Decision on 32 FDI proposals this week

New Delhi: The government is likely to decide this week on 32 foreign direct investment (FDI) proposals, including those of Sesa Goa Ltd and Mahindra and Mahindra Ltd (M&M).

"The 177th meeting of the Foreign Investment Promotion Board (FIPB) is scheduled to be held on Friday, 1 June," the finance ministry said.

As per the agenda paper of the meeting, 19 applications have fresh proposals.
including that of Sesa Goa, Pfizer Ltd
and M&M.

Three are those requests on which
decisions were deferred in the earlier
FIPB meetings and five are amended
proposals.

FDI request of GS Secure Solutions,
decision on which has been deferred in
the previous meetings of the FIPB, is
also on the agenda. The country received
$8.1 billion in FDI in March, the highest
ever monthly inflows. Cumulative FDI
inflows for the fiscal 2011-12 amounted
to $56.5 billion. PTI
ओडीएमसी को बताया जोखिमभरा

नई दिल्ली में अपना आईपीओ लाने कार्य सहायक क्षेत्र को शीघ्र निर्माण करने का काम की वर्तमान वर्ष के अंत महीने के बाद नई दिल्ली में अपने आईपीओ लाने का काम करने के लिए उडीएमसी को बताया जोखिमभरा है। उडीएमसी को कंपनी के लिए संभालने में विश्वास का काम करता है। उडीएमसी के लिए कंपनी के लिए संभालने के लिए उडीएमसी के लिए कंपनी के लिए संभालने का काम करता है।
Mining units in W. Ghats face green panel hurdle

By Pratul Sharma
in New Delhi

A REPORT on the Western Ghats has designated the region as ecologically sensitive and recommended that several power and mining projects coming up there must be shut down.

The report was submitted to the environment ministry in August last year but made public only on Wednesday after court intervention.

The Jayanthi Natarajan-led ministry has said it has not accepted the study.

In a reply to an RTI application, the ministry cited economic and scientific interests as reason for not making the report public. It had gone to the extent of approaching the Delhi High Court against the central information commission order of making the report public.

Extending from Maharashtra to Goa, the ghats are considered one of the eight hotspots of biodiversity in the world.

The Western Ghats Ecology Expert Panel (WGEEP), under Prof Madhav Gadgil, has recommended that no new dams based on large-scale storage be permitted in Ecologically Sensitive Zone 1 (ESZ-1) as defined by the committee. It has assigned three levels of ecological sensitivity to different regions of the ghats.

"Since both the Athirappilly of Kerala and Gundia hydel project of Karnataka fall in ESZ-1, these projects should not be accorded environmental clearance," it said.

As the Ghats extend till Goa, the panel has suggested a moratorium on new environmental clearances to mining projects in ESZ-1 area of the state as well as phasing out of ongoing mining by 2016.

The WGEEP has also proposed a moratorium on mining and industry in Ratnagiri and Sindhudurg districts of Maharashtra.

It said the moratorium on new clearances in ESZ-2 can be revisited once the situation improves and a comprehensive study on the impact of mining on the ecology, environment, human health, and biodiversity has been undertaken.

The committee has pointed out that immediate steps must be taken to address the issue of a serious deficit in environmental governance all over the Western Ghats tract.

The region harbours the largest global population of the Asian elephant, and possibly of other mammals. Nearly 4,000 species of flowering plants are known from here.

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RINL DUBS ITS ARMS OMDC, BSLC AS RISK FACTORS

New Delhi: State-owned steelmaker RINL, which is coming up with an IPO in July, has dubbed its subsidiaries Orissa Mineral Development Corp (OMDC) and Bissam Cuttack Steel Lingam Corporation (BSLC) as “risk factors,” as they are not carrying out mining operations following expiry of their leases.

The two Orissa-based firms were acquired by Rashtriya Ispat Nigam Ltd. (RINL) in January, 2011, with an aim to secure raw material for its operations at the steelmaker, did not have any captive iron ore and coking coal mines.

“Whilst applications for renewal of such mining leases have been filed, we cannot assure you that the concerned authorities will grant these mining leases in favour of OMDC and BSLC in a timely manner, or at all,” RINL said in its draft red herring prospectus (DRHP) while outlining the potential risk factors for the company.

OMDC has iron ore reserves of 246.5 million tonnes (Mt) and BSLC has limestone reserves of 192 million tonnes.

