NMDC, RINL ink pact for slurry pipeline, pellet plant

New Delhi, May 24

NMDC and Rashtriya Ispat Nigam Ltd (RINL) will float an equal joint venture to set up a 450-km slurry pipeline to transport iron ore fines and a pellet plant at Visakhapatnam.

The two companies plan to invest Rs 2,200 crore in the joint venture project. The pipeline between NMDC's Bailadila mines in Chhattisgarh and Visakhapatnam will have a capacity to transport 30 million tonnes (mt) a year and will entail a cost of Rs 1,200 crore, including the filtration plant. Another Rs 1,000 crore is being planned to invest in the four-mt a year pellet plant.

Both entities signed a memorandum of understanding to this effect on Thursday in the presence of the Steel Minister, Mr Banti Prasad Verma. The pipeline will pass through Chhattisgarh, Odisha and Andhra Pradesh.

"We have applied for the right of way in these States to set up the pipeline," said Mr N.K. Nanda, serving Chairman, NMDC.

The pellet plant will utilise four mt iron ore and the rest will be sold to third party customers. The pipeline project is likely to be commissioned in about 36 months.

The Steel Minister reviewed the performance of NMDC for 2011-12 in which the company has seen a one per cent decline in revenues at Rs 11,269 crore, despite the rise in sales at 7.3 million tonnes.

The company is likely to have reported a net profit of Rs 7,265 crore for the year. Production for the year was up seven per cent at 27.26 million tonnes, up from 25.15 million tonnes in the corresponding last year. NMDC will be announcing its fourth quarter and fiscal 2012 results on May 28.

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स्लरी पाइपलाइन के 
लिए एनएमडीसी का 
आरआईएनएल से करार

पाइपलाइन बिछाने पर 
होगा 1,200 करोड़ 
रुपये का निवेश

एमडीसी भारतीय ना दिली

खदान से शीघ्र अन्वेषण को 
बाहर निकालने की क्षमता में 
बढ़ाने के लिए एनएमडीसी और 
आरआईएनएल संयुक्त रूप से 450 
किलोमीटर लंबी स्लरी पाइपलाइन 
बिछाएंगी। चीनी स्लरी के उद्योगपुर से 
विशाखापट्टनम के बीच बिछाए जाने 
वाली इस लागत के लिए एनएमडीसी 
और आरआईएनएल के बीच समझौता 
को एक कार्यनामा किया गया। 
दोनों कंपनियों विशाखापट्टनम में एक पेंट 
प्लाट्ट भी स्थापित करेंगीं। इन 
दोनों खरीदारी में दोनों कंपनियों की 
भागीदारी के संयोजन होगी। 

एमडीसी के कार्यालय 
सीएमडी एन.के. नंदे के नौकरी 
स्लरी पाइपलाइन और पेंट प्लाट्ट 
पर 2,200 करोड़ रुपये की लागत 
आएंगे। इनमें से 1,200 करोड़ 
रुपये स्लरी पाइपलाइन पर खर्च किए 
जाएंगे। यह पाइपलाइन शीई राज्यों 
क्षीरसह, उड़ीसा और आंध्र प्रदेश से 
होकर गुजरेगी। उन्होंने बताया कि इस 
पाइपलाइन के निर्माण के लिए 36 
महीनों की अवधि तक की गई है और 
वर्ष 2015-16 तक इस पाइपलाइन 
के चालू होने की उम्मीद है। 

नंदे के अध्यक्ष नंदे आरआईएनएल के 
निर्माण से लोग अपराध की खबर 
बाहर निकालने की क्षमता में 
बढ़ाएगी और उसकी कुल लागत 
भी कमी करेगी। उन्होंने 
बताया कि पाइपलाइन के निर्माण के 
लिए भूमि अधिग्रहण की ज़रूरत नहीं 
पड़ेगी। इसके लिए, पर्यावरण मंत्री 
के लिए औद्योगिक सुरक्षा के 
दी गई है। इस स्लरी पाइपलाइन की 
क्षमता 100 लाख टन की होगी। 
इनमें से 20 लाख टन लोहे 
अन्य के खर्च पर एनएमडीसी 
के छोटे सी कोठार में 
प्रयोग रहेगा और 40 लाख टन भी 
जमीन और बाकी 40 लाख टन की 
जमीन गूठ रखी जाएगी।
Novelis Jan–Mar net loss at $107 mn

Novelis, the US unit of Hindalco Industries, on Thursday reported a net loss of $107 million for the quarter ended March 31 due to lower prices of aluminium and a decline in sales.
NMDC fails to touch 30 mn tn production target

Pioneer, Delhi
Friday, 25th May 2012, Page: 10

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Mining major NMDC’s failure to touch the 30 million tonnes production target for 2011-12, owing to reasons like ban on iron ore mining in Karnataka and Maoist menace in Dabhadla in Chhattisgarh - where it has a mine, left a sweet-sour taste in Steel Minister Reni Prasad Verma’s mouth.

