Reddys’ business their private affair: CM to Guv

BANGALORE: Replying to governor H R Bharadwaj's letters, Chief Minister B S Yeddyurappa on Sunday countered the land scam allegations against him and defended the mining activities by the Bellary ministers stating that it was their private business and had nothing to do with the government.

In his three-page reply, dispatched to Raj Bhavan, Yeddyurappa has pointed out that de-notification of land referred to by the Governor, had also taken place during previous regimes including that of JD(S) leader H D Kumaraswamy and even then there were reports of irregularities.

Governor H R Bharadwaj, last week, had sought a detailed report from Yeddyurappa on the allegations of land scandals involving him and his family and also on mining affairs involving three Bellary ministers - G Janardhana Reddy, his brother G Karunakara Reddy and their associate B Sriramulu.

In his response, Yeddyurappa has also stated that the Governor's missive had been based on, and motivated by Kumaraswamy's complaint.

The Chief Minister has clarified that the land allotted to his son and daughter had been returned. On the issue of allotment of 'G' category site using his discretionary powers as chief minister, Yeddyurappa said he would follow the recent High Court order and stop such allotment. Justice B Pudinaraj Commission of Inquiry, constituted by the government, has already started the process of inquiry into land scams since 1995, the letter has stated.

The Governor had also hit out at the chief minister for failing to act on the land scam and mining controversies and had directed him to respond to his letters at the earliest. Yeddyurappa in his reply veiled in sarcasm, has told the Governor: "I equally share the concern exhibited by you in the letter about the propriety and probity required to be maintained in the administration of the state."

Mining
In a separate reply regarding the mining affairs involving the Bellary ministers, Yeddyurappa has stated that the ministers had no subsisting contracts with the government.

Stating that a copy of the Governor's letter had been forwarded to the ministers, Yeddyurappa has reminded the Governor that he had written two detailed letters on the same issue on July 13 and 19.

Yeddyurappa stated that the government had issued various instructions and circulars to curb illegal mining activities in the State. The circulars were being effectively implemented.

"We are sure that if proper cooperation and support is extended by the Government of India for the measures suggested by us, it will go a long way in curbing illegal mining and increase the revenue for the State", the letter states. "It may not be out of place to state that former prime minister Deve Gowda who has submitted a petition before you, has also been requested to use his good offices to prevail upon the Government of India to co-operate in our above objective, and I hope in the interest of the State, you will do the same exercise," he stated.

DH News Service
स्थिति ✡ दादी की पहाड़ियों में दिन-रात निरीक्षण अभियान

हरियाणा खनन प्रतिबंध पर होगा और कड़ा

22
किलोमीटर की परिधि में प्रलंब की तीन दिन-रात मुक्त रही दस्तारी
उप्रेक्षण के इन जोनों में

विकास भाषाक ✡ बड़ीहाइ

हरियाणा के दादी उप्रेक्षण की पहाड़ियों में अतिक खनन पर पूरी तरह से
संपत्ति के लिए आज प्रशासन ने दर्ज की जोर से दे दिए आयुक्तीयों का
शुरू कर दी है। जिला प्रशासन को टीमों का पुलिस कराे के साथ दादी
की पहाड़ियों में दिन-रात निरीक्षण अभियान जारी रखा और कहा भी
जानन रूप से दर्ज की खुदाई जा पुलिस का काम होगा पाना गया
तलास कई महीने की पहाड़ियों को जारी है।

सरकारी प्रक्रिया ने बताया कि दादी
उप्रेक्षण के गांव पिंडबंग, एलबंग, किलोमीटर, अंगराज, चौड़ी बांर, अल्पिया,
मानसालाम, तिल्ला, बेझू, रामसार
अभियान का पहाड़ियों में हाईकोट के
अंतर्गत विस्तार का आयोजन पर युवाओं के लिए
जमाया। जिला प्रशासन दर्ज के
वर्गों ने युवाओं ने अभियान निरीक्षण की
की मौजूदा में सम्बन्ध हुई। जिला प्रशासन