—PTI
RINL says subsidiaries risk factor

RINL has dubbed its subsidiaries Orissa Mineral Development and Bisra Stone Lime as ‘risk factors’, as these two are not carrying out mining operations following expiry of their leases.
Gold, other metals under fresh attack

G. Chandrashekhar
Mumbai, May 27

Global commodity markets, nay almost all asset markets, are currently in a state of turmoil, buffeted by negative sentiment and lack of confidence about growth. Risk aversion has come to the fore. Worsening Euro zone crisis and lack of clear path forward has meant that uncertainty will continue for some more time. Adding to the choppy sentiment is China’s economy which shows signs of slowing, if the April trade data are anything to go by.

So, risk aversion, macroeconomic uncertainty and a firmer dollar have combined to pressure the markets down. As punters sell-off and exit commodities over demand concerns, prices are under downward pressure. Little wonder then that week-on-week, prices of most commodities – crude, all precious metals, most base metals and many agricultural products declined. Gold fell 1.3 per cent and silver by a modest 0.8 per cent. In the base metals complex, nickel, tin and zinc gained and other lost. In line with the rest of the commodities complex, agricultural prices fell over the past week with sugar and coffee prices notably dropping to 21-month lows.

Choppy behaviour will be the market’s main feature. Sustained flow of positive macro data is critical for the market participants to gain confidence. While it certainly is time to be cautious, it is not the time to go short. Commodities with tight fundamentals are the ones with potential for price performance when the situation normalises.

**Gold:** The entire precious metals complex continues to face price correction driven by European political uncertainty and dollar strength. Admirable performance of the greenback vis-à-vis the euro is weighing on prices, especially gold. In the near-term, the yellow metal will continue to face the dollar pressure. It can get worse, if the euro were to weaken further.

At the same time, physical demand is not forthcoming. The world’s largest gold consumer, India, is currently facing a rapidly weakening rupee which negates the advantage of a price fall in dollar terms, keeping imported gold expensive in the domestic market. Consumer resistance to high prices is stark. In the world market, the silver lining for gold is the resilience of ETP holdings. If outflows begin there, prices have the potential to collapse.

In London on Friday, gold PM Fix was at $1,570 an ounce, little changed from the previous day’s $1,569/oz. Silver AM Fix was $28.24/oz on Friday, edging up from the previous day’s $28.08/oz.

**Base metals:** In line with other markets, this complex has been under pressure for some time with a huge sell-off. LME cash copper was $7,671 a tonne on Friday, while aluminium was $1,976. Ongoing global growth concerns with focus on Europe and China have provided the trigger for many participants to exit their long positions. At the same time, zinc, lead, nickel and aluminium prices have the least downside from the current levels given the proximity of prices to the cost curve, observed an analyst.

If the expectation that global growth momentum and especially that of China will pick up in the second half of the year is realised, base metals prices have the potential to strengthen. Copper will of course be a major beneficiary as the market is in a state of deficit. In the event, current price dips will provide good buying opportunity to position for strength in H2.

**Crude:** The fortunes in the market hinge on the fate of Iranian negotiations. Should diplomacy fail conclusively, geopolitical tensions can mount once again. Prices are declining because of weakening macroeconomic sentiment despite improving fundamentals. Demand is improving and the market is in a state of balance, but not in surplus.

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सेसा गोवा एफडीआई पर निर्णय शुक्रवार को

नई दिल्ली (एजेंसी)। सरकार आगामी सत्राह सेसा गोवा और महिद्रा एंड महिद्रा के प्रत्येकों सहित 32 प्रत्येक विदेशी निवेश (एफडीआई) प्रत्येकों पर निर्णय कर सकती है। वित्त मंत्रालय ने कहा, "विदेशी निवेश संबंधित बोर्ड एफडीआईपीबी को 177वीं बैठक शुक्रवार एक 'जुंग' को प्रसारित है।' बैठक के एजेंडा प्रश्न के मुताबिक, सेसा गोवा, पवनवार और महिद्रा एंड महिद्रा के प्रत्येकों सहित 19 प्रत्येक नए हैं। तीन आवेदन ऐसे हैं जिन पर एफडीआईपीबी को इससे पहले हुईं बैठकों में निर्णय टाल दिए गए और पांच संशोधित प्रत्येक हैं। बैठक के एजेंडा में जीएसएस सिविलर साल्टसॉरस का भी एफडीआई अनुरोध शामिल है। देश में मार्च में 8.1 अरब डॉलर एफडीआई आया जो अब तक का सबसे अधिक मात्रिक एफडीआई है।