Back to glory

Centre keen on Kolar Gold Fields revival

Sandeep Moudgal and Chethan Kumar

KOLAR GOLD FIELDS/BANGALORE: The Centre is actively considering the revival of the century-old Kolar Gold Fields (KGF) which was shut down in 2001.

B.L. Bagga, managing director of Bharat Gold Mines Ltd (BGML) and also director, finance, National Aluminium Company Ltd (Nalco) told Deccan Herald that as per the assurance given to the Karnataka High Court, the Centre is "weighing several options" for the revival of the mines at KGF and a decision would be taken soon.

"For the past four years, the government has been thinking about reviving mining in Kolar. There is no doubt on that. But, whether Nalco or any other public sector unit will be part of the revival process cannot be determined at this juncture," he said.

He said the Union Ministry of Mines was evaluating various options. "The government could either sell the mining assets in Kolar through a global tender, which will be subject to the court judgment or ask one of the PSUs or a consortium of PSUs like Nalco and National Mineral Development Corporation to take up revival of the mines."

In case the Centre gets the court's approval to go ahead with the bidding, the companies that take part in the process will work with the condition that they must compulsorily bring in new technology for mining and not only just take up the management.

Technical collaboration

Bagga said foreign companies will be required to offer technical collaboration and may not be offered either ownership or lease of the mines. It had been estimated that around 30 tonnes of gold was available in the tailings alone and it could be exploited over the next 10 to 15 years, he added.

He also pointed out that there was a need for a technoeconomic study to establish whether there was a potential for reopening the abandoned mines at KGF in view of the high price that gold commands now. Before undertaking such an exercise, the mines had to be cleared of the huge quantity of water that has accumulated there over the last 10 years.

Workers' future

At the time of closure, the mines employed about 3,000 workers and if it has to be reopened, the government will have to decide on their future. Bagga said: "In case the bidding process goes through, the highest bidder will be taken to the employees' society who will have the first right to refuse."

On whether Nalco, having already operated the mines before the closure of BGML, will be the front-runner if PSUs were considered, Bagga said: "The Centre has to approach us officially and until then, nothing is certain."

Though the news of revival has come as a pleasant surprise for the miners, they are uncertain about their future in case private players were brought in. Former employees of BGML are busy preparing blueprints to protect their interests, hoping that Nalco will spearhead the revival process.

"Among other things, they have sought a stake in the company once it is revived. "Early this month, we have filed a special leave petition before the Supreme Court seeking additional compensation for being retrenched in 2001," said Yeshwanth Raja, president of the BEML Employees, Supervisors and Officers' Forum.

Bagga, however, maintained that no additional compensation is payable to the ex-employees as they had already been paid in line with the existing rules.

DH News Service
Orissa moves SC to get Posco’s prospecting licence

Priva Ranian Sahu

The Orissa government has moved the Supreme Court on Friday against the high court order that stopped the granting of an iron ore prospecting licence to South Korean steel major Posco. Orissa steel minister Raghunath Mohanty said the state government’s recommendation in favour of Posco was made on the basis of the Mines and Mineral (Development and Regulation) Act.

Bhubaneswar: The Orissa government has moved the Supreme Court on Friday against the high court order that stopped the granting of an iron ore prospecting licence to South Korean steel major Posco.

The high court had ordered the state government on July 14, in response to a petition by Karnataka-based Geomin Mineral and Marketing Ltd (GMML), to consider all the other applications for mining leases in four months.

Meanwhile, Orissa chief minister Naveen Patnaik suggested centre-state joint efforts to implement the Posco project. Posco signed an agreement with the state in June 2005 to set up a $12-billion (₹ 54,000 crore) green-field plant near Paradip port to produce 12 million tonnes of steel a year.