लिया कि दादी उप्रेक्षण के इन जोनों की
22 किलोमीटर की परिधि में प्रशासन की
तीन दिन-रात देखी जाएगी। दादी के
पुलिस अभियान व रामसार उपरी-health के
निरीक्षण करें और उन्हें हर जो जाति
प्रति सौंपें।

पुलिस अभियान ने कहा कि दादी
उप्रेक्षण के जोनों की जोन में
रोज-आर्थ देश में जाएं। उन्होंने
कहा कि किसी भी क्रेडिट पर दादी की
पहाड़ियों का पतन स्थान हुआ मिला तो
उसे जुड़ा गला कर दिया जाएगा।

उन्होंने कहा कि प्रशासन ने इस जोन
में पूरा 144 लाख कर दी है। जिले भी
क्रेडिट जोन की पहाड़ियों में काम चला
हुआ पाना गया।

फोटो-न्यूज़ (फारीदाबाद)

युवाओं के लिए अंतर्गत विस्तार
का आयोजन पर युवाओं के

Mines policy is mired in confusion

The government’s check measure for mining industry’s attempt at creative accounting is to say that mining companies will have to share the profits they pay to the states with the government. This is a necessary move, but it is also a step towards greater transparency and accountability. The mining industry should be more transparent in its operations and the government should be more transparent in its regulatory framework.

By Ravi Srinivasan

CORRUPTION and exploitation of natural resources have become a major issue in the country. So much so that on Sunday, Congress president Sonia Gandhi, at the party’s plenary session aimed at preparing the party for the next elections, flagged it as a key issue. One of the key points in her five-point anti-corruption programme which she revealed this week is to introduce a system of open competition in the exploitation of natural resources.

Is open market competition the answer? It may help in eliminating some of the corruption and exploitation of natural resources. But it will not solve the problem of the issue of who should benefit, and to what extent, from exploiting natural resources.

One doubt whether open competition will also ensure that the entire profit is used for the benefit of the people, or that the profit is not used to make profits for the political party in power.

Legislation

The National Mineral Policy, announced more than three years ago and which is supposed to provide the framework for exploiting India’s vast mineral wealth while at the same time safeguarding strategic and long-term national interests, is in the absence of legislative and regulatory frameworks.

With the entire winter session of Parliament over, and the government’s track record so far, it would be safe to assume that the much-delayed and controversial National Mineral Policy (NMMP) is unlikely to become a reality even in the coming fiscal year.

The draft NMMP, which was cleared by the government in 2006, has been languishing due to a lack of political will. The policy was to replace the NMMP of 1957, which was the first in the country.

Issues

What they have got is a substantial amount, but there are many gaps and gray areas in the proposal. The profit conditions can be very easily manipulated by companies to ensure that either the entire profit or no profit is available on the books for sharing. The definition of profit is also opaque. What the companies will try to do is feed the profit-sharing clause with capital gains. The mining sector is part of an integrated operation — like Vedanta’s in the bauxite mining project which would help feed its aluminum refinery, or the coal mine linked to a steel plant.

The profit-sharing clause is in multiples of the profit from base mining. Which profits should be considered?

The government’s check measure for mining firms attempting creative accounting is to say that mining companies will have to share the profits they pay to the states with the government. This is a necessary move, but it is also a step towards greater transparency and accountability. The mining industry should be more transparent in its operations and the government should be more transparent in its regulatory framework.

The Mining Dividend Act, 1992, for example, provides for a mining dividend of 30 per cent of the profits of the mining company. The mining company is required to pay the dividend to the state government. This is a necessary move, but it is also a step towards greater transparency and accountability.

The government should be more transparent in its regulatory framework and the mining industry should be more transparent in its operations.

