Govt may offload 10% more stake in Nalco

THE GOVERNMENT on Tuesday said disinvestment of 10 per cent shareholding in Nalco is under “active consideration.” “The disinvestment of 10 per cent government of India shareholding in Nalco is under active consideration of the government,” minister of state for finance SS Palanimanickam said.

He added that the draft proposal in this regard has been sent to various ministries, including the ministry of mines, and replies are awaited. Palanimanickam said that the money is channelised into the National Investment Fund (NIF) for investment in social sector projects as well as helping PSUs fund their expansion plans and get a level-playing field with its private sector peers.

“The fund is used for investment in social-sector projects and capital investment in selected profitable/revivable public sector enterprises in order to enlarge their capital base to finance expansion/diversification,” he said.
10% STAKE SALE IN NALCO UNDER CONSIDERATION

New Delhi: The government on Tuesday said disinvestment of 10 per cent shareholding in Nalco is under “active consideration”.

“The disinvestment of 10 per cent Government of India shareholding in Nalco is under active consideration of the government,” MoS finance, S.S. Palanimanickam said in the Rajya Sabha, adding that the draft proposal in this regard has been sent to various ministries, including the ministry of mines, and replies are awaited.

Mr Palanimanickam added that the money from disinvestment is channelised into the National Investment Fund (NIF) for investment in social sector projects as well as helping PSUs fund expansion plans and get a level-playing field with its private sector peers.

The government had in 2006 decided to sell 10 per cent shares in profit-making PSU Nalco. — PTI
Arms of Profitable PSUs to be Listed in Disinvestment Drive

DHEERAJ TIWARI
NEW DELHI

The finance ministry has begun inter-ministerial discussions on listing subsidiaries of profit-making state-owned enterprises, raising hopes that the government may look at all options to meet its divestment target of ₹30,000 crore next fiscal.

An official familiar with the matter told ET that the aim is to bring the ministries of steel, power, coal and oil on board. “This is at a very initial stage,” said the official, requesting anonymity. “We will look at all possible profitable subsidiaries.”

The official, however, said the discussions should not be construed as a precursor to divestment. “This should not be viewed as an exercise to reach the divestment target because the government aims to list all PSUs and share the wealth with retail investors,” the official said.

The government plans to focus on firms in which it has more than 50% stake. MMTC, SITC, Neyveli Lignite and Rashtriya Chemicals & Fertilizers are among such public sector units. Meanwhile, the government has already secured Cabinet approval for stake sales in five state-run firms – NMCC, SAIL, Hindustan Copper, BHEL and Hindustan Aeronautics.

The administrative ministries are, however, sceptical about listing subsidiaries immediately. “It has to be done on a case-to-case basis,” said an official with the oil ministry.

The government has a range of options ranging from bulk, auction, crossholdings, besides the regular public offering to achieve its divestment target. It is also looking at exploring the option of setting up an exchange-traded fund to sell stakes in state-run companies and get around the problem of volatility in shares, prices of companies that come out with follow-on offers resulting in poor investor response.

The ministries concerned are against the buyback mode mainly because several PSUs have said the move will hit their expansion plans. Coal India, which has indicated that it may spare around ₹15,000 crore for buyback, is among the exceptions to this trend.

“We wanted to be on the conservative side, but we will like to achieve more if we can,” Finance secretary RS Gujral had said on the government’s divestment target for 2012-13.

While the United Progressive Alliance government has managed to raise just ₹14,000 crore through divestment this fiscal, compared with its target of ₹40,000 crore, its best effort so far has been just ₹23,000 crore in a year.
Govt seeks captive coal mine details

The government on Tuesday asked companies with captive coal mines to provide the latest details of their usage, including reasons for delays in developing allocated reserves, by the month-end. The move follows the coal ministry announcing its intention to issue show-cause notices to entities yet to develop allocated reserves, to either begin production or face de-allocation. According to the recent disclosure of a draft report of the Comptroller and Auditor General, the government lost ₹10.67 lakh crore on account of allotment of coal blocks to 100 private and public sector companies during 2004-2009.
Govt concerned over States going slow on illegal mining

ANIMESH SINGH
NEW DELHI

Even as the Justice M B Shah Commission has sought an 18-month extension from the Centre to complete its report on illegal mining, several mineral-rich States are yet to submit their action taken report (ATR) on measures suggested to them by the Mines Ministry to curb the menace, during a review meeting held in January this year.

According to official sources, during a meeting of the ministry’s Coordination-cum-Empowered Committee (CEC), which is led by Mines Secretary Vishwapati Trivedi, held on January 16, States had been asked to battle illegal mining with the help of task forces at district levels.