“It is the responsibility of the central government also to see that major projects like Posco are being implemented,” Patnaik said. This is a departure from Patnaik’s previous statements, accusing the Centre of spiking the project.
उड़ीसा सरकार ने कानूनी सलाह मांगी

भुवनेश्वर (उड़ीसा): ये लेख उड़ीसा और पंजाब सरकारों के बीच विवाद जो भारतीय रक्षा मंत्रालय के प्रेमदल में स्थापित न रहने के बाद उड़ीसा सरकार ने इस कारण में कानूनी सलाह मांगी है कि हिंदुओं और बौद्धों को दूर किया जा सकता है। इसके इलाज में उड़ीसा मंत्री रामकुमार गौड़ी ने बाहर, “हिंदुओं और बौद्धों को दूर किया जा सकता है।” एवं यह रामकुमार गौड़ी ने बाहर, “यह रामकुमार गौड़ी के दृष्टि में स्थापित न रहने के बाद उड़ीसा सरकार ने कानूनी सलाह मांगी है कि हिंदुओं और बौद्धों को दूर किया जा सकता है।”
Putting to rest all speculation, the Orissa government today filed a Special Leave Petition (SLP) in the Supreme Court of India, challenging the verdict of the Orissa High Court which had set aside the state government’s recommendation for a prospecting licence (PL) at the Khandadhar mines in favour of Posco India’s proposed steel making project.

“We have filed the SLP,” Raghunath Mohanty, minister for steel and mines, told reporters.

Worried at the state government’s delay — the deadline for filing ends this week — Posco had already moved the apex court on the same issue.

Referring to the recent row over forest and environment clearance to the project, in the wake of the reports of the Saxena and Gupta committees, Mohanty said, “The state government welcomes the view of Union steel minister Virbhadra Singh, who has suggested that the minister for environment and forests, Jairam Ramesh, needs to be realistic on the Posco project.”

Chief Minister Naveen Patnaik said, “It is now the responsibility of the Centre to ensure the Posco project is implemented. It is the biggest FDI (foreign direct investment) in the country, which will bring revenue for the state and the Centre, besides creating many jobs for youths.”

In its petition, the state government has contested the Orissa HC judgement mainly on two grounds. These relate to the status of the Khandadhar mines as a notified area and giving preferential treatment to Posco under Section 11(6) of the Mines and Minerals (Development and Regulation) Act, 1957.

‘Special project’

“Posco’s proposed mega steel project in Orissa is special, as it will make use of Finex technology in steel making. Besides, the project, costing Rs 4,000 crore, is the country’s single largest FDI. It is on these grounds that we have challenged the verdict,” said a highly placed official source.

“Contrary to the Orissa HC’s decision that the Khandadhar mines are a non-notified area, the state government in its appeal has stated that the area has been notified and hence we can dispose applications and recommend PL cases based on merit. Since the Posco project is special, the state government gave it a preferential treatment and recommended its case for PL even though there were other applicants prior to Posco,” he added.

The HC verdict, dated July 14, had set aside the recommendation of the state government for providing a PL in favour of Posco over 2,500 hectares of the Khandadhar iron ore mines in Sundergarh district.

Disposing a petition of Geomin Minerals and Marketing Ltd, a Bhubaneswar-based company competing for the same PL, a two-member bench of judges B P Das and B P Ray had directed the state government to take a fresh decision on the recommendation, setting aside the preferential one to Posco. It told the state government to conduct a fresh hearing of all the 226 applicants for the mines.
Dirty Dozen stuck with ₹2k cr debt
12 Diamond Cos Default, Bankers Say Funds Diverted To Other Businesses

Melvyn Thomas | TNN

Surat: This could be the biggest credibility crisis the Indian diamond industry has ever faced. Fifteen banks run the risk of losing Rs 2,000 crore lent to a dozen diamond firms in Surat. Until about two months ago, they had not repaid these dues. Leading the pack is one of the largest companies, J B Diamonds, which is charged with a default of over Rs 900 crore.

