ArcelorMittal & Indiabulls to form JV for iron ore mining

**ARCelorMITtal**, the world's largest steel-maker, is in discussions with the Indiabulls Group to form a joint venture (JV) company for scouting and mining iron ore in Rajasthan and setting up a steel plant. "The discussions are on (between ArcelorMittal and Indiabulls). ArcelorMittal is pitching for a majority stake in it," a source said.

"There are indications of iron ore in Rajasthan. It is a mineral-rich state. The JV company would seek to locate and develop it. Then, a steel plant would be developed in the state," the source said.

The JV would be between an ArcelorMittal subsidiary or an investment arm of the Mittal family and an Indiabulls Group firm, the source added.

ArcelorMittal chief financial officer (CFO) Aditya Mittal is said to be the brains behind the proposed venture, which aims at tapping the market for steel in North India, where there is no integrated steel plant. "Promoters of ArcelorMittal and Indiabulls share a good relationship and the new venture would further their partnership," the source added.

Through LNM India Internet Ventures, it is said that L.N. Mittal already holds an 8.70 per cent stake in Indiabulls Power, which is developing various power projects across India.

SAIL has discovered iron ore deposits in the desert state. The proposed investment in the JV could not be immediately ascertained.

*PTI*
Phase out captive mining
It Destroys Value

The policy on mining of minerals requires overhaul and deep-seated reforms, as underlined by mines minister B K Handique. The pressing need is to end routine opacity in mining, remove glaring distortions in ore pricing, and boost efficiency in operations by eschewing captive mining by metal majors. Now captive mining of iron ore by steel producers may have made sense in the days of autarky, when there were a panoply of rigorous controls including administered pricing of steel. But for almost two decades now, domestic steel prices have been market-determined and linked to international prices. Which is why the continuing policy of captive mining of ferrous ore by SAIL, Tata Steel, etc, is both incongruous and anachronistic. Since there is little incentive to add value in captive mining, there’s real scope for actual value destruction, including downstream in metals manufacture. Note that domestic steel majors have generally not ventured upmarket into value-added steel products. So instead of captive mining, we need a thriving domestic market for ore, and with prices clearly linked to international scarcity value. Such a policy would, rightfully, provide stepped up funds for social and physical infrastructure development in mining areas and beyond.

Producers in Japan and Korea have long produced world-class steel without sweeteners like captive mines, and such arrangements do need to be phased out for domestic producers. There may be a case for, say, a three-year time frame for steel majors to hive-off operations and call for arm’s length ore prices. Also, for logistical reasons, it may make sense for new steel plants proposed in industrially-backward regions to have upfront mines linkage. But such a policy needs to be time-bound, and done away with once the new steel producers have fully depreciated plant and machinery. Further, the rate of mineral royalty needs to be pegged at 10%, the norm globally, and benchmarked to the going international prices. The states must also impose cess, field development charges and other levies, and closely monitor mining activity to stamp out illegal operations.
IN a surprise move, the Union Ministry of Environment and Forests (MoEF) has surprisingly said that the exercise to identify Go and No Go areas of the coal-bearing land was only indicative in nature and not legally enforceable. This has put a big question mark on the environment ministry’s move to demarcate Go and No Go areas, which if implemented could imply an outright loss of 600 million tonnes of coal production annually.

In reply to the Power Ministry’s request to consider enlisting three coal blocks — Meenakshi, Meenakshi B and Dip Side of Meenakshi — earmarked for the Orissa Ultra Mega Power Project (UMPP) in the Go area, a top MoEF official pointed out that the said blocks were located in the North Central region of the IB valley coalfields in Orissa. As per the joint exercise carried out by the MoEF and the Coal Ministry, Meenakshi A was in the Go area and Meenakshi B in the No Go area, while the third one was on the borderline.

“In this connection, I am further directed to inform that identification of Category A and Category B areas for coal blocks in the country has only indicative value and has no legal enforcement. This exercise of categorisation into Category A and B areas is in no way a substitute to the statutory powers conferred to the Forest Advisory Committee (FAC) under the Forest (Conservation) Act 1980. The provisions under the Act do not provide freedom to communicate the acceptance of any forest land for use for non-forestry purposes without passing through the statutory process,” said an official.

This view of the MoEF will throw open the larger question of how and why this exercise was undertaken if it had no locus standi at all. Moreover, this communication by the MoEF was bound to leave Coal Minister Sriprakash Jaiswal fuming as he has been struggling to explain the adverse implications of such an arbitrary categorisation of the coal-bearing areas.