The States had been asked to coordinate with Forest Department authorities to ensure concrete steps towards curbing such activities. Apart from this, the CEC had also sought the status of clearances given to various mineral contracts and had asked the States about measures taken by them to expedite these.

However, till date, the Ministry is yet to hear from the States about any update on these measures. According to Mines Ministry sources, the State Governments had been asked to give their ATRs to the Centre by February 3, but nothing has been received by them yet.

The CEC meets on a quarterly basis and the meeting is attended by Chief Secretaries or Secretaries in charge of mining departments of 11 mineral-rich States namely Andhra Pradesh, Orissa, Chhattisgarh, Madhya Pradesh, Rajasthan, Maharashtra, Jharkhand, Goa, Gujarat, Karnataka and Tamil Nadu.

Representatives from Ministries of Environment and Forest, Railway, Shipping, Steel, Civil Aviation and several others, are also normally present in the meeting, as issues related to environmental clearance and transportation of minerals are also discussed by the CEC.

There is a lot of concern within the Ministry regarding lack of urgency shown by the States on the serious issue of curbing illegal mining, especially in the light of the fact that the Shah Commission is currently touring all the mineral-rich States to review the measures taken by them to combat illegal mining of iron ore.

The anxiety is not misplaced as the Shah panel has now requested the ministry to give it an extension of 18 months for finalising its report, though its tenure is ending in May this year. The Ministry was hoping that the commission would come up with its final report and recommendations on preventing the menace by May, and based on this, the UPA regime would be able to give a clear signal to its political critics as well as to the country as a whole that it is serious about tackling the menace.

However with the panel seeking more time, and the States going slow on their ATRs, the Mining Ministry, sources said, has asked them to expedite their processes and pull up their socks as far as battling illegal mining is concerned.
Govt seeks to divest 10% in Nalco

press trust of india

NEW DELHI, 27 MARCH: The government today said disinvestment of 10 per cent shareholding in Nalco was under "active consideration".

"The disinvestment of 10 per cent shareholding in Nalco is under active consideration of the government," minister of state for finance Mr SS Palanimanickam said in a written reply in the Rajya Sabha.

He added that the draft proposal in this regard had been sent to various ministries, including the ministry of mines, and replies were awaited.

The government is looking to mop up Rs 50,000 crore from stake sale in public sector units during the next financial year, even as it missed the 2011-12 disinvestment target of Rs 40,000 crore by a wide margin.

The government could manage to raise only Rs 14,000 crore in the current fiscal through stake sale in CPSEs.

Replying to a query on how the government plans to utilise the proceeds from the stake sale, Mr Palanimanickam said that the money was channelised into the National Investment Fund (NIF) for investment in social sector projects as well as helping PSUs fund their expansion plans and get a level-playing field with their private sector peers.

"The fund is used for investment in social sector projects and capital investment in selected profitable/revivable public sector enterprises in order to enlarge their capital base to finance expansion/diversification," he said.

The government had in 2006 decided to sell 10 per cent shares in profit-making firm Nalco.
वैश्विक बाजार में बेसमेटल्स के दाम सीमित दायरे में

कॉपर में नयी लेकिन सुधार की उम्मीद बनाकर राहता है।

विशेष बाजार में बेस मेटल्स सीमित दायरे में बना हुआ है। लेकिन गुलाम एशियाड में कोई दाम कमजोर रहे। हालांकि अमेरिका के दक्षिणी विनाश के चेष्टायोग का बहनकर आतंकित दारू नीति जारी रहने के संकेत हैं जिन्हें के बाद वैश्विक स्तर पर रोग बाजारों में मकरनी और कमजोर दारू के चलते कॉपर में रख मनाली का है रहा।

बेसमेटल्स सीमित दायरे में निकलने की कसमकसा भी है। अमेरिका और चीन में निकास के राजनीति में गिरता है जिसमें गिरता है शरीर और दाम। एशियाड में तीन मह दिनों के बाद चक्कर 8,490. 50 दारू प्रति टन वहाँ है। सीमावर न कोई दारू के भाव 8,533 दारू प्रति टन पर बंद हुए थे। गिरने सतारा कॉपर के भाव पता माह में उच्च स्तर 8,765 दारू प्रति टन के पर चढ़ जाए था। लेकिन इसके बाद मूल में हिलाया आया।

कानूनकर्ता के आगे के बाद संयुक्त को कॉपर के मूल में खासी तेजी दाम की रही। दारू कमजोर होने से अमेरिका में निरस्त्रतों के लिए कमीशन में निरस्त्रता हो गया और इससे उनकी स्थिर बढ़ता बढ़ा। लेकिन चीन से गिरते है दारू में संयुक्त हो।

