

# NMDC looks to invest ₹1,200 cr overseas

PRIYADARSHI SIDDHANTA  
NEW DELHI, SEPTEMBER 25

STATE-RUN mineral giant National Mineral Development Corporation (NMDC) has lined up a least four big-ticket investments worth Rs 1,200 crore this fiscal in Mozambique, USA, Russia, Brazil and Tanzania. This is apart from its exercise of picking up 50 per cent stake in Australian company Legacy's iron ore project for nearly Rs 100 crore.

NMDC has embarked on an aggressive exercise to consolidate its position as a global giant. After extensive deliberations and on-spot visits in various countries, its top brass have zeroed in on four mineral properties, including iron ore and coal assets.

To begin with, the country's biggest miner has been diligently pursuing acquisition of "strategic equity" in a little-known coal project in Mozambique. It has tied with a Nagpur-based steel company Sunflag to acquire 26 per cent stake in SOL Minercao coal mine in the African nation.

"We have decided to buy about 11 per cent stake in Sunflag's mine and the remaining would be free equity," NMDC CMD Rana Som said.

The company is concluding its talks with the owners of Tacona coal project in Alabama, USA to acquire 100 per cent stake at an estimated investment of Rs 400

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**NMDC** has lined up a least four big-ticket investments this financial year

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crore. Som said NMDC could also enter into an agreement with the owners of Winsi coal mine in Russia to acquire its total stake at about Rs 300 crore. In Australia, the PSU has decided to pump in Rs 92 crore for 50 per cent stake in Legacy's iron ore project.

"We are proceeding full steam to acquire at least 50 per cent stake of Brazilian firm Zamin Feroces's Greystone's iron ore project," Som said. "We have a huge capital resource with us. So money is never a problem. But we are not keen on acquiring full stakes in big greenfield iron ore projects... Rather it makes economic sense for us to acquire strategic stake in bankable projects, which are mostly operating mines as it helps us to secure finance easily for them."

**'Demerge coking coal mines from CIL'**

With coking coal production under Coal India Limited (CIL) stagnating for several years, a government panel has said the PSU's mines for the commodity should be taken away, and a separate entity be formed for handling that. "Any non-coking coal that is mined in the process can be offered to CIL at a reasonable price to be fixed by the regulator," it added.

**PTI**

# NMDC's steel foray hits Mines Ministry hurdle

SUDHEER PAL SINGH  
New Delhi, 25 September

OVER a year after state-owned mining company NMDC announced a foray into steel making, the Mines Ministry has said this forward integration is not in the best interest of mineral development and utilisation.

"For exploiting minerals, the mines ministry favours a model where a large mining company like NMDC supplies iron ore to many small steel makers rather than a model where the large miner itself sets up steel plants for production," a senior government official told *Business Standard*. "The current developments in Karnataka's mineral sector have vindicated our stand."

Iron ore production in Karnataka, India's biggest producer of the mineral, had stopped after the Supreme Court banned ore mining in the state last month, on reports of large-scale illegalities and violations of environmental norms. As short-term relief for local steel companies, it later directed NMDC to mine a small amount, of a million tonnes every month, for supply to the local industry, comprising largely a dozen relatively small companies.

According to the Mines Ministry, this model leads to minimal wastage of the ore, apart from enabling discovery of the

market price for the mineral. On the other hand, distortions occur in both availability and market prices when any large miner channelises its technical expertise in mining towards making the end-product.

While there has been no formal official communication from the mines ministry to the steel ministry, NMDC's parent, the official said a suggestion to this effect had been made on at least two occasions during inter-ministerial discussions recently. A senior official from the Steel Ministry, however, denied having got any such suggestion or advice from the mines ministry. When asked, a senior NMDC executive said he was not aware of any such advice from the mines ministry.

Another senior official in the know said the mines ministry's view flowed from the broader policy approach outlined in the National Mineral Policy of 2008. The policy aims to promote minimal wastage of ore and long-term assured linkage for healthy development of the mineral sector.