Jaiswal had recently lashed out at environment and forests minister Jairam Ramesh, saying classification of coalfields into ‘Go’ and ‘No Go’ areas by his ministry would keep 48 per cent of mines outside the purview of mining, resulting in a massive 600 million tonne annual shortfall in production. This despite the fact that the anticipated demand for meeting the needs of India’s growing economy was 1,500 MTPA.

Hitting out at Ramesh for failing to cut down on time delays for clearing coal projects, Jaiswal reminded that while stipulated guidelines mandate that forestry clearances be given within 150 days, in actual practice, the time taken vary anywhere between three and six years.

“I am sure you would have often heard that for getting any forestry approval, the proposal has to move across 34 tables and if a query is raised at any point in this chain, the proposal has again to start all over from the lowest rung causing unwarranted delays. This process definitely demands a re-visit for streamlining the procedures,” Jaiswal wrote.

The PMO too had criticised Ramesh’s categorisation of ‘No Go’ areas, saying they could turn out to be a verbal breeding grounds for Naxalism. In a meeting convened on May 21, the Prime Minister’s Principal Secretary, T.K. A Nair, told the MoEF that 48 per cent of the coal bearing area fell in the ‘No Go’ category, “which is not agreeable”.

PRIYADARSHI SIDDHANTA
NEW DELHI, SEPTEMBER 6
‘Reddy spouse’ mining business worth ₹ 231 cr’

BANGLAORE: Congress leader V S Ugrappa on Sunday alleged that Tourism Minister Janardhan Reddy's wife, Lakshmi Aruna, has conducted mining business to the tune of hundreds of crores of rupees in the last five years, despite the claim of the Reddys that they are not involved in mining activities in Karnataka.

Addressing reporters, he released documents to support his claim that Lakshmi Aruna has done business worth Rs 231 crore in mining since May 2005. "Both the Chief Minister and Reddy should explain the source of the money," he stated.

"Yeddyurappa has never raised any objection to Janardhan Reddy's plans in Bellary. This clearly indicates that the Chief Minister is also involved in illegal mining. Moreover, the Chief Minister has recommended to the Centre to sanction fresh mining leases to 17 companies...He (the Chief Minister) should disclose the names of people who greased his palms for this favour," he stated.

Ugrappa also alleged that Yeddyurappa is setting up an engineering college and a star hotel in Shimoga using money from illegal mining.

‘Disclose names’
The Congress on Sunday dared Chief Minister Yeddyurappa to disclose the names of Union Ministers from the State who have allegedly involved in illegal mining.

"If you (the Chief Minister) have guts, disclose the names...The Congress leaders are ready to face inquiry. It is a crime to conceal details regarding any criminal activity," the party leader V S Ugrappa told reporters.

DH News Service
Madhucon to put Kalimantan mining contract on hold for two years

Will instead focus on developing two bigger assets in south Sumatra, Indonesia

G Seetharaman MUMBAI

Madhucon Projects, the Hyderabad-based infrastructure firm, will put its mining contract at east-Kalimantan in Indonesia on the backburner for two years and instead focus on developing two bigger mines in south Sumatra, said director of finance S Vaikunthanathan.

Madhucon's subsidiary PT Madhucon Indonesia had in 2007 bagged the mining contract for the coal field, which is owned by several local investors.

The company subsequently picked up an 11% stake in the mine, which has reserves of 200 million tonnes.

"We produced just about 40,000 tonnes and then stopped because we bagged the south-Sumatra mine," Vaikunthanathan said.

The mine, which the company bagged in 2008, has reserves of 900 million tonnes and in which PT Madhucon owns 95%. It has so far spent about Rs130 crore on the mine and will start mining by year-end.

"We will produce 4-6 lakh tonnes this year and 1-1.5 million tonnes next," Vaikunthanathan had earlier told DNA Money. The company is developing another mine, also in south Sumatra.

"We will just start the geological studies there and mining will take another 3-4 years," he added. Madhucon intends to source coal from these mines for its 1,200 mw power project at Tamminapatnam in Andhra Pradesh, the first phase (of 300 mw) of which will be commissioned in March.

Given that it owns majority stakes in these mines, the company plans to focus on them before returning to the one at east Kalimantan.

"Since mining is capital-intensive and we have got our own mines, we want to focus on them and won't take any action on the east Kalimantan mine for the next two years," Vaikunthanathan said.