Bankers believe many diamantaires borrowed money during the economic downturn two years ago and diverted funds to businesses like real estate and capital markets. “Many of them have made money from these businesses but their diamond companies have gone sick and declared insolvency,” says a leading banker. Six out of the 12 diamond companies — M Sushil, R T Diamonds, Milestone, Niru Impex, Khodal Gems and Borda Brothers — which borrowed loans worth Rs 605 crore are now out of the diamond business. Some firms like Pankaj Diamonds and Navin Gems have repaid Rs 60 crore and Rs 100 crore respectively to banks till April 2010.

Himmat Bhadiara, promoter of Pankaj Diamonds, said that his company has repaid Rs 60 crore. “We are in talks with banks and want to clear all pending dues,” he said. Similarly, Rakesh Gandhi of Navin Gems confirmed having paid Rs 100 crore. “We will pay the banks as and when we get money from our clients,” he added.

While efforts were made to get in touch with most others, they could not be reached as their phone numbers appeared to have changed. Similarly, at least three of these firms had downed shutters.

Bankers that TOI spoke to feel the diamond companies, which have defaulted on the credit given by banks, could pay back the amount if the properties and assets they purchased after 2008 are sold for repayment.

“Most of the money borrowed from the banks in the name of their diamond business has been diverted in real estate and the share market. The banks are not in a position to seize their properties because in many cases, those were purchased in the names of their relatives and friends,” said a senior officer of a leading bank.
Ahead of his proposed visit in December, Chinese premier moves to allay Indian fears

India, China can prosper together: Wen

INDIA and China on Friday made an attempt to check the slide in bilateral ties with Chinese Premier Wen Jiabao agreeing with Prime Minister Manmohan Singh that both sides needed to "show sensitivity" to each other's core issues.

The meeting took place against the backdrop of growing strain in ties over Beijing's bellicosity over the boundary issue, its increased meddling in Pakistan-occupied Kashmir and the now over-stapled visas for Indian residents.

National security adviser Shivshankar Menon described the meeting as "warm and cordial" and said the interaction between the two leaders covered the whole gamut of issues.

Sources in the Indian government had earlier indicated that Mr Singh was going to take up the Chinese encroachment over stapled visas as well as its growing footprint in Pakistan-occupied Kashmir. It seems that Indian insistence has seen the elevation of the twin issues among the "core issues" such as the "boundary dispute" that the two sides have to hash out.

Significantly, during the interaction, the Chinese premier came off as inclined to address India's concerns and set the mood for the meeting by quoting Mr Singh's remark that the two countries can grow without hurting each other. "You have said on many occasions that there is enough space in the world for India and China to achieve common development. On top of your remarks, I add that there is enough space in the world for India and China to have cooperation."

Mr Wen said he would like a "constructive" one on all outstanding issues before he visits New Delhi. The visit is expected to take place this year itself, with India offering December 16-17 as the possible dates.

Talking to mediapersons, Mr Menon said the two special representatives from India and China -- Mr Menon himself and Chinese vice-foreign minister Dai Bingguo -- were given clear directions to work out a road map for resolving all outstanding issues. The representatives will meet next month in Beijing.

Premier Wen's remarks marked a significant contrast from the way China has been flexing its muscles in East Asia, selling the handrail of important countries in the region. His endorsement of Mr Singh's observation about there being enough room to accommodate growth aspirations of both India and China seemed more aligned with the strategy of "peaceful rise" that Beijing followed before switching to aggressive ways. It was not clear whether the meekness had to do with a recognition of the growing distrust in the region: something that had created new opportunities for the US.
India wants tangible results

HOWEVER, India would like to see tangible results rather than the professed intent. This much was evident when the NSA told reporters after the meeting that some of the high-level defence engagements would continue to be on the "pause" mode. These engagements were called off after Lt Gen BS Jaswal was denied a visa to visit Beijing on the ground that he was working in the "sensitive state" of Jammu & Kashmir.