चीन चालू बाजार के पहले ही माह में उत्पादन कमीशन खासकर मेटल्स, पेट्रोलियम और अन्य कंपनियों के समस्याने बढ़ी दाम की गई। इससे चीन में आत्मनिर्भर स्थिर और मेटल्स को खास में कमी के संकेत मिले हैं।

एक निरस्त्रता के कारण कि इस समय मजबूत माह का सीमित बढ़ रहा है। लेकिन भारत में मचावा दिराये नही सी समय का भारत में मचावा दिराये नही। तो कोण दिन का समय अत्य निरस्त रहा का अच्छा। माह भारत के बाद वैश्विक कोण दिन का समय अत्य निरस्त रहा का अच्छा। चीन की खासी बाजार की उम्मीद से कड़े आया कमजोर है।
कवयिद मंत्रालय सत्ता

कैप्टिवकोल्कोल्क पर
कोयला व्यक्तिकोल ब्लॉक पर
कोयला मंत्रालय सत्ता

आधुनिक व्यक्तिकोल के उपयोग
जल्द शुरू नहीं करने पर रहने वाले केवल सत्ता है आवंटन

एडिटर * नये दिल्ली

सरकार ने उन कंपनियों पर शिकंजा करना शुरू कर दिया हैं की नये ब्लॉक कैप्टिवकोल ब्लॉक आवंटित किया गया है और उन्हें अभी तक कोई ब्लॉक को विपक्षित नहीं किया है। कोयला मंत्रालय ने सभी कंपनियों को इसी महीने के अंतिम तक रिपोर्ट देने को कहा है और व्यक्ति को डेलाइट करने में हो रही दूरी का कारण भी स्पष्ट करने को कहा है।

कोयला मंत्रालय ने संबंधित कंपनियों को कारण बताया कि नये ब्लॉक के अनुसार उनका पर्यावरण मंत्रालय रहेगा जिसने भी अववाहित करना है। सभी कैप्टिवकोल ब्लॉक आवंटित व्यक्तियों को उन्हें जानने का अवसर देना था जिसका कारण भी स्पष्ट कर दिया गया है।
IGATE Patni in pact with Rio Tinto

Mumbai: Information technology (IT) services provider IGATE Corp. and mining firm Rio Tinto Plc on Tuesday announced the opening of an innovation centre at the former’s facility in Pune to develop technologies for the mining sector. The partnership is expected to help introduce next-generation technologies for mining operations that aim to reduce costs, increase efficiency and improve health, safety and environmental performance. John Satish Kumar
Govt considering Nalco stake sale

The disinvestment of 10 per cent of the Union government’s shareholding in Nalco was being actively considered, minister of state for finance S S Palanimanickam said in the Lok Sabha. He added the draft proposal had been sent to various ministries, including the ministry of mines, for their comments.
Investment Commission wanted Nelp-like coal auctions

Again, on December 2007, the commission came up with specific suggestions for thrust areas like the power sector, addressing key issues like incentive-based distribution reforms, easing of fuel supply bottlenecks and a 10-year rolling plan, instead of a five-year one.

Listed the detailed recommendations, a Tata Scores release issued today said these clearly dispelled reports that the Investment Commission had made a "proposal to allow Coal India (CIL) blocks to private companies." A newspaper website had posted a draft report of the Comptroller and Auditor General that said, "Based on the recommendation of Ratan Tata, chairman, Investment Commission, on initiatives in the power sector, the Energy Coordination Committee under the chairmanship of the Prime Minister decided since the 289 coal blocks reserved for CIL till then (February 2006), only 150 were planned for production by CIL up to 2011-12, some of the 79 coal blocks explored in details should be handed over to NTPC and others for mining."

Ratan Tata, chairman of the Tata Group, along with HDPC's Deepak Parekh and former Hindustan Unilever chairman Ashok Ganguly, led the Investment Commission.