Commenting on NMDC’s performance after holding a review meeting with the company officials, Verma said that it could have been better, though state-owned acting Chairman NK Nanda felt that the performance was “excellent”.

The company since quite some time has been trying to touch the 30 million tonnes benchmark in production, however for 2011-12, it could achieve only 27.26 million tonnes.

NMDC in a presentation to the minister said its performance would have been better if there had been no damage done to Essar’s slurry pipeline and had Supreme Court not suspended mining operations in Bellary.

“The slurry pipeline of Essar, damaged in October last year, remained inoperative till date impacting dispatches of Kirandul complex by 20,000 tonnes a day leading to congestion of stock pile at Kirandul thus restricting production also,” the presentation said.

Nanda later expressed hope that the company is expecting to touch 31 million tonnes target in the current fiscal. The gross sales of the company during 2011-12 stood at ₹11,269 crore, down from ₹11,525 crore in the previous fiscal. Its net profit, however, increased to ₹7,265 crore from ₹6,499 crore a year.
Beating a retreat

It is dangerous in international relations to allow an impression to develop that Delhi can be browbeaten into submission.

By Harsh V Pant

There are reports that India is planning to withdraw from joint oil exploration with Vietnam in the South China Sea. Although no formal announcement has been made yet to this effect, Indian officials have been suggesting that the oil block 128 has not shown promising results, so commercially it makes sense to withdraw. At the time when South China Sea is the focal point of regional turmoil in East Asia, Indian decision will have repercussions far beyond the mere technicalities of hydrocarbon production. Even if there may be no oil in this joint effort, the way it is being announced is bound to be interpreted that India has no stomach for challenging China in its backyard. Hanoi has already suggested that New Delhi's decision is a response to pressure from China.

It was just last year that New Delhi had asserted its rights in the international waters of South China Sea, signalling a deepening of its engagement with Vietnam. External affairs minister S M Krishna had snubbed China, making it clear that India's ONGC Videsh Ltd (OVL) will continue to pursue oil and natural gas exploration in two Vietnamese blocks in South China Sea.

Asking countries 'outside the region' to stay away from the South China Sea, China had issued a demarche to India underlining that Beijing's permission should be sought for exploration in Blocks 127 and 128 and that without it, OVL's activities would be considered illegal. Vietnam, meanwhile had underlined the 1982 United Nations Convention on the Law of the Sea to claim its sovereign rights over the two blocks being explored. India decided to go by the Vietnam's claims and ignore China's objections.

India's bold move was aimed at asserting its legal claims in the international waters of South China Sea as well as strengthening relationship with Vietnam. Both moves unsettled China which views India's growing engagement in East Asia with suspicion. India's decision to explore hydrocarbons with Vietnam had come after an unidentified Chinese warship had demanded that the INS Airavat, an amphibious assault vessel, identify itself and explain its presence in the South China Sea after the vessel left Vietnamese waters. The Indian warship was completing a scheduled patrol in Vietnam and was in international waters. Though the Indian Navy promptly denied that a Chinese warship had confronted its assault vessel as reported by London's Financial Times, it did not completely deny the actual basis of the report.

American guardianship

China has collided with Japan, South Korea, Vietnam and Philippines in recent months over issues related to the exploitation of East China Sea and South China Sea for mineral resources and oil. It was under American guardianship of common interests for the last several decades that China has emerged as the economic powerhouse it is today. Now it wants a new system— a system that only works for Beijing and does not deal with the provision of public goods or common resources. With its moves in South China Sea, India too is challenging China's claims.

If the display of backbone in pursuing joint oil exploration with Vietnam, despite Chinese objections, had helped India, strengthening relations with Vietnam and forcing others to acknowledge it as a credible player in the region, the unceremonious announcement of withdrawal will not only disappoint Hanoi but put into question the whole idea of India as a regional balancer in the Indo-Pacific. The smaller states in east and southeast Asia have been looking to New Delhi to manage China's rise. Unless managed carefully, India's credibility will come into question.

