Notify law or lift mining ban: SC

NEW DELHI/DHARWAD: Issuing a clear deadline to the Karnataka government on its ban on export of iron ore, the Supreme Court on Thursday directed the state to either notify within two weeks the new law on illegal mining or cease the proscription.

Observing that the ban cannot be sustained indefinitely, an apex court Bench of justices R V Raveendran and A K Patnaik said the Karnataka government had taken a stand that it needed time to notify the rules on transportation before lifting the ban.

"The ban cannot be forever. You can stop illegal mining but the ban cannot stay forever," the Bench said, adjourning the matter for hearing to the first week of February.

Observing that the ban on iron ore transportation was temporary and was originally imposed only for six months, the Bench asked the government not to extend it beyond January.

Remaining non-committal over the Supreme Court order, State Tourism Minister G Janardhan Reddy, replying to queries on the sidelines of a function in Dharwad, said he would first go through the order. Taking a critical stand on Governor H R Bhardwaj, Reddy said that the Governor was unnecessarily irritating the government even though the matter related to alleged land scam was in the court.

In this context, he said Chief Minister B S Yeddyurappa has already launched a high-level probe, but Bhardwaj was demanding another enquiry of which there is no need.

The Karnataka government had banned transportation of iron ore for export purposes for six months pending a legislation to curb illegal mining. On November 19, 2010, the Karnataka High Court upheld the state government’s blanket ban on the issuance of mineral dispatch permits.

Subsequently, mining firms Sesia Goa, MSPL and SB Minerals challenged the Karnataka High Court’s order in the Supreme Court.

The Bench noted that if the government failed to notify the proposed Karnataka Prevention of Illegal Mining, Storage and Transportation Rules, 2010, it will have to make arrangements to allow the mining firms to export the ore. "If there is delay, the state government may formulate necessary regulatory measures for regulating, supervising and monitoring exports," the Bench said.

The state government said it was awaiting the Lokayukta’s final report on evolving ways and means to curb large-scale irregularities by various mining firms.

DH News Service
A MINE OF OPPORTUNITIES

Orissa emerges as a major hub for mineral-based industries like steel and aluminium

Lipa Bisoi

Notwithstanding Orissa’s rich endowment of mineral resources, the state remained an island of acute poverty in the country. This is the irony in which the state lived for over 60 years. But, no more so. Orissa is now on the path of progress and prosperity.

The state is witnessing brisk industrial activities with investments lined up to the tune of Rs 6 lakh crore. Out of this, projects worth Rs 4 lakh crore have been committed. Some projects have been completed and some more are now in different stages of implementation. The major chunk of the investments is in mineral-based industries.

“The Naveen Patnaik government’s policy of value addition to mineral resources in the state has worked wonders”, says the state’s steel and mines minister Raghumohan Mohanty. The policy has forced corporate houses and entrepreneurs to set up mineral-based industries in the state, he adds.

The state government has already signed 86 MoUs after Naveen Patnaik took over the reins of the state in 2000. Most MoUs are for mineral-based industries like steel, aluminium, ferro-alloy, cement and power.

“The year 2010-11 would be a watershed for Orissa. You will see the real change. Orissa will be producing 55 to 60 million tonnes of steel, 3 million tonnes of aluminium and 11 million tonnes of aluminium”, says the former Orissa steel and mines principal secretary, Ashok Rao Dalwai. According to him, the take off has already started.

Orissa has signed 50 MoUs in the steel sector, three each in aluminium and cement sectors, one for the titanium industry and 27 in the power sector.

Of the 50 MoUs in the steel sector, five have gone for full production while 24 have started partial production. Among the early starters are two mega steel plants of Bhushan Steel Ltd and Bhushan Power & Steel. Two more mega steel projects—Tata Steel and Jindal Steel and Power Ltd.—are all set to start construction soon.

With the impasse in Kalinganagar almost over, Tata Steel has launched the groundwork for its Rs 23,000 crore, 6 million-tonnes steel project. The company has already procured plants and machinery for the project. The Kalinganagar steel project is expected to be commissioned by 2013.

POW-WW in 3.13 billion steel project could kick off in the new year once coal clearances are in place.

The total investment in these 50 MoU steel companies would be to the tune of Rs 21.1 lakh crore. And, once these projects are executed, the total steel production would be about 77.16 million tonnes.

By now, the steel sector has provided direct employment to 21,617 and indirect employment to 62,566 persons. The steel industries in Orissa have contributed taxes to the tune of Rs 1,001 crore to the state government and Rs 1,396 crore to the central government.