India, with annual production of 65 million tonnes, is the fifth largest steel producer in the world. The gap between domestic demand and supply of steel is negligible and the steel ministry expects the country would become a net exporter of the product in two years.

## **8,000 projects granted forest clearance in 5 years: Report**

BS REPORTER  
New Delhi, 22 September

TRASHING the allegation that environmental considerations are proving an impediment in India's growth, a recent study found the environment ministry has cleared an "unprecedented number" of infrastructure projects in the last five years.

In the report, the Centre for Science and Environment (CSE) has analysed environment and forest clearances granted by the ministry in the 11th Plan. The study looked at five key sectors — thermal power, hydropower, cement, iron and steel and mining. It found that the period from 2007 till August 2011 saw 8,284 projects being granted forest clearance and 203,576 hectares of forest land was diverted for the purpose. The pace of forest land diversion had doubled in the last five years. In one single year 2009 as much as 87,883 ha of forest land was granted clearance. A large proportion of this forest land (50,000 ha) was diverted for mining and power projects.

The maximum amount of forest land diverted for mining in any single year happened in 2010 — 14,500 ha.

## Goa mining scam: NCP launches broadside against Kamat

PNS ■ PANAJI

A beleaguered Chief Minister Digambar Kamat may have found a silent ally in the Opposition Bharatiya Janata Party (BJP) vis-a-vis Goa's multi-crore mining scandal, but the Nationalist Congress Party (NCP), a ruling alliance partner has now opened a fresh broadside against him. Nationalist Congress Party (NCP) general secretary Avinash Bhosle told The Pioneer that the several officials of Goa Government's now disgraced mines department were involved in the mining scam which has been pegged at ₹10,000 by a ruling Congress legislator.

Kamat has been heading the State Mines Ministry for nearly 12 years now. "The NCP is extremely concerned about the plunder of national wealth due to illegal mining, which is threatening the fabric of Goa. The entire Mining Department and its officials are involved. They should be probed thoroughly,"



Bhosle said whose party has two Ministers in the Kamat-led 12 members Cabinet.

"People sitting in prime positions are involved in the scandal. *Prima facie* they are guilty and strictest action should be taken against them. NGOs have done exemplary work in exposing the mining scandal," Bhosle said.

Goa Pradesh Congress Committee president Subhash Shirodkar which has sprung to Kamat's defence, has said there were no illegalities, but only possible 'irregularities' in the State mining sector. "There is a great

deal of difference between illegalities and irregularities in mining," Shirodkar said.

The Justice MB Shah Commission, which has been appointed by the Supreme Court to probe illegal mining in India, was in Goa for the last few days visiting controversial mining leases, interviewing bureaucrats and inspecting documents related to extraction and export of iron ore from the more than 100 operational iron ore mines in Goa.

The main Opposition party in Goa, the BJP, has been mum, especially when it comes to fixing political accountability in the multi-crore illegal mining scam, with anti-mining protagonists even suggesting that the State BJP leadership was in cahoots with Kamat on the issue.

In his deposition to the Shah Commission on Saturday former Deputy Chief Minister and ruling Congress legislator Dayanand Narvekar has pegged Goa's mining scam at ₹10,000 crore.

## खनन कंपनी ओएमसी के कार्यालय पर छापा

बेल्लारी, (भाषा): सीबीआई की एक टीम ने आज ओबुलपुरम माइनिंग कंपनी (ओएमसी) के कार्यालय पर छापा मारा और इस दौरान कई फाइलें और सीडी जब्त कीं। ओएमसी रेड्डी बंधुओं की कंपनी है।