Stakeholders

There are many stakeholders in the mining industry, including mining companies, government officials, and the general public. The government should be more transparent in its regulatory framework and the mining industry should be more transparent in its operations. The government should also ensure that the mining industry is not used to exploit natural resources for political gain.

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दोनों कीमती धातुओं में दिखी तेजी

प्रेस इन्फोर्मेशन बुरो, दिल्ली
तर्क, 21 दिसम्बर 2010, पृष्ठ: 13

पत्रिका प्रकाशन के लिए दिखी टकराव। एक पेंच में स्वार्थमंडल को विद्रोह के 20 प्रतिशत बढ़ाया गया। पत्रिका वित्तीय संस्थान की मसला के तहत अभिलेख वर्तमान में स्वार्थमंडल के साथ कीमती धातु और स्वार्थमंडल के लिए समर्पित।


donoon kimati dhatuon mein dike tejii

एमएस लाई बिल्ली

कीमत में पूर्व के परिसर में नीचे आदि के लिए देखने की मदद भरने और हरकत के लिए समायोजन से स्वार्थमंडल में दोनों कीमती धातुएं फिर आश्चर्यकर चमकने लगीं। मुंबई वालों के मुसाफिर पिछले एक कपड़े से स्वार्थमंडल को निकली 20 प्रतिशत बढ़ाई गई। स्वार्थमंडल प्रतिष्ठान हो जा जाये जो कि ज्यादा भारत की जनसंख्या के अनुसार अपने लाखों लाखों तिन तन डाल कर गई तिन दशक के समय में वालों ने भारत जनता पर व्यापक व्यापार मुआमसिव समर्पित है। वैसे भी विश्व माहिति के जोर अभितर वर्तमान स्वार्थमंडल के नहीं होते। हरकत की झड़ी 1376 से जाल की 1387, जो नवम्बर में जाने से यहां स्वार्थमंडल 20820 रुपए प्रति ज्योतिर्लिङ्ग निर्मान पर 70 रुपए देना था। शॉपिंग की कमी 20750 रुपए का भव्य बाजू रहा। किसी उच्चांशीन्त 16800 रुपए पर मजबूत रही।
Missing Orissa mining scam file found

BHUBANESWAR: A fortnight after it had gone missing from the state secretariat here in a mysterious manner, an important file pertaining to the multi-crore mining scam in Orissa was found from an old rack in the stool and mines department. “The file containing details of the lease to S N Das Mahapatra mines was found from an old rack on Saturday,” mines minister Raghunath Mohanty said.
Short-term contracts: New pricing formula for alumina

The government-owned National Aluminium Company (Nalco) is conceived in a way as to leave it with considerable export surplus of alumina, the intermediate material between bauxite mineral and aluminium. In the last five years, the low and high points of Nalco’s exports of alumina were 702,554 tonnes and 862,616 tonnes.

The company’s export surplus of alumina will rise, coinciding with the refinery at Damanjodi in Orissa soon getting expanded to 2.1 million tonnes. The surplus will be over a million tonnes, even assuming the expanded 460,000-tonne smelter will be run at more than installed capacity, as is the long time practice with Nalco. Being in the government domain, caution and keeping risk-taking to the minimum remain the hallmark of Nalco’s export marketing.

That explains why Nalco will be selling the very major part of its surplus alumina in the world market on a long-term contract basis. The company cannot, however, be faulted for erring on the side of caution, since volumes of world spot trade in alumina continue to remain thin and prices of the chemical per se are not found to be transparent.

But thanks to some path-breaking initiatives by the likes of Alcoa, BHP Billiton and Rio Tinto (with Alcan under its fold), the nearly three-decade old practice of con-signing alumina production to long-term sales contracts, with prices linked to anything between 12 and 17 per cent of LME-traded prices of aluminium will now be progressively giving way to selling the intermediate material on short-term contracts.