Prime Minister Singh is learnt to have conveyed the unease over Beijing's increased footprint in Pakistan-occupied Kashmir (PoK). India has been taking up with Beijing the presence of Chinese troops in PoK and Gilgit-Baltistan region and the growing interests of Chinese companies in the region. According to Indian agencies, about 122 Chinese companies are operating in Pakistan, employing approximately 11,000 engineers. China is involved in infrastructure projects ranging from construction of roads and bridges and telecommunication to mineral exploration, construction of dams and hydro-power projects.

In their interaction, the two leaders agreed to work closely in areas where there is greater consensus. "The Copenhagen cooperation in climate change will be taken forward," Mr Menon said and added that the two countries would work together on issues such as food security and energy.

On trade imbalances, the prime minister stressed the need to correct the present situation. Although two-way trade is expected to touch the target of $60 billion in 2010, Mr Singh said current imbalances are working against India's interests. The prime minister is learnt to have told the Chinese premier that there was a need for China to lower its import barriers, both tariff and non-tariff, especially with respect to Indian exports of pharmaceuticals.

On his part, Premier Wen is learnt to have said that his country was outlining some measures to address the issue. "There is some diminution in the imbalance, but more needs to be done," Mr Menon later told reporters.

According to the NSA, the currency issue did not figure in the talks. India had earlier indicated that it would not join the global rhetoric urging China to let its currency appreciate.
Copper at 3-week low

Reuters
London, Oct. 29

Base metals fell on Friday and copper touched a three-week trough, as markets cut risk.

Three-month copper on the London Metal Exchange was trading at $8,168.75 a tonne at 10:19 GMT, having earlier fallen to $8,140 — its lowest since October 8.

Aluminium fell to $2,305, its lowest since October 1, and was at $3,321 a tonne.

Nickel was at $22,766 a tonne. Lead was at $2,430 a tonne, while zinc was at $2,410. Tin tumbled to $25,050 and settled at $25,400.
Gold gains on demand

Bloomberg
Oct. 29

Gold gained in New York as a drop in prices prompted physical buyers to increase purchases of the metal. Palladium climbed to a nine-year high.

Gold futures for December delivery gained $6.50, or 0.5 per cent, to $1,349.10 an ounce at 8:26 a.m. on the COMEX in New York. Prices earlier fell 0.5 per cent and are up 3.2 per cent in October, heading for a third monthly gain. The metal for immediate delivery in London was 0.5 per cent higher at $1,350.72. Spot prices reached an all-time high $1,387.35 on Oct. 14. Gold, up 23 per cent this year, is heading for a 10th annual gain, the longest winning streak since at least 1920 in London.

Silver for December delivery in New York was at $24.185 an ounce. Platinum for January delivery was at $1,704.50. Palladium for December delivery climbed as much as 2.2 to a nine-year high of $643.55 an ounce.
The Wildlife Society of Orissa, a member organisation of the National Board of Wild Life (NBWL), has written to the Ministry of Environment and Forest (MoEF) for withdrawal of Stage-I forest clearance given to Jindal Steel and Power Limited (JSPL) in Angul. The society claims that it was obtained by suppressing material information about violation of Forest Conservation Act, 1980, besides cancellation of Environmental Clearance given to the company.

Convener Biswajit Mohanty has demanded setting up of a specialised team of experts to re-examine the process and compliance of environmental clearance to all such corporate houses with investment above Rs 100 crore in the State. The environmentalist had been the first to move the Supreme Court against Vedanta, way back in 2004, against various lapses committed in the process of granting environmental clearance.

Winner of the RTI Gallantry award, Mohanty’s applications to RTI related to clearance processes obtained by JSPL has revealed various irregularities, which have been reported earlier in The Pioneer. The letter to the MoEF states that the Stage-I forest clearance given to JSPL should be withdrawn as it was obtained by suppressing material information on the violation of Forest Conservation Act, 1980.

It has also called for the cancellation of the Environmental Clearance as condition no A (xvi) expressly prohibits construction activity without clearance under the Forest Conservation Act, 1980, has been violated by the company.

The officers of the forest department and pollution control board, who have connived in suppressing the violation information, should be penalised as per law by the MoEF, the letter demanded.