यह दूसरा मौका है जब जांच एजेंसी ने ओएमसी के कार्यालय की तलाशी ली है। इससे पहले 10 दिसंबर, 2009 को भी कंपनी पर छापा मारा गया था। सीबीआई के 11 सदस्यीय दल ने सुबह कार्यालय का ताला तोड़कर चार हार्ड डिस्क, तीन कंप्यूटर और कई फाइलें और सीडी जब्त कीं।

## **एनएमडीसी का लिगेसी सौदा पक्का**

नई दिल्ली/हैदराबाद: सार्वजनिक उपक्रम नेशनल मिनरल डेवलपमेंट कॉर्पोरेशन लिमिटेड (एनएमडीसी) ऑस्ट्रेलिया स्थित लिगेसी आयरन ओर की 50 फीसदी हिस्सेदारी खरीदने संबंधित करार के नजदीक है। यह सौदा करीब 1.9 करोड़ ऑस्ट्रेलियाई डॉलर में होगा। ऑस्ट्रेलियन सिक्युरिटीज एक्सचेंज (एसएक्स) को दी एक जानकारी में लिगेसी आयरन ने कहा कि कंपनी बोर्ड एनएमडीसी के प्रस्ताव पर राजी हो गई है। इसके तहत एनएमडीसी 1.88 करोड़ ऑस्ट्रेलियाई डॉलर (करीब 92.21 करोड़ रुपए) में लिगेसी आयरन ओर की 50 फीसदी इक्विटी हिस्सेदारी खरीदेगी। एनएमडीसी 48.81 रुपए प्रति ऑस्ट्रेलियाई डॉलर की एक्सचेंज दर पर यह सौदा कर रही है।

### **जुलाई में खनिज उत्पादन 2.24 फीसद बढ़ा**

नई दिल्ली, 25 सितंबर (भाषा)। जुलाई के दौरान देश में खनिज उत्पादन इससे पिछले महीने के मुकाबले 2.24 फीसद की बढ़ोतरी के साथ 15,500 करोड़ रुपए तक पहुंच गया। पिछले साल 2010 के इसी महीने में खनिज उत्पादन में 2.82 फीसद की बढ़ोतरी हुई थी। आधिकारिक बयान के मुताबिक जुलाई में उत्पादित खनिज उत्पादन का कुल मूल्य (परमाणु और गैर खनिज को छोड़कर) 15,568 करोड़ रुपए रहा।



# MoEF hurdle may lead steel giants to revisit new projects

## ■ Karnataka mining ban causing delay

**Jaishankar Jayaramiah**

**Bangalore, Sept 25:** Steelmakers, including global steel giants ArcelorMittal and Posco, are expected to slow down the pace of their projects in Karnataka as the ministry of environment and forests (MoEF) has decided not to clear any proposals in the state till the mining ban is lifted.

According to sources in Karnataka Udyog Mitra, the single window agency responsible for promoting industries in the state, the iron and steel companies that signed MoUs in the Global Investors Meet (GIM) in 2010 have started expressing their concerns to the government as they doubt whether they will get new mining licenses to set up their steel plants.

Talking to *FE*, Basant Poddar, managing director of Mineral Enterprises (MEL), said the company had proposed to set up a pellet plant in Hassan district with an investment of around ₹2,000 crore. At present, he said the land acquisition is going on and that he has applied for environmental clearance. "With the mining ban in Karnataka, we don't know how it would be possible to implement the project," he said. MEL is not depending on any new mining lease as it already owns an iron ore mining lease in Chitradurga district with a capacity to produce iron ore of 3 million tonnes per annum (mtpa).

Companies with existing mining leases are hesitating to proceed with their projects and so firms depending on new mining leases are expected to slow down implementation of new projects. In an order issued on September 20, the MoEF had said that in keeping with the SC order of mining ban in three districts of Karnataka, all mining projects which are "pending environmental clearance and are at different stages of processing" with the ministry or State Environment Impact Assessment Authority will be "delisted".