The panel's first report, Investment Strategy for India, had five specific recommendations for the coal sector reforms:

1. Carving out "specified viable mining blocks from CIL for captive exploitation"
2. Encourage CIL subsidiaries to induct strategic partners from leading mining companies
3. Mines closed by CIL, be offered to private sector
4. Adopt Nelp model for private participation
5. Successful bidders be chosen after assessing financial, technical capability and work programme
6. Fixed royalty payments to be offered against upfront bid amount
7. Use-or-lose policy to prevent hoarding and ensure best competitive use
8. Allow 50% FDI in coal mining under the automatic route
9. Permit partial sale of coal by coal mines

2. All mines closed by CIL, should be offered to the private sector in case there are viable recoverable reserves. The commission took note of the successful auction of oil and gas acreage in the country and suggested, "Adopt the Nelp model for private sector participation in coal mining by offering good quality coal blocks for bids.
3. There were caveats in getting only serious investors in the sector. "As in Nelp, award to be based on a quantitative evaluation of financial package/bid, technical capability, financial capability and work programme. Fixed royalty payments, per tonne extracted, as currently notified, to be offset against upfront bid amount, the report said. The upfront bid amounts would be paid to the respective state governments.
4. A strict, time-bound action plan, "Institute a use-or-lose policy for all blocks to prevent hoarding and ensure best competitive use," it said. This was again mentioned in the second report, submitted 18 months after the first.
5. Allowing 80 per cent foreign direct investment under the automatic route for coal mining and for permitting merchant sale of coal by coal mines. It was envisioned that these recommendations, if implemented, would draw $15 billion investment by 2010. "Given India's large reserves of 240 billion tonnes, an investment of $50-60 billion is required over the next 10 years for India to double its annual coal production, apart from modernising its mines and developing related infrastructure. Currently, the viability of investments in this sector is less than $2.5 billion," the report had stated.

The monopoly of CIL, the commission said, was the "largest impediment to investments in the sector. The predominant incumbent is not only perceived as inefficient, but also carries a poor record of quality, quantity and on-time delivery of coal."
Rio Tinto signs pact with iGate Patni

Global mining giant Rio Tinto has entered into an innovation partnership with IT firm iGate Patni for developing next-generation technologies and expects to invest up to $80 million towards this initiative. Rio Tinto expects to spend around $60 million to $80 million over the next five years on this partnership, both the companies said in a joint statement. The partnership would work towards improving mining processes that include unprecedented levels in automation, and remote operations that will revolutionise the way mining has been conducted so far, it added. Rio Tinto also inaugurated an innovation centre in iGate Patni's facility in Pune which will play a crucial role in facilitating and leveraging these next generation automated technologies. “Rio Tinto and iGATE Patni have invested close to $3 million in the infrastructure for the RTIC,” iGate Patni CEO Phaneesh Murthy said.
Coal Secretary warned of “windfall gains” in captive mining allotments in 2004

Sujay Mehndudia

NEW DELHI: Documents obtained by The Hindu show that the Union Coal Ministry was made aware of as far back as July 2004, that flawed policies that allotted captive coal blocks rather than auctioning them, would give unearned “windfall gains” to private parties.

A leaked draft report of the Comptroller and Auditor-General has reportedly estimated a loss of Rs. 10.67 lakh crore to the exchequer due to the government’s failure to auction coal blocks.

In a comprehensive note on “Competitive Bidding for Allocation of Coal Blocks” placed before then-Minister of State for Coal and Mines Dasari Narayana Rao on July 16, 2004, then Coal Secretary P.C. Parakh pointed out that there was a “substantial difference” between the price of coal supplied by the Coal India Limited and the cost of coal produced through captive mining.

“There would be a windfall gain to the party who was allocated a captive block,” warned Mr. Parakh’s note, prepared after a stakeholder’s meeting the previous month had highlighted the concept of competitive bidding.

On July 28, the Minister of State sought clarifications on the proposal for allocation, regarding the likely opposition from the power sector, the impact of competitive bidding on price hike, and the government’s liability and obligations.

By the end of that month, the Coal Secretary furnished the clarifications and repeated his warning that allocation was not a transparent process. “The present system of allocation in the changed scenario, even with modifications, would not be able to achieve the objectives of transparency and objectivity,” wrote Mr. Parakh on July 30.

Despite this evidence that the Coal Ministry was aware of the danger of corruption and windfall gains in its allocation system way back in 2004, Coal Minister Sriprakash Jaiswal has dismissed the very concept.

“While the concept of windfall gain is itself fallacious, even the calculation of the purported windfall gain appears to be erroneous,” he told The Indian Express earlier this week.

The entire file was then sent to the next level of Cabinet Minister. Interestingly, while Shibu Soren was the Cabinet Minister in-charge of Coal when the discussions on competitive bidding started within the Ministry, by July 24, he had been forced to resign due to an arrest warrant issued against him in the Chirudih massacre case.

Accordingly, the file landed up on Prime Minister Manmohan Singh’s desk, since he took charge of the Ministry after Mr. Soren’s resignation. On August 20, Dr. Singh directed that a Cabinet note be drafted to consider and decide on the competitive bidding proposal.

When he submitted the draft Cabinet note in September, the Coal Secretary added his remarks that there was hardly any merit in the objections raised in the PMO’s note.