“Be it POSCO, Vedanta and now the JSPL, there have been repeated exposures on the dubious circumstances in which the State Forest Department has granted forest clearance to appease the interest of the corporate houses, jeopardising the existence of the local tribals,” said Mohanty.

With Odisha becoming a hot destination of investment by the corporate houses across the world, there are multiple examples of such lapses being committed across the State, which need to be examined by a competent panel from the MoEF, he added.
NMDC net jumps 78% in Q2

Hyderabad, Oct. 29
India’s largest iron ore miner NMDC Ltd has reported a 78 per cent increase in net profit for the second quarter of the current fiscal at Rs 1,378.53 crore compared with Rs 770.85 crore in the year-ago quarter, driven by higher revenue from the new pricing norms. Net sales touched Rs 2,459.98 crore during the quarter (Rs 1,390.13 crore). Sale of iron ore fetched Rs 2,445.57 crore during the quarter (Rs 1,386.65 crore) with both domestic and global prices firming up. The company at present follows quarterly sale contracts with steelmakers. — Our Bureau
ArcelorMittal to face delay for mining licences in Karnataka

Jaishankar Jayaramiah

Bangalore, Oct 29: ArcelorMittal, the world's largest steel maker which is in the process of setting up the Rs 30,000 crore integrated steel plant in Karnataka, may face delay in getting iron ore mining licences as the state government has not yet recommended its mining applications to the Union government.

The state government can make recommendation to the Centre to grant mining license to ArcelorMittal or any other steel companies only after hearing all the applications pending with the state, said VP Baligar, principal secretary for commerce and industry, Karnataka.

There are around 1,200 fresh and 1,000 old applications pertaining to mining permits, pending for disposal with the state. Baligar did not give details about how long the state government would take in this matter.

The delay has been caused due to several pending applications, he said. Currently, the mining applications are being heard by the secretary of mining and soon as the hearing is over, he will recommend the applications to the central government, Baligar added.

Several firms have applied for multiple mining applications in two iron ore blocks in Bellary region. Hundreds of firms are showing interest for mining in Ramanadurga belt, official sources said. ArcelorMittal made two applications to get mining license in Ramanadurga and another region in Bellary district, sources added.

ArcelorMittal is currently in the process of acquiring land for its project at Rudithini region in iron ore rich Bellary district. The company has already paid Rs 350 crore to the government for the allotment of land to set up its project, which will have a production capacity of 6 mnt per annum. The project site will also house 750 megawatt captive power generation plant. The project, which will require 4,000 acres of land, is expected to generate 10,000 jobs.

Along with ArcelorMittal, more than fifty companies including South Korean-steel major Posco and Brahmani have signed MoUs with the government to set up steel manufacturing facilities in the state.
Orissa moves SC, challenges HC decision on Posco mining issue

Indu Bhana

New Delhi, Oct 29: The Orissa government on Friday moved the Supreme Court challenging the Orissa High Court order that quashed its decision to permit South Korean steel major Posco to mine iron ore in Sundergarh district of the state. The matter is likely to come up for hearing in November end.

The state government had recommended the grant of prospecting licence (PL) to Posco India for the Khandadhar mines for its 12-million-tonne steel plant near the port town of Paradip with an investment of $12 billion — the largest foreign direct investment in India.

"It is the responsibility of the Centre to see that such a major project takes off... As you know, it is the biggest FDI in the country," Orissa chief minister Naveen Patnaik said, adding, "As you know, it is the biggest FDI in the country." Posco plans to build a $12-billion, 12-million tonne steel plant in the state. Patnaik was reacting to Prime Minister Manmohan Singh's meeting with South Korean President Lee Myung-Bak on Friday.

"We have filed the SLP challenging the high court order which observed that there has been violation in the Mines and Minerals (Development & Regulation) Act, 1957 while recommending the Khandadhar mines in favour of Posco," said Orissa steel & mines minister Raghunath Mohanty.