At present, ArcelorMittal and Posco, the two major companies which are committed to invest ₹30,000 crore and ₹32,000 crore respectively to set up 6-mtpa inte-

grated steel plant each, are in the process of acquiring land. Both have applied for mining leases, but it may not be granted immediately as the MoEF has decided not to clear any mining projects till the mining ban is lifted in three districts of iron ore rich Bellary, Tumkur and Chitradurga.

According to sources, there are 11 mining projects awaiting environment clearance in the state. In the case of JSW Steel the government has cleared the company's proposal to invest another ₹15,131 crore to increase its installed capacity to 16 mtpa at its existing plant in Bellary. But if the mining ban is not lifted and mining lease is not provided, it would not be possible to expand the capacity from the

### ₹3 lakh crore worth projects in limbo

The GIM last year had cleared 53 proposals of iron and steel companies covering a combined investment of around ₹3 lakh crore. The major projects committed by the companies include those of Bhushan Steel (6-mtpa with ₹27,928 crore investment), Tata Metaliks (3-mtpa with ₹15,000 crore), Surya Vijayanagar Steel (5-mtpa with ₹24,000 crore), Hazira Steel (6-mtpa with ₹17,760 crore) and NMDC (5-mtpa with ₹9,280 crore).

current level, an official attached to JSW said requesting anonymity.

A report by brokerage firm Prabhudas Lilladher says that JSW requires around 40,000 tonnes of iron ore per day to run its plant. As the company is not owning any mining leases, it is procuring raw material from the outsiders including the government-owned National Mineral Development Corporation (NMDC).

To overcome the crisis, chief minister Sadanada Gowda has asked the Industries Department to conduct a meeting next week to appraise the status and future of new steel industries in the state, state government officials said.

# Cos may lose coal blocks for not filing quarterly reports

**Rajat Guha &  
Subhash Narayan**  
New Delhi, Sept 25

**C**OMPANIES which fail to provide quarterly details of progress on their captive coal blocks and end-use projects may face forfeiture of bank guarantee or even de-allocation of blocks unless they are able to come up with plausible explanations for such lapses within a fortnight, a senior government official said.

The system has been instituted by the coal ministry to tighten norms governing allotment of captive coal blocks and ensure that blocks are developed in time to meet the rising demand-supply gap of the fuel in the country. Notices have already been sent to some companies.

At present, penal actions are recommended based on annual performance and achievement of milestones.

The move could impact a host of metal and mining companies such as Arcelor Mittal India and GVK Power (they jointly own coal blocks), RPG's CESC, Jindal Steel and Power, Gagan Sponge Iron, SKS Ispat and Chhattisgarh Mineral Development Corporation, among others.

The coal ministry had earlier expressed displeasure over the tardy progress of these blocks. "While we constantly review the progress on captive blocks, we now want companies to provide quarterly details on the work on these blocks as well as associated end-use projects to ascertain how serious they are," said an official of the coal ministry, asking not to be named.

On May 5, the coal ministry had announced its decision to cancel allotment of



## TOUGH RULES

- De-allocation of coal blocks for companies for not using allocated coal
- Mandatory progress report to be submitted every fortnight
- New notification to hit cos like Arcelor Mittal India, GVK Power

14 coal blocks and one lignite block to six PSUs, including NTPC, and three private firms for their failure to develop mines. Last year, the coal ministry had said that it was in the process of issuing show-cause notices to as many as 81 firms for violation of terms and conditions of the coal block developments.

While the ministry gets tough on violators it has also faced alleged charges of favouritism to some companies in the allotment of captive coal blocks. In case of SKS Ispat, as per the documents with this paper, the company was first allocated a coal block at Rawanwara in Chhattisgarh in 2006 for its proposed 600 mw power plant while the actual allocation done by the ministry was for 1,000 mw power plant.

The company did not take any initiative to open up the mine even after four years of allocation, in spite of being served several notices by the coal ministry.