To control the damage to its reputation from this sudden volte face, India should make it clear to Hanoi that, despite this decision, it would continue to expand its strategic ties with Vietnam. After all, both nations have stakes in ensuring sea-lane security, as well as shared concerns about Chinese access to the Indian Ocean and the South China Sea. As the South China Sea become a flashpoint, Hanoi has been busy courting its erstwhile rival, the US and the US has been asking India to "not just look east but also to engage east and act east as well." Solidarity among major powers on South China Sea disputes is essential in order to force China to moderate its maximalist position on this issue.

China is too big and too powerful to be ignored by the regional states. But the states in China's vicinity are now seeking to expand their strategic space by reaching out to other regional and global powers. Smaller states in the region are now looking to India to act as a balancer in view of China's growing influence and America's anticipated retreatment from the region in the next future, while larger states see India as an attractive engine for regional growth. To live up to its full potential and meet the region's expectations, India must do a more convincing job of emerging as a credible strategic partner of the region.

It is dangerous in international relations to allow an impression to develop that New Delhi can be browbeaten into submission. If China can operate in India's backyard and systematically expand its influence, then there is no reason why India should feel deficient about operating in areas that China considers its own sphere of influence. India's defiance in foreign policy remains the reason why despite pursuing a 'Look East' policy for the last two decades, it continues to be marginal player in East Asian geopolitics.
No need for alternate block allocation policy: CoalMin

PRIYADRISHI SIDDHANTA
NEW DELHI, MAY 24

THE coal ministry has shot down the suggestion of a Group of Ministers (GoM) to formulate a policy on allocating alternate blocks to captive consumers in lieu of their existing ones saying there is no provision in the extant guidelines to do so.

It has said that since fresh blocks would now be allocated on a competitive bidding basis, it is impossible to entertain demands for alternate blocks, as this would trigger similar demands from all those users who have been hit by the Union Environment’s Ministry’s ‘go, no-go’ system.

In a recent note to the GoM, which will meet on May 30, the coal ministry said that while there are no provisions in the extant guidelines to allocate alternate blocks, there is also no precedence in this connection either.

“It is further reiterated that after the commencement of the Amended Mines and Minerals (Development & Regulation) Act 2010, it is not possible to consider any allotment under the previous system of allocation,” the coal ministry said.

The ministry’s response came post a March 1 directive from the inter-ministerial panel stating that a policy should be framed on allocation of alternate coal blocks for the existing allocatees.

At the meeting, environment ministry top brass said that they have recommended an alternate block in lieu of Morga-II (allocated to Gujarat Mineral Development Corporation) for which the user agency has agreed and identified the Bhalumunda block.

When coal secretary Alok Perti said this cannot be done as per the existing policy guidelines, the home ministry officials wanted to know the hurdles in amending the policy. The coal ministry said that it is not the prerogative of any company to identify a block and request for the same.

“The coal ministry has no knowledge of MoEF agreeing to accord clearances to Bhalumunda block. Further it would be unfair to allocate this block with huge reserves in comparison to Morga-II,” it said and cited that PSUs like SAIL, NTPC and Rashtriya Ispat Nigam Limited have surrendered blocks allotted to them citing various reasons including difficult geo-mining conditions.

Although they too had urged for alternate blocks, but all along the coal ministry maintained a that there are no guidelines to this effect and accordingly it cannot make such a commitment.
Copper Surges on Demand Speculation

BLOOMBERG LONDON

Copper rose in New York, rebounding from the biggest drop in seven weeks, on speculation demand will remain firm in leading global consumer China as producers struggle to maintain output. A Goldman Sachs Group gauge of Chinese copper usage was at the second-highest level on record in April, analyst Max Layton said in a report. China's government signaled a commitment to growth for the second time in four days. First-quarter copper output at Codelco, the world's biggest producer, fell 10% because of lower ore grades.
Copper climbs on firm China demand hopes

Bloomberg
May 24
Copper rose in New York, rebounding from the biggest drop in seven weeks, as speculation demand will remain firm in leading global consumer China as producers struggle to maintain output.

A Goldman Sachs Group Inc. gauge of Chinese copper usage was at the second-highest level on record in April, analyst Mr. Max Layton said in a report. China's government signalled a commitment to growth for the second time in four days. First-quarter copper output at Codelco, the world's biggest producer, fell 10 percent because of lower ore grades. Copper for July delivery added 1.5 percent to $3.448 a pound by 7:49 a.m. on the COMEX in New York.

