natarajan was supported by both finance minister and Home Minister P Chidambaram in this. The exact extent of the inviolate forest area would have to be arrived at after objective and scientific considerations such as gross forest cover and weighted forest cover. Further discussions on the subject will be taken up at the GoM’s next meeting.

The environment ministry has consistently maintained that the “no-go/go” exercise was undertaken at the behest of the coal ministry and that it is not averse to dropping the classification and sticking to the provisions of the Forest Conservation Act, 1980. However, Natarajan stressed that this cannot mean a free pass for coal mining projects. The BK Chaturvedi Committee suggests that in view of “limited natural resources and international environment” clearances should be “normally” given “except when there is a strong case for rejection due to extremely dense forest and other ecological and environmental considerations of serious nature”.

Natarajan stressed that the Act provides for diversion of forest land for non-forest purposes as “an exception rather than rule”.

Natarajan is understood to have reiterated that her ministry’s position on the Comprehensive Environmental Pollution Index was non-negotiable. There is a moratorium on projects in areas with high CEPI, this includes two coalfields of Chandrapur and K esra. As a compromise, Natarajan has offered to look into coal projects on a priority after the mitigation plans are approved.

Sources said that the coal ministry has asked for a case by case approach in these areas.

Tribal Affairs Minister Kishore Chandra Deo stressed that adherence to the Forest Rights Act, especially on issues such as public hearing consent of gram sabha for expansion projects, and the quorum required, were non-negotiable. This view is supported by Natarajan, though she has agreed to review projects where expansion is less than 25%.

Coal minister Shripakas Jaiswal and Mines Minister Dinsha Patel would like the Chaturvedi panel’s recommendation doing away with the FRA provision for all expansion projects to be accepted.
NTPC to get Coal Blocks for 4 Projects

SARITA C SINGH
NEW DELHI

The coal ministry will award mining blocks to state-run NTPC for four of its upcoming projects and could also return licences that were revoked in June, putting the power plans of the company back on track.

“We committed coal blocks to NTPC’s four projects in Karnataka, Orissa and Uttar Pradesh,” a senior ministry official said. The ministry would also review its decision to de-allocate five blocks of NTPC.

The four NTPC power projects, entailing an investment of Rs 8,500 crore, are: 2,400-mw Kidgi project in Karnataka, 1,800-mw Gajwara project in Orissa, and 1,330-mw Barethi and 500-mw Unchahar projects in UP. Equipment for three of these projects was being sourced through international tariff-based competitive bidding, the official said.

NTPC is expected to use 200 mt of coal a year by 2017, the terminal year of the next five-year plan. Around 70% of this is to be met from domestic sources, 20% from own mines and the rest 10% through imports.

In June, the ministry had revoked licences of 15 coal and lignite blocks, 12 of which belonged to state-run companies. The five blocks of NTPC—Chattibariatu, Chattibariatu (South), Kendari, Brahmanini and Chichhro Patimal—were de-allocated on grounds of slow progress.

“We have received representations from the power ministry and Jharkhand chief minister requesting a review of the de-allocation decision. We would send letters to these three companies seeking a update of progress on coal blocks and end-use projects,” the official said.

The other three blocks being considered for re-allotment are Damodar Valley Corp’s Saharpur Jamarpali, Tonughat Vidyut Nigam’s Gondupara and Jharkhand State Electricity Board’s Banhardih.
CIL: tardy response to global tender

May change strategy for abandoned mines

Special Correspondent

KOLKATA: Given the tardy progress three-and-a-half years after the matter first started rolling, CIL may change its strategy regarding the revival of abandoned underground mines with reserves of high quality thermal and coking coal. Stating this CIL Chairman N. C. Jha said: “We are not pinning much hope at this juncture”. Mr. Jha said this while addressing the company’s shareholders at the first post-IPO annual meeting which lasted for nearly four hours.

In the first round of limited tendering, none of the shortlisted parties responded with some asking for softer tendering conditions. After accepting these to the extent possible, a second round is in process and if this yields no result then open global tendering may be resorted to.

Mr. Jha said that of the 18 mines, 3-4 mines had been withdrawn from the list as they were being revived by CIL subsidiary Bharat Coking Coal. Indicating that the price of coal was found unremunerative by some of the bidders, Mr. Jha said that once the local habitation was removed from the areas above these mines, they could be revived as opencast projects. On production, he said that although output was on track till July, excessive rains in the eastern region thereafter, has impacted operations and 16 million tonnes had been lost. He earlier told shareholders that production of raw coal during 2010-11 was 431.32 million tonnes against 431.26 million tonnes in the previous year. He was hopeful that the 2011-12 production plan of 462 million tonnes would remain on track.

He said CIL was planning to construct more washeries in the second phase. On plans for revival of closed state undertaking Mining and Allied Machinery Corporation (as a joint venture with DVC and BEML), he said necessary steps were being taken.
रोकरणी भुगतान के लिए पांच कंपनियों को नोटिस

राज्यसभा। एक लाख रु. 150 लाख वर्ष देने के कारण, जिसे वर्तमान कारोबार में जमाना है, अर्जित के लिए रोकरणी भुगतान के लिए नोटिस जारी किया गया है। केंद्र शासित लिमिटेड के राष्ट्रीय शासन के लिए जाने के कारण इन कंपनियों की दोषी है। नोटिस के अनुसार, उन्हें रोकरणी भुगतान के लिए नोटिस जारी किया गया है। इसके अनुसार, उन्हें रोकरणी भुगतान के लिए नोटिस जारी किया गया है।