The coal policy specifically says that the production from captive blocks shall commence within 36 months (42 months in case the area is in forest land) of the date of allocation in open cast mine and in 48 months (54 months in case the area falls under forest land) from the date of allocation in case of underground mine.

While SKS Ispat has not shown any progress in the development of the Rawanwara coal block, the coal ministry has gone ahead to allocate two more coal blocks namely Vijay Central and Fatehpur coal blocks to the company in Chhattisgarh.

There has also been a writ petition in the Delhi High Court where it has been alleged that the allocation of the two coal blocks Vijay Central and Fatehpur has been done only due to the political interference.

The government has served notices on SKS Ispat and another errant coal company Pushp Steel, asking them to explain why coal blocks allocated to them should not be withdrawn after their failure to develop the reserves within the stipulated time.

The government's seriousness over the issue stems from the fact that the country is likely to import about 155 mt of coal on a production of 555 mt in 2011-12 and the expensive imports are likely to rise to over 200 mt (as per Planning Commission) by the end of 12th plan in 2016-17.

While over 208 blocks (with reserves of over 45 billion tonnes) have been allocated under captive route, only about 30 are producing less than 40 mt of coal annually.

# Apex court sees no merit in CEC report against NMDC

**PIONEER NEWS SERVICE ■**  
NEW DELHI

The State-run National Mineral Development Corporation (NMDC) has got permission to mine iron ore in the Bellary district despite the Supreme Court-appointed Central Empowered Committee (CEC) pointing out irregularities in its past operations.

While the Supreme Court ordered a Central Bureau of Investigation (CBI) inquiry into the discrepancies committed by the firm belonging to Karnataka's Reddy brothers on basis of the CEC report, the court was informed that in one mining lease operated by NMDC the joint inspection team found serious irregularities.

The team which visited lease no. 2396 of NMDC situated at Bellary found that the State PSU "continued mining operations in the forest area after the expiry of its sanctioned lease period on November 3, 2008. The approval under the Forest Conservation Act was granted by the State Government only on August 25, 2011".

In addition, the Joint Inspection team comprising senior representatives of Forest Department and Mines and

Geology Department, representative of Karnataka Lokayukta and members of CEC, reported the presence of "over burden dump outside the sanctioned lease area." The report even found a tailings dam used for non-forestry purposes without approval under the Forest Conservation Act.

## THE APPROVAL UNDER THE FOREST CONSERVATION ACT WAS GRANTED BY THE STATE GOVERNMENT

However, NMDC CMD S Thiagarajan gave suitable justification for the above discrepancies. He claimed that in 1988, NMDC retained 608 hectares of forest land and surrendered 013.35 hectares. Subsequently in 1993, it surrendered another 392 hectares. This explained the overburden dumps as the NMDC refused to take any responsibility for the "inactive" dumps that fell outside the renewed lease area of 608 hectares.

On the tailing dam issue, NMDC responded saying, "The NMDC was under the impression that Forest Act clearance

would not be required for the same," as it was already paying the State lease rent for forest land submerged due to construction of tailing dam.

But on the crucial question of mining approval, the NMDC accepted that registration of renewal of lease deed was not done on time. However, it claimed to have approval from the Ministry of Environment and Forests (MoEF) on February 6, 2009 by which it "conveyed its approval for continuance of mining during validity of mining lease."

Thereafter, the NMDC said, "The State Government of Karnataka (on August 25, 2011) conveyed its approval under Section 2 of the Forest Conservation Act with retrospective effect from November 4, 2008 (the date on which the renewed lease expired)."

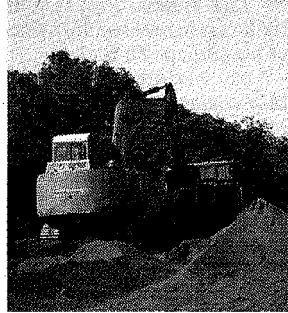
Interestingly, out of the 101 mining leases examined by the inspection team, clean chit was given to 14 leases, which does not mention this particular lease held by NMDC. But the CEC, in its final analysis allowed NMDC to continue operations keeping in view the larger public interest. However, future mining operations would be subject to e-auction sale of iron ore only.