In the aluminium sector, the Vedanta Aluminium Company Ltd (Vedanta Resources), a Vedanta group company, has got into a stream of one million tonnes alumina refinery at Lanjigarh in Kalinganagar district. It has also set up a 0.65 million tonnes aluminium smelter along with a captive power plant at Jharsuguda. The Aditya Birla group is setting up a one million tonnes alumina refinery at Kansargarh in Rayagada district and a smelter at Jharsuguda.

L&T, jointly with Dubai Aluminium (Dubai), is proposing to set up an aluminium complex in the state with an investment of Rs 10,000 crore. So also the SBI Metaltech. SBI is planning to set up a 1.4 million tonnes per annum (mta) alumina refinery in Kalinganagar near Rayagada district and a 0.15 million mta aluminium smelter at Kalmiyanagar in Dhenkanal.

The central sector National Aluminium Company Ltd (Nalco) is looking for a third phase expansion of its capacity after the completion of its phase-II expansion programme. The company is going to achieve a total alumina capacity of 29 lakh tonnes. It has also signed an MoU with the state government for setting up a greenfield project in Sundergarh district.

In fact, the state is now receiving huge investments in the power sector also. With rich reserves of thermal grade coal, abundant water and vast land, Orissa is a place for thermal power generation. Investment to the tune of Rs 3 lakh crore has been promised in the power sector.

As many as 27 private companies have signed MoUs to set up Independent Power Projects (IPPs) with a total investment of Rs 1.7 lakh crore.

"Orissa is going to be a major powerhouse of the country in the next decade", says state energy minister Atanu Sabysachi Nayak.

Orissa has 5,014 million tonnes of iron ore, which is 34.69% of the country’s total reserve. It has 65,212 million tonnes of coal (23.71%), 1,085 million tonnes of bauxites (94.89%), 170 million tonnes of chromium (80.86%), 170 million tonnes of manganese (81.51%) and 1,041 million tonnes of lime stone (6.57%). With such a huge endowment of mineral resources, Orissa is poised to become a major industrialised state in the country.
‘CM has a dream of making Orissa among top three developed states’

Raghunath Mohanty is a key minister in the Naveen Patnaik government of Orissa. He holds the important portfolios of steel & mines and industries, besides parliamentary affairs. A suave politician who has risen from the grass-root level, Mohanty has given a new direction to the state’s industrialisation and mining activities. In an interview with Dilip Bisoi of PR, Mohanty speaks about the key issues concerning industrialisation and mining in the state. Excerpts:

Orissa is emerging as a major industrial hub of the country. What do you think are the reasons behind this?

One of the most important reasons for this industrialisation is Chief Minister Naveen Patnaik’s policy of value addition to mineral resources in the state. The stable government provided by Naveen Patnaik has instilled confidence in investors. The other contributory factors are the state government’s industry-friendly attitude, transparent policies for project clearances and land acquisition.

Besides announcing the Industrial Policy Resolution (IPR) 2007 for major industries, and the MSME Policy 2009 for MSMEs, the state government has put in place the Orissa Industries (Facilitation) Act 2004, Orissa Rehabilitation & Resettlement Act 2006 and the Public-Private-Partnership Policy 2007 to encourage private investments in the state.

What is the real picture of investments in the state?

Until now, we have signed 87 MoUs which commit a total investment of Rs 4.41 lakh crore. Besides, we have received investment proposals to the tune of Rs 50.35 lakh crore as investors have approached the state government through the Single Window, showing interest to set up 1,530 projects. MoUs have been signed not only for mineral-based industries like steel, aluminium, ferro-alloys, cement, power and heavy minerals but also for other industries like IT, auto component and infrastructure projects like ports.

There is a criticism that the Orissa government is signing too many MoUs. Your comment?

The opportunity for industrialisation comes only once in a while. And, when it comes, it won’t stay for a long period. So, it is prudent to take full advantage of the opportunity, with maximum speed. We have learnt a bitter lesson in the early 1990s. The then chief minister Biju Patnaik has lined up investments in steel, aluminium and power sectors by taking advantage of the industrial climate. But, suddenly the global economy witnessed a downturn, and the investments fled away. We were left with few foundation stones. So, this time, in fact, we are in a hurry to sign the MoUs and implement the projects. You see Orissa is lagging behind many developed and developing states of the country. So, to catch up with them, we have to make things fast.

How many MoUs have materialised?