Quite a few such transactions have happened, with alumina prices settled on the basis of an average weighting against multiple price indexes. But are any of the indexes becoming the favourite with sellers of alumina? Maybe a little too early for that to happen because all these are now tried out. At the same time, an Alcoa official is openly appreciative of Platts, the world’s leading provider of metals information, for the “time and effort” it has spent in developing its index.

Platts Alumina Index (PAX), introduced in August, offers four daily spot price assessments. Justifying the need for PAX, a Platts official said at the time of its introduction that as “alumina has been priced annually as a differential to aluminium, the industry does not have a realistic gauge of pre-smelter value.”

PAX is designed in a way as to faithfully capture “price dynamics” relating to Australia, the world’s biggest producer of alumina and China its biggest user. The price formula in vogue, which is sought to be replaced gradually by short-term index linked rates, has not fetched alumina what it deserves or captured the underlying cost, including transport. Alumina buyers should not have missed what was coming for them once BHP resolutely overcame all resistance earlier this year to move iron ore sales on a quarterly spot-averaged price basis from annual rates.

In fact, from to time the market gets to hear that quarterly price arrangement will be moved to a monthly order to better capture spot prices. Remember, China, which should be ending this year with iron ore imports of around 600 million tonnes, opposed tooth and nail the fixing of ore prices on a three months’ basis. But what won the day for ore producers was market dynamics.

If the new pricing formula for alumina is not inviting a torrent of protests as was seen in the case of iron ore and coking coal, it is because many leading producers of alumina outside China have good linkages to bauxite mines and refineries.

Look at Alcoa, BHP and Rio. All of them are big producers of aluminium but they still have considerable surplus of alumina. However muted that may be, protests against the price change formula are there. To give one example, Alumina Bahrain has opposed the change. Some others, too, have shown discomfort.

Alumina sellers too are not rushing with the new marketing idea. Alcoa will take five years to roll out the new pricing plan, as it will convert 20 per cent of its customers to contracts linked to indexes a year. No one seems in a hurry. Those in the forefront pushing for a change will see how the whole thing pans out and also the reaction of other sellers to short-term contracts using indexes as the basis for price determination.

There is much merit in the argument that alumina, though an intermediate product should be priced against its own fundamentals. In this context, an Alcoa official says: “The one thing that you see is the fundamentals of alumina refining business do not get reflected in the LME price (of aluminium). That’s the fundamental reason why we think there should be a change in how alumina is priced.”

The other day an Indian company sold 30,000 tonnes of alumina at a price of $371.88 a tonne commanding a marginal premium on Platts index at that point. The new regime will allow signing of multi-year contracts linked to index pricing. Buyers will have the assurance of supply and sellers of right prices through the contract period.
PRESS TRUST OF INDIA  
BANGALORE, DECEMBER 20

DEALING yet another blow to the BJP government in Karnataka, Governor H R Bhardwaj on Monday said he was not satisfied with Chief Minister B S Yeddyurappa’s reply to his two letters about corruption charges against him and his ministers.

“I am not satisfied by the reply given by the Chief Minister on the questions I raised over allegations of corruption, illegal mining and land scams,” Bhardwaj said, a day after Yeddyurappa despatched his missive to the Governor in response to the two letters he wrote on December 15.

Dismissing the contents of Yeddyurappa’s reply as only a “defence” and not indicative of “action”, Bhardwaj, who seemed to be have been irked by its tone and tenor, said, “No, I am not satisfied. Let me tell you.”

Speaking to reporters here, he hit back at BJP leaders who have been critical of his actions.

Bhardwaj said, “I had posed two fundamental questions which are still on my mind and are causing me lot of mental tension. Instead of being obliged to me for pointing out what it needs to be done for the welfare of the people, they are criticising me.”

“The first question was when I found ministers in this government are indulging in illegal mining and making crores and crores of rupees?...it is for the government to find out the wrong doings,” he said.