## Goa mining scam: NCP launches broadside against Kamat

MAYABHUSHAN ■ PANAJI

A beleaguered Chief Minister Digambar Kamat may have found a silent ally in the Opposition Bharatiya Janata Party (BJP) vis-a-vis Goa's multi-crore mining scandal, but the Nationalist Congress Party (NCP), a ruling alliance partner has now opened a fresh broadside against him. Nationalist Congress Party (NCP) general secretary Avinash Bhosle told The Pioneer that the several officials of Goa Government's now disgraced mines department were involved in the mining scam which has been pegged at ₹10,000 by a ruling Congress legislator.

Kamat has been heading the State Mines Ministry for nearly 12 years now. "The NCP is extremely concerned about the plunder of national wealth due to illegal mining, which is threatening the fabric of Goa. The entire Mining Department and its officials are involved. They should be probed thoroughly,"



Bhosle said whose party has two Ministers in the Kamat-led 12 members Cabinet.

"People sitting in prime positions are involved in the scandal. *Prima facie* they are guilty and strictest action should be taken against them. NGOs have done exemplary work in exposing the mining scandal," Bhosle said.

Goa Pradesh Congress Committee president Subhash Shirodkar which has sprung to Kamat's defence, has said there were no illegalities, but only possible 'irregularities' in the State mining sector. "There is a great

deal of difference between illegalities and irregularities, in mining," Shirodkar said.

The Justice MB Shah Commission, which has been appointed by the Supreme Court to probe illegal mining in India, was in Goa for the last few days visiting controversial mining leases, interviewing bureaucrats and inspecting documents related to extraction and export of iron ore from the more than 100 operational iron ore mines in Goa.

The main Opposition party in Goa, the BJP, has been mum, especially when it comes to fixing political accountability in the multi-crore illegal mining scam, with anti-mining protagonists even suggesting that the State BJP leadership was in cahoots with Kamat on the issue.

In his deposition to the Shah Commission on Saturday former Deputy Chief Minister and ruling Congress legislator Dayanand Narvekar has pegged Goa's mining scam at ₹10,000 crore.

## टाटा स्टील उड़ीसा प्रोजेक्ट का पहला चरण 2013 तक

नई दिल्ली: टाटा स्टील उड़ीसा में कलिंगनर स्थित स्टील परियोजना के पहले चरण को दिसंबर, 2013 तक पूरा करने को लेकर आश्वस्त है। कंपनी यहां पर सालाना 60 लाख टन क्षमता वाला स्टील प्लांट लगा रही है। स्टील सचिव पी के मिश्रा की अगुवाई वाली अंतर-मंत्रालयी समिति को कंपनी ने बताया है कि वह पहले चरण में 3 एमटीपीए क्षमता वाली यूनिट को दिसंबर, 2013 तक पूरा कर लेगी। उड़ीसा के जाजपुर जिले के कलिंगनर में बनने वाली इस परियोजना पर कंपनी कुल 34,500 करोड़ रुपये का निवेश कर रही है। पैनल की रिपोर्ट में कहा गया है, 'टाटा स्टील ने उड़ीसा में अपनी प्रस्तावित 6 एमटीपीए स्टील परियोजना के लिए 3,040.398 एकड़ भूखंड का अधिग्रहण किया है। कंपनी ने पहले 3,500 एकड़ भूखंड अधिग्रहण करने का प्रस्ताव दिया था।'