Prices slid 2.6 percent, the most since April 4, by Wednesday's close.

The three-month contract rose 1.2 percent to $7,625 a tonne on the London Metal Exchange.

Copper stockpiles monitored by the LME, down 40 percent this year, fell 0.7 percent to 224,075 tonnes, daily exchange figures showed.

Inventories in South Korea gained for an eighth session and are up 73 percent in May. Nickel, lead, aluminium and tin rose in London. Zinc fell.
Centre calls for comments from Odisha on iron ore royalty

Flat levy has inflated costs for steel makers

Vishwanath Kulikar
New Delhi, May 24

The Centre has sought comments from Odisha on the anomaly in its levy of royalty charges on iron ore.

Odisha has been levying a flat royalty on iron ore — be it a high grade lumps or the low grade fines, normally considered a waste. The flat levy of Rs 596 on average sale price in January corresponds to about 10 per cent of the maximum value of iron ore lumps of the highest quality.

Such uniform levy has inflated the costs for pellet and steel makers in the State. For example, the royalty on low grade fines exceeds the price of the ore itself. Fines containing less than 55 per cent iron ore content are priced at around Rs 500 a tonne.

Reacting to concerns raised by the Federation of Indian Mineral Industries (FIMI) and FICCI on this anomaly, the Mines Ministry has recently written to the Odisha Government seeking its comments by May 28. The Ministry said that Odisha’s move to charge royalty “seems to be not in accordance with the Rule 64 B of the Mineral Concession Rules (MCR), 1960.” The rule states that royalty is to be charged based on the processed material, when processing is done within the lease boundary, and not at a flat rate corresponding to the highest quality of the lumps.

Though States own the mineral resources, the Indian Bureau of Mines under the Mines Ministry fixes the royalty charges, which are administered by the states. In the current royalty regime, iron ore attracts a 10 per cent levy on the value.

‘TOTALLY UNFAIR’

“It is totally unfair and not as per the law,” said Mr R.K. Sharma, Secretary-General, FIMI. Such a flat levy negates the Centre’s move to incentivise and promote value addition to low grade ores through pelletisation.

Odisha has been charging flat royalty since September 2010.

The State had said that screening and crushing of extracted iron ore lumps into required sizes for sale and transportation, produces iron ore fines in the process. Since the value of the fines is less than that of the lumps, the process of screening and crushing results in a loss of royalty to the State Government, which may be recovered, it had argued.

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ग्राम समाजों की बैठकों की वीडियोग्राफी हो

प्रतिमा ज्योति

लगातार ही अधीश्वर खनन के उपरान्त, प्राकृतिक संसाधनों पर स्थानीय लोगों का अधिकार सुनिश्चित करने और भूमि अधिभाषण कानून की टीका से लाभ लाने के लिए केंद्र सरकार ने राज्यों की ग्राम समाजों की बैठक को केमर में कैद करने का सुझाव दिया है। केंद्र ने ग्रामीणों को कहा है कि यदि नियामक तौर पर ग्राम समाजों की बैठकें हों और उनकी वीडियोग्राफी करा दी जाए, जो उसमें होने वाली चर्चा और विचार-विमान की सरकार निर्मा वों कर सकता है। इससे उन लोगों के लिए शिक्षा का सुझाव है जिनकी अधीश्वर खनन में भूमिका होती है। केंद्र सरकार को महत्वपूर्ण हो रहा है कि अधीश्वर खनन की समस्या बढ़ने और प्राकृतिक संसाधनों पर स्थानीय निवासियों का साधन करने के लिए सरकार का सुझाव है।

आदिवासियों का हर छोटा जाने के बाद भी राज्यों में ग्राम समाजों की बैठकें नियमित तौर पर नहीं हो पा रही है। की मंडल बूढ़ा राजस्थान ने सभी राज्यों को सम्बन्धित के तहत पंचायतों को याद दिलाते हुए कहा है कि ग्राम समाजों की बैठकें नियमित तौर पर हो और दायित्व वीडियो रिकॉर्डिंग भी कराए। महाराष्ट्र सरकार ने केंद्र के इस निर्देश पर अभ्यास करते हुए ग्राम समाजों की बैठकें की रिकॉर्डिंग शुरू भी कराया है।