The Secretary, Mr. Parakh, also highlighted the different kinds of “pulls and pressure” experienced by the Screening Committee responsible for making allotment decisions, and again stressed that it was desirable that all pending applications were decided on the basis of competitive bidding.
Rio Tinto in alliance with iGATE

K. T. Jagannathan

CHENNAI: U.K.-headquartered Rio Tinto, a well-known name in the global mining world, and California-based iGATE Corporation have come together to forge a ‘fascinating alliance’ to usher in technology capability insourcing, an entirely new terminology in the information technology space.

The objective of the ‘innovation partnership’ is to focus on creating next generation technologies and contribute to global growth and development of Rio Tinto’s ‘Mine of the Future™’ programme. According to Phaneesh Murthy, CEO of iGATE, the alliance would open up a whole new vista for the company. iGATE could consider similar models for hitherto unexplored areas.

Simply put, iGATE, using its expertise in providing IT solutions to assorted fields, would develop and deliver accelerated technology to help Rio Tinto address a host of issues connected with mining in an efficient and safe way even while improving the throughput.

The alliance, according to Mr. Murthy, has a revenue potential of $60-80 million for iGATE over the next five years, depending on the outcome delivered. iGATE will provide engineering research and development services, including industrial automation and control, software and embedded design and development to Rio Tinto to facilitate the Mine of the Future™ programme. A Rio Tinto Innovation Centre has already been set up at iGATE Patni facility in Pune, which will play a crucial role in facilitating and leveraging next generation automated technologies for mining operations.

The Pune centre will work in close tandem with Rio Tinto’s centres of excellence in Australia, Canada and the U.K. The two partners have invested close to $3 million in developing the infrastructure in Pune. John McGagh, Head of Innovation, Rio Tinto, said, “This is technical capability in-sourcing through partnership and will enable us to move our innovations from concept stage to reality more efficiently through the work of a dedicated team of specialised engineers.”
Stake sale in Nalco under active consideration: Govt

The government on Tuesday said a disinvestment of 10% shareholding in Nalco is under ‘active consideration’. “The disinvestment of 10% government shareholding in Nalco is under active consideration of the government,” minister of state for finance SS Palanimanickam said in a written reply in the Rajya Sabha. He said a draft proposal in this regard has been sent to various ministries, including the ministry of mines, and replies are awaited. Next fiscal, the government is looking to mop up ₹30,000 crore from stake sale in public sector units.
Rio Tinto opens innovation centre at iGATE Patni’s facility in Pune

MICHAEL GONSALVES

Pune

RIO Tinto, the world’s third-largest miner headquartered in the UK, on Tuesday launched its innovation centre to be managed by iGATE Patni, the integrated Technology and Operations (iTOPS) firm at its facility in Pune to create next generation technologies for the former’s mining operations.

“We will pay $60 to $80 million over the next five years to iGATE Patni to exclusively focus on developing next generation automated technologies for mining operations worldwide,” John McGagh, head of innovation at Rio Tinto, said. He said the R&D work will go beyond five years to improve on mining technologies.

He said the innovation centre in India was to develop the company’s ‘Mine of the Future’ programme technologies, which will be patented. “We will leverage IGATE Patni’s technical capabilities to accelerate technologies globally in the mining industry,” McGagh said. He said the firm had invested an initial amount of $3 million in the infrastructure for the innovation centre. McGagh said the ‘Mine of the Future’ programme introduces next-generation technologies for mining operations that aim to reduce costs, increase efficiency and improve health, safety and environmental performance in the mining industry. “About 16 mining programmes are operational and 50-60 are ready to be queued in,” McGagh said.

“The innovation centre will hire 300 top skilled engineers focusing on disciplines such as image processing, advanced data mining and analytics, automation and control systems, human factors design and logistics,” Phanesh Murthy, CEO at iGate Patni, said.

He said the Pune centre would build on the Rio Tinto’s established three centres of excellence in Australia and one each in Canada and the UK to deliver the technologies they have developed to Rio Tinto mining operations across the globe.

“For example, we will take a specific technology developed at Rio Tinto’s centres of excellence, such as the mine automation system currently in use at its Pilbara iron ore operations in Western Australia and adapt it for broader application across its network of mines globally,” Murthy said.

“Our capabilities in product engineering services have gained increased acceptance among global companies to bring about innovation in their business and this partnership is a significant step in our journey to deliver high-impact business outcomes,” he said.
Captive coal minc details sought

The government on Tuesday asked companies having captive coal mines to provide by month end the latest details of coal use, including reasons for delay in developing allocated reserves.