## **Will Pass Order to Stop K'taka Illegal Mining Soon: SC**

**NEW DELHI** The Supreme Court has said that in due course of time it will pass order to stop Karnataka's illegal mining, allegedly being carried out by several companies, in accordance with the report of the Central Empowered Committee. Taking into account Karnataka Lokayukta report of July 27 which has indicted several companies for indulging in illegal mining in the state, the SC said it will pass appropriate order to the CBI as and when its green panel gives the report. The forest bench of the SC said so on Friday while favouring an inquiry by the CBI against two firms for allegedly indulging in the illegal mining as named in the CEC report. These are Associated Mining Company owned by former Karnataka tourism minister Gali Janardan Reddy and Deccan Mining Syndicate. "...To begin with, we have focused on the alleged illegalities undertaken by these two companies (AMC and DNS)," said the SC bench. — Sanjay Singh

# Goa's Illegal Mining: Allies, Activists Demand Probe; CM's Role Under Lens

## OUR POLITICAL BUREAU

PANAJI | NEW DELHI

While attention has been riveted on illegal mining in Karnataka and Andhra Pradesh, thanks to the Supreme Court-ordered probe into the activities of key players, environmental activists and political parties have now turned their gaze to Congress-controlled Goa.

The western coastal state, which has rich deposits of iron ore, has now turned alive with charges of a ₹8,000-crore mining scam. Goa Chief Minister Digambar Kamat's role, which has invited the scrutiny of environmental crusaders and opposition parties alike, is under lens. They have alleged that Kamat — who has held the reins of the mining ministry for the last 11 years, regardless of the coalition which was pitch forked into power — colluded with illegal mining firms.

They said that Kamat turned a blind eye to virtual iron ore loot in the state, running into a whopping ₹8,000 crore. "It is exactly similar to Bellary's situation. The chief minister is involved as he has been the minister of mines also for the last 11 years. The friends of the chief minister are involved because it is only happening on a friendship basis. Also, the forest

**"It is exactly similar to Bellary's situation. The chief minister is involved as he has been the minister of mines also for the last 11 years. The friends of the CM are involved because it is only happening on a friendship basis. The forest dept & the dept of mines are involved"**

### CLAUD ALVARES

Activist

department and the department of mines are involved," said activist Claud Alvares.

The crusaders have cited certain glaring violations. It is alleged that in 2006, Sesa Goa's three mines extracted 8 lakh tonnes of iron ore against the environmental clearance limit of 2 lakh tonnes annually.

Similarly, VM Salgaocar & Brothers Pvt Ltd was permitted to extract 16.92 lakh tonnes from its four mines. But since 2006, the company has allegedly dug out nearly 27 lakh tonnes. Another company, VS Dempo, had permission to extract 11 lakh tonnes from its three mines, but it is al-

leged that it extracted over 20 lakh tonnes in 2008.

As many as 48 of the 92 mining companies, the green brigade pointed out, have flouted norms and over 90 lakh tonnes worth several hundred crore have been illegally mined in the last four years alone. In fact, the Goa Port, which is the country's largest exporter port of iron ore, had alerted the government of illegal export of at least five million tonnes from Panaji. The Mineral Ore Exporters Association also claimed that most of the exporters were not even registered, but the government did nothing.

The Congress, however, has rejected the charge of official complicity. "The situation in Goa is not as bad as Karnataka and Andhra," state Congress chief Subhash Shirodkar said.

The NCP, a partner of the Kamat-led government in Goa, has, in fact, demanded a thorough probe against officials allegedly involved in the state mining scam. "The NCP is extremely concerned about the plunder of national wealth due to illegal mining, which is threatening the fabric of Goa. The entire mining department and its officials are involved. They should be probed thoroughly," party general secretary Avinash Bhosle said on Friday.

## Srei, LIC, IFCI bet on infra fund

TIMES NEWS NETWORK

**New Delhi:** There may be few infrastructure projects coming up for bidding but that is not deterring companies from raising funds to finance core sector projects.