The high court, while setting aside the recommendation of the state government for allotting PL to Posco over 2,500 hectares in the Khandadhar hills on July 14, had also asked it to conduct a fresh hearing of all the 226 applicants for the Khandadhar mines.

The world's fourth-largest steelmaker's Rs 51,000-crore mega steel project near Paradip has already been delayed by five years and has been mired in land acquisition problems. The project was scheduled to be set up by 2016, but has been delayed due to various factors, including protests by local residents against acquisition of their lands.

It had been alleged that the allotment of the iron ore mine not only violated the forest and environment policy, but would also hamper the ecological system of the locality.

The high court decision results from a petition filed by Geomin Minerals and Marketing, one of aspiring firms for the Khandadhar mines, alleging that it was not considered for the mines though it had made the first application for a mining lease in the area in August 1991. It also alleged that the state government had picked up Posco's application from the 226 applicants for the mining lease, invoking the provisions of Section 11(5) of the Mines and Minerals (Regulation & Development) Act 1957.

While the state government had recommended the licence in December 2006, under which Posco India would get 6204.352 hectares of Khandadhar mines, central sector miner Kudremukh Iron Ore Corporation challenged the recommendation in court. KIOCL, which had carried out prospecting of the mines, claimed that it had the first right over the mines.

The Centre, in July 2007, however, rejected KIOCL's recommendation and directed the state to grant the mine only after hearing all the 226 applicants for the mines. The state then recommended the mines in favour of Posco in January 2009. This time, the state government reduced the area by 50% to 3,000 hectares, excluding the area claimed by KIOCL.

Khandadhar mines promise a reserve of 300 million tonnes of high grade iron ore. Besides KIOCL and Geomin Minerals, there were several other applicants, including Essar Steel, Jindal Photo, Jindal Strips, SSI Energy, MPR Metals, Mesco Kalinga Steel, Adhunik Metalliks, Uttam Galva Steel, Bhusawal Power & Steel.
India may bar iron-ore exports to guarantee supplies for local units.

Virbhadra Singh, steel minister

India, the world’s third-largest iron-ore exporter, should ban shipments overseas to ensure that local steelmakers have adequate supplies of the raw material, steel minister Virbhadra Singh has said. The country will need increased quantities of iron ore to meet domestic demand from steel producers, so there is need for a ban, Singh said at a seminar in New Delhi on Friday. Singh had, in May, said India will consider banning exports “if needed.” An end to shipments from India would increase global competition for supplies, potentially boosting prices of the raw material from Australia and Brazil, the two biggest suppliers. “Limiting exports is inevitable because rapid economic development in India will demand more iron ore to feed its steel mills,” Xu Xiangchun, chief analyst at Mysteel Research Institute, said from Beijing. “China has to look for new resources, such as Africa, as alternatives to Indian ore.” Karnataka, the country’s second-biggest producer of iron ore, banned exports in July, prompting appeals from mining companies. The state-level ban may cut India’s exports 38% to 66 million tonne this ear, according to an estimate from the Federation of Indian Mineral Industries.
Adani wins Orissa block

Adani Enterprises won a bid to develop and operate Chendipada coal block in Orissa. The coal block has an annual mining capacity of 40 million tonne. The company said developing and operating the coal block included land acquisition, preparation of mine plan, approvals and clearances.
अवैध खनन के आरोप

ग्रेटर नोएडा, (बहरी): गांव दुजाता में पूरे प्रमाण अभाव में अवैध खनन करने के आरोप में पुलिस ने दो लोगों को गिरफ्तार किया है। बादलपुर पुलिस ने इसके पास से एक जे सी बी मशीन व एक ट्रक का भी सामना किया है। जानकारी के पुताहकार आदेश बादलपुर पुलिस ने एक सूचना के आधार पर गांव दुजाता में छापेमारी कर दो लोगों को गिरफ्तार किया है। जिनकी पहचान गांव भूखाटनिकपुर, निवासी राजेश व रोहित के रूप में हुई है।