As many as 32 MoU projects have gone into production. These projects include steel, ferro-alloys and aluminium plants. A total of 1,72,581 persons have found direct or indirect employment in these projects. The steel plants that have gone into production are now producing 7.79 million tonnes of steel, 6.24 million tonnes of sponge iron and 1.32 million tonnes of pig iron per annum. A total of Rs 50,350 crore has been invested in these plants. About 21,617 persons are employed directly and 26,548 indirectly in these plants.

You are holding the key portfolios of steel & mines and industries. What are your expectations?

You see, our Chief Minister Naveen Patnaik has a dream of making Orissa as one of the top three developed states in the country. We are working in that direction. I am quite confident that the goal would be achieved very soon.
Cong, BJP trade charges over guv move

SPAT BJP says Bhardwaj is politically motivated, Cong says take legal action if aggrieved

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NEW DELHI: The Karnataka governor's sanctioning the prosecution of Karnataka CM BS Yeddyurappa has made the BJP-Congress fight take a turn for the worse.

While the BJP reacted angrily to the news, the Congress was quick to welcome the action.

Senior BJP leader Arun Jaitley accused the governor of being politically motivated and of committing a constitutional impropriety. He said the governor had granted the sanction without even having all documents connected with the case, that too at a time when a Lokayukta investigation and a judicial enquiry were pending.

He also said that some SC judgments have said that consultation with the council of ministers is required for such a step.

"Even during his tenure as governor, he (Bhardwaj) has been proudly proclaiming his political affiliation. He carries his political affiliation on his sleeves. The continuous course of his conduct, his utterances, his vocabulary, his phrases, his arguments all show a distinct political character to his conduct and an absolute lack of restraint," Jaitley said.

Congress spokesperson Abhishek Manu Singhvi had a different take: "The Governor has acted after full application of mind. Only those who have something to hide should be worried. Otherwise, this is the discretion (of the Governor) and if anybody is aggrieved, they can take legal action."

Apparently, Congress general secretary in charge of Karnataka Giulan Nabi Asad and Union minister Mallikarjun Kharge are camping in the state.

There were other political reactions too. HD Deve Gowda of the Janata Dal (secular) welcomed the governor's decision while talking to news channels.

Mohan Singh of the Samajwadi Party said that the move would start off a wrong precedent.

BJP ally and Janata Dal (U) president Sharad Yadav said, "Governor should remain within his limits. He does not run the government. Such acts spoil the political atmosphere."

CHARGES AGAINST CM

- Allotment of 4,000 sq ft land to CM's son B Y Raghavendra under discretionary quota at throwaway price.
- Allotment of 2 acre land to daughter Uma Devi.
- Allotment of 2 acre land to auto component firm of which Raghavendra and his brother B V Vijendra are directors. (The plots were returned).
- Raghavendra, Vijendra and his son-in-law Sohan Kumar had Rs 220 crore transferred to their accounts from a mining firm in Bellary as favour towards the sale of six acres at a tech Park in Bangalore.

GOVERNOR'S TENURE FULL OF FIREWORKS

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BANGALORE: HR Bhardwaj's stint as Karnataka governor has been rife with controversies.

Long before his latest spat on Friday of according sanction for chief minister BS Yeddyurappa's criminal prosecution, Bhardwaj's relations with the ruling BJP government had turned bitter.

Ever since he arrived as governor on June 29, 2009, Bhardwaj has lent a sympathetic ear whenever Congress or Deve Gowda's Janata Dal (Secular) members had any complaints against the ruling government. They went to him practically every week.

Every now and then Bhardwaj would use the platform of a function to which he had been invited to make caustic remarks about the state government.

Serious conflict started with Bhardwaj's tirades against the government over illegal constructions being regularised subsequently by local bodies.

It grew bigger after Bhardwaj refused to clear the cow slaughter bill the state government wanted passed.

The governor's trenchant criticism of the illegal mining activities of state ministers Janardhan Reddy and Kumara Reddy — the Bellary brothers — drew fresh blood in December 2009. When Bhardwaj spoke strongly in favour of Lok Ayukta Santosh Hegde, who resigned claiming the government was blocking his efforts to fight corruption, the relationship got even worse.