Delhi-based non-banking finance company IFCI recently announced a tie-up with investment firm Sycamore Ventures to set up a \$500 million infrastructure fund that will invest in the power sector, gas distribution, coal mines, roads, bridges, railways, ports, airports, warehouses and logistics businesses. Similarly, financial powerhouse Life Insurance Corporation of India is in the process of finalizing a \$500 million fund, while Srei has plans to start raising a \$1 billion fund focused on all segments of infrastructure.

Srei Infrastructure chairman and managing director Hemant Kanoria said he would be looking at investors in Australia, Canada, US and

some of the European markets to raise the funds. There are a host of other intentions too though some of it would be on the backburner given the renewed concerns over the global economy. But investors are betting on the long-term growth prospects and do not seem to mind the near policy paralysis in most sectors.

In recent months, there

### BUILDING BLOCKS

have been few new projects that have been bid out in the power sector, or even in ports. The general consensus is that highways seem to be the only sector where there is some activity at present. But that has not deterred the larger funds such as the Rs 12,000-crore SBI Macquarie Infrastructure Trust from investing a third of its corpus (of around \$2.4 billion based on present exchange rate) in businesses across power generation, telecom tower infrastructure and renewables.



# In Bellary, illegal mining & gun permits hit simultaneous high

JOHNSON T A

BANGALORE, SEPTEMBER 25

**I**N THE iron ore mining district of Bellary, guns have grown alongside illegal mining. The district authorities issued the maximum number of gun licences in the year that illegal mining hit an all-time high.

A number of the licences were to members of what has now been described as an organised illegal mining syndicate from Bellary with its pivotal figure being former district-in-charge minister G Janardhan Reddy, arrested by the CBI as part of investigations into his illegal activities.

Data obtained from the office of the deputy commissioner of the Bellary district under the Right to Information Act shows that the district au-

thorities issued an all-time high of 54 gun licences in the year 2009-10. According to a July 27 report on illegal mining by the Lokayukta, in 2009-10 illegal exports of iron ore from Bellary touched 1,27,99,396 metric tonnes, surpassing the previous year's record of 53,55,660 tonnes.

Sources involved in the investigations into illegal mining said many of the licences in Bellary were issued to members of the mining syndicate since the district administration between 2008 and 2010 was completely under the control of the Reddy brothers' group comprising mining-businessmen-turned-politicians.

Mehfouz Ali Khan, 25, a former employee of G Janardhan Reddy's Obulapuram Mining Company, a personal assistant to the former minis-

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YEAR	EXPORTS	LICENCES
2006-07	31,84,152	41
2007-08	37,14,720	31
2008-09	53,55,660	17
2009-10	1,27,99,396	54

\*Illegal iron ore export figures in tonnes, sourced from Lokayukta report  
\*Licence numbers from DC Office in response to RTI query



Note: Iron exports were banned in July 2010 following complaints

ter, and who floated Devi Enterprises — identified by the Karnataka Lokayukta as a Reddy group front company that was muscling into iron ore resources, got a licence for a non-prohibited bore pistol in 2009-10.

Madhu Kumar Varma, 24, managing partner for Madhushree Enterprises, again identified as a Reddy group front company that was managing illegal extraction, transport, exports and channelisation of money from the business for the group, too got such a licence that year.

Swastik Nagaraj or K V Nagaraj, another of the members identified by the Lokayukta as being part of the mining mafia — by transporting illegally obtained ore for various Reddy front companies — too received a licence for an NPB pistol.

“The majority of gun licences issued from the year 2006-07 when illegal mining began its climb to peak at the 2009-10 figures were issued to people involved in the mining business in some way or the other. The licences in the two years between 2008 and 2010 went largely to what is now identified as the mining mafia,” said a member of the Lokayukta's probe team for illegal mining.

According to the Lokayukta's report, 2,98,60,647 tonnes of iron ore was exported without government permits from 2006-07 to 2009-2010 (before exports were banned in July 2010), causing losses to the state exchequer of an estimated Rs 12,228 crore. For the period 2009-10 alone, the loss has been estimated at Rs 4,635 crore.