“Let him deny it, let him say anything, law will take its own course,” Bhardwaj said in a veiled warning that he would contemplate further action on these issues.
'Not happy with BSY reply on mining graft'

Bangalore: Firing yet another salvo at BJP government in Karnataka, governor H.R. Bhargwaj on Monday said he was not satisfied with CM B.S. Yeddyurappa’s reply to his two letters about corruption charges against him and his ministers.

"I am not satisfied by the reply given by the CM on the questions I raised over allegations of corruption, illegal mining and land scams”, Bhargwaj said, a day after Yeddyurappa despatched his missive to the governor in response to the two letters he wrote on December 15.

Dismissing the contents of Yeddyurappa’s reply as only a “defence” and not indicative of “action”, Bharadwaj, who seemed to be have been irked by its tone and tenor, said, “No, I am not satisfied. Let me tell you.”
Copper rises as hedge funds raise bullish bets

MOSCOW: Copper rose for a second day in New York amid speculation that the US economy is recovering and after hedge funds increased bets the metal may gain. US third-quarter growth may be revised to an annualised 2.8%, the Commerce Department will say on December 22, according to a Bloomberg News survey of economists, compared with a previous estimate of 2.5%. Hedge funds have the biggest net-long, or bets on higher New York copper prices, in five years, according to US government data. “The market is just firm going into year-end,” said David Thurtell, an analyst at Citigroup in London. “Hedge funds want to keep them high in order to have good performance figures and they probably also anticipate good New Year inflows.” Copper for delivery in March added 5.5 cents, or 1.3%, to $4.214 a pound on the Comex in New York.
Copper rises on tight supply, Chinese demand

*Reuters 8/14*

London, Dec. 20

Copper rose on Monday, tracking a rally in Shanghai prices as market tightness supported sentiment and investors counted on strong Chinese demand, but gains were capped by worries about debt problems in the euro zone.

Copper for three-month delivery on the London Metal Exchange was untraded in rings but was quoted at $9,205-$9,206 a tonne.

Aluminium traded at $2,341 in official rings from $2,335 a tonne on Friday and zinc was at $2,290 a tonne in rings from $2,274. Battery material lead was quoted at $2,442/$2,447 a tonne from $2,420.

The premium for cash lead climbed to the highest level since April 2009 against the three-month contract, helping to attract material into warehouse. Lead stocks last rose 150 tonnes to 207,750 tonnes.

Tin traded at $26,175 a tonne in rings from $26,050. Nickel was at $24,970 a tonne, nearing two-month highs, from $25,000.
Iron ore prices set to rise as India’s exports slow  

Macquarie blames Karnataka ban, documentation rigmarole

G. Chandrashekhar  
Mumbai, Dec. 20
The decline in India's iron ore exports in recent months is generally attributed to the Karnataka Government's imposition of ban on movement outside the State and export from out of the ten ports.

The embargo in July followed allegations of illegal mining. Slowdown in shipments from India has surely had an impact on world iron ore spot market prices which have firmed.

Karnataka ports shipped out about 15.2 million tonnes of iron ore in 2008, which declined to 12.2 mt the following year. Tamil Nadu ports also handle some material from Karnataka and the export shipments totalled some 8 mt in 2009.

From the time the ban was imposed, iron ore shipments from the two States have all but dried up. Extended South-West monsoon has also to some extent affected shipment volumes.

However, despite ban imposed by Karnataka and slowdown due to seasonal factors, overall seaborne supply from India is down only 9 per cent in the first ten months of the year, although exports in the third quarter fell 37 per cent year-on-year and are 31 per cent down year-on-year in October-November, according to the latest Macquarie Research report.

IMPACT ON VOLUME
Pointing out other factors that have impacted export volume, the report said clearances are getting considerably slow because of rigorous and complex documentation system stipulated by many States to ensure traceability of ore and to ensure taxes have been paid. Until exporters are able to meet the rigours of the documentation system or find a way to work around it, export volumes are unlikely to improve dramatically in the next few months.