"One of the confrontations Bhardwaj had with the legislature was when he asked the CM to face a trust vote, despite speaker disqualifying 14 BJP and 5 independents. The governor forced him to take another. Yeddyurappa won both trust votes."
उत्पादन कम करने को
बाध्य हुई सीआईएल

अगले वर्ष के दौरान उत्पादन में कमी करना जरूरी है। सीआईएल को संयुक्त रूप से कारोबार उत्पादन में कमी करने की आवश्यकता है। सीआईएल का उत्पादन रूपसे कम होना चाहिए क्योंकि इसका उत्पादन रूपसे स्थिर रहना चाहिए।
पहले घोषित हो नौ
गो एरिया : रमन सिंह

रमन सिंह के मुख्यमंत्री रमन सिंह ने कहा है कि केंद्र सरकार को परीक्षण की स्मृति के मौके पर नौ ‘गो एरिया’ और ‘नौ गो पुर्णिया’ घोषित कर देंगे। इससे निम्नांकित को आर्थिक होगी और परिस्थितियाँ समस्त से पूर्ण होगी। इसका प्रभाव समय में दर्ज आधिकारिक पत्ता विकास 2011 कार्यकाल का सम्बन्धित करते हुए उन्होंने कहा कि केंद्र सरकार ही है जो परीक्षण पर निर्भर रहने के बाद परिवर्तन करता है जहां नौ ‘गो पुर्णिया’ में है। यह परीक्षण पर जोड़ा रहा जाता है। रमन सिंह ने कहा कि परीक्षण का आयात स्वास्थ्य और राजस्व में अपने पैमाने पर निर्भर हुआ है।

राजस्व में जोड़ा करते हुए रमन सिंह ने कहा कि हम ‘लज’ का उत्पादन अन्वारियन का जीवन बदलने के लिए बनाए हुए हैं। इन फिल्मों को 6,000 प्रतिशत बाजार में बुधवार झुकता करते हैं।

रमन सिंह के मुख्यमंत्री रमन सिंह ने कहा कि परीक्षण पर जोड़ा रहा जाता है।
Vedanta plans acquisition loan

Hong Kong: Vedanta Resources Plc, the metals producer controlled by Indian billionaire Anil Agarwal, is arranging a $3.5 billion (₹15,995 crore) acquisition financing loan, according to a person familiar with the matter.

The loan will be used for a portion of Vedanta’s purchase of a stake in Cairn India Ltd, said the person, who asked not to be identified because the details are private. The deal will consist of a $1.65 billion 18-month loan priced at 335 basis points more than the London interbank offered rate, the person said. The $1.65 billion 36-month facility will price at 390 basis points over Libor, the person said. BLOOMBERG
Tanzanite export ban dulls Jaipur’s processors

Suresh P. Iyengar
Mumbai, Jan. 21

Tanzania’s ban on export of tanzanite weighing over one gram has put scores of small and medium stone processing enterprises in the lurch, especially in Jaipur.

Tanzanite, a bluish gemstone, is said to be 1,000 times rarer than diamond.

Just as Surat is known for processing rough diamonds, Jaipur has gained proficiency in processing coloured gemstones including rough tanzanite over the past five decades. Of the 10 lakh people employed by the gemstone processing industry, about two lakh are in Jaipur and about 45,000 are specialised in finishing tanzanite.

Mr Rajiv Jain, Chairman, the Gem & Jewellery Export Promotion Council, said India exports cut-and-polished tanzanite worth Rs 300-550 crore an annum. The domestic market alone accounts for about Rs 100 crore.

“While cut-and-polished tanzanite is exported when it is ready, the industry has an inventory of about $2-3 million roughs, which would suffice for not more than 15 days,” he added.

A carat of cut-and-polished tanzanite, depending on quality and finish, costs between $10 (Rs 450) and $40 (Rs 1,800).

REASON FOR BAN
India processes about 95 per cent of tanzanite produced in Tanzania, the only source for the gemstone. The ban, effective from January, was part of the Mining Act and is aimed at increasing the contribution of the industry to Tanzania’s economy.

Mr Jain said the council plans to ask the Commerce and External Affairs Ministries to mediate on their behalf.

Tanzanite is mined at the foot of Mount Kilimanjaro, Africa’s tallest peak. Tanzanite is noted for its remarkably strong trichroism, which appears alternately in sapphire blue, violet and burgundy, depending on crystal orientation.

PHASED MANNER
Though the industry understood the concern of the Tanzanian Government to improve job opportunities in their country, it should have curtailed exports in a phased manner to gain expertise in processing the roughs, Mr Jain felt.

Tanzanite mining provides direct employment for about 14,000 workers in Tanzania, Africa’s third-largest gold producing State after South Africa and Ghana. About 42 per cent of Tanzanian exports come from minerals, mainly gold, diamonds and tanzanite.

Tanzanite in its rough state is usually reddish brown. It requires heat treatment to 600 degree Celsius in a gemological oven to bring out the blue-violet character of the stone. Besides India, other countries that process tanzanite include Thailand and Hong Kong.