However, the good news is that some ore which was previously exported is now being pelletised and consumed within the country as steel demand continues to grow rapidly.

According to Macquarie Research, relatively high steel prices (compared with international levels) are allowing the Indian steel mills to pay more for material thus, making export arbitrage negative.

More on the Web: www.businessline.in/webextras
Hind Copper chooses 3 consortia for mine work

Involves deepening of underground mines and ore handling

Jayanta Mallick
Kolkata, Dec. 20

Hindustan Copper Ltd has shortlisted three consortia, all backed by Chinese firms, for two separate Rajasthan underground mine work bids. Some Canadian and Australian mine work companies intended to join local bidders' consortium or form separate combinations, but eventually backed out.

The proposed Hindustan Copper projects involve deepening of underground mines and ore handling at Khetri and Kolihan. The Rs 90-crore Khetri project will see the deepening of shaft by 300 metres to 600 metres.

The Rs 100-crore Kolihan work would entail sinking of a new underground shaft with a depth of 300 metres and development of two levels, Mr. Shakeel Ahmed, Chairman and Managing Director of HCL, told Business Line.

PARTNER
Liaoning Dongmei Capital Construction of China is the partner in the consortia, led by a local firm Maheshwari Mining for Khetri and Kolihan mines. There is a second Chinese firm, Sichuan Mining Machinery, in the Maheshwari's consortium for Kolihan.

China Coal Mine Construc-

tion Group Co has partnered with Hyderabad-based lead bidder Delta Construction Systems for both the project bids.

Chennai-headquartered Siram EPC Ltd has tied up with Shandong Gold Group for the two Hindustan Copper projects.

Khetri is estimated to have 24 million tonnes of copper bearing ore reserves, while Kolihan estimates stand at 20 million tonnes.

The final bid documents have been issued to the short-listed entities. The bid submission deadline is January 21.

MP UNDERGROUND PROJECT
Meanwhile, foreign players have also evinced interest for the proposed transformation of the existing opencast mine into an underground project.

Acceding to five interested players' request at the pre-application meeting recently, Hindustan Copper Ltd. has extended the timeline for commencement of the initial bidding process for the Malanjkhand (Madhya Pradesh) underground mine development (sinking of five shafts of between 650 and 690 metres of depth each, related works as well as ore handling) and contract mining operation. Malanjkhand reserve is estimated to be of 262.97 million tonnes at 0.97 per cent copper, the single largest in the country, and expected to last 30 years.

HCL has adopted a two-stage bidding process for selection of the bidder for award of the projects. The first stage - the qualification stage - of the process involves qualification of entities/consortia which make an application in accordance with the request for qualification (RFQ).

For Malanjkhand RFQ, greater and diversified involvement from overseas players is evident considering strength of the asset as well as prospect of return.

The short-listing of pre-qualified applicants for this project is expected in the middle of next quarter. The second stage – the bid stage – comprising the request for proposal, may fall in the first in the first quarter of 2011-12.
भूमि आवंटन पर होगा केबिनेट में निर्णय

भूमि आवंटन पर होगा केबिनेट में निर्णय। राज्य सरकार हिंदुस्तानी और एस्केईएस पॉवर एवं इलिस्टर को जमीन आवंटित करने जा रही है। मंत्री मंत्रालय की तैयारियों को केबिनेट में इस संबंध में निर्णय होने की संभावना है। इसमें एक हजार मामले पर विचार होगा। इनमें नए जिलों जिलों और अलीगढ़पुर में वाणिज्यिक कर्म निर्माण के अवलोकन के स्वीकृति, हिंदुस्तानी के एलिस्टर एस्केईएस पॉवर अपॉलो के लिए 73.70 हेक्टेयर भूमि आवंटन के प्रस्ताव स्वीकृत है। एस्केईएस पॉवर एवं इलिस्टर की हिंदुस्तानी जिलों में 25 हेक्टेयर भूमि आवंटन दिये जाने पर केबिनेट होगा।