The company has so far incurred Rs9 crore on the mine. He added that the company might buy-out its partners at a later stage.
Centre turns guns on Lanjigarh refinery

Kalyan Ray

Even though the central government has withdrawn the approval for Vedanta's bauxite mine atop the Niyamgiri hills, woes are not over for the Indian billionaire Anil Agarwal-promoted company. The centre is now turning its guns on Vedanta's bauxite refinery, located at the base of the hill.

The refinery had an annual capacity of one million tonnes. In October 2007, Vedanta sought environmental clearance for expanding the capacity six-fold. But in a brazen violation of law, it started the construction activities for the expansion project before receiving the approval. Even when Orissa State Pollution Control Board asked the company to stop work, it didn't.

This, according to N C Saxena panel, is good enough reason for the environment ministry to shut down the refinery.

Another key violation in the smelter project was grabbing of 26,123 ha of forest land where traditionally villagers had an access. The company in collusion with the local government officials forcibly evicted the villagers to occupy the land. Also, it has illegally constructed a conveyor corridor and a road.

The ministry has now issued show cause notices to Vedanta asking why the environmental clearance for the refinery should not be withdrawn. The expansion project too has been suspended. Following the cancellation of mining permission, the company claimed it is the responsibility of the Orissa government to source bauxite from other mines for the refinery. But at the moment, another probe is on to find out if mines currently supplying bauxite ore to the refinery have the necessary environmental clearance.

The Saxena panel and the Forest Advisory Committee of the union environment ministry have found that 11 out of 14 mines from where bauxite is currently being sourced for the Lanjigarh plant do not have the necessary environmental clearance. Most of these mines are in Jharkhand. Moreover, between 2006 and 2009, the refinery worked without adhering to pollution control norms. The refinery caused surface water and air pollution, besides contaminating ground water.
Orissa may find it tough to give Vedanta another mine

Bhubaneswar, Sep 6: The Orissa government will find it tough to provide another mining site to Vedanta Resources, which was denied permission to mine bauxite in Niyamgiri hills, a top company official said on Monday.

"The state government in its memorandum of understanding (MoU) with Vedanta in 2004 had committed to supply 150 million tonne of bauxite for its alumina refinery at Lanjigarh," a top company executive said.

Though the Vedanta Group was ready to take bauxite from any other alternative mine to run its refinery after being denied permission to mine in the Niyamgiri hills, it would have to wait for long to get the raw material from within the state, he said.

Pointing out that the state's 11 bauxite sites had 54.89% of the country's total bauxite reserve, he said Orissa cannot do much without the help of the Centre. PTI
Govt cracks down on illegal mining

BANGALORE, DHNS: The Department of Mines and Geology has begun cracking its whip on illegal mining in Bellary district. On Saturday, a squad of the department seized 56,000 metric tonnes of high grade ore in survey number 63 at Vaddarhalli in Hospet taluk.

Official sources said the seized ore belonged to one N. Mansur Ahmed who is a mining lease holder. Documents of the seized ore have been submitted to the JMFC court at Hospet.

The squad, which was sent from Bangalore, got wind of illegally hoarded ore on Friday night. After almost a day's preparation for the raid, the stock was taken into squad custody. The panchanama was drawn on Saturday.

Over the last one week, at least 3 lakh tonne of ore has been seized, sources said. Each tonne in the international market is valued at Rs 4,000. Officials put the value of the seized ore at Rs 1.20 crore in the local market. In the international market, it may fetch not less than Rs 1.20 crore.

The following quantum of ore illegally mined/stored have been seized last week: Star Minerals, 30,790 mt, Jamburudanahalli, Hospet; Fabio Exports, 75,000 mt, Siddapur village, Sandur; Harishwara Business Venture, 63,200 mt, Huilikunte B, Sandur taluk; Redrock, 32,000 mt, Huilikunte 18, Sandur taluk; and Rajmahal Silk, 67,730 mt, Huilikunte, Sandur taluk.

Continued on Page 11
Govt cracks down on illegal mining

Raid, from Page 1

The squad has briefed the Lokayukta police on the raids and seizures, the sources said.

It is learnt that squads of the Forest Department, Regional Transport Office, Public Works Department and Lokayukta are also patrolling Sandur and Hospet taluks where mine owners operate in large numbers.

The squad of the Forest Vigilance Cell is checking the documents carried by trucks transporting ore. In the last two days, eight to 10 trucks carrying invalid transport permits were seized, the sources said.

It is learnt that the government has given stringent direction to officers to come down heavily on illegal mining.

DH News Service
The Dongaria Kondh tribespeople have taken on the mining giant to save the ecosystem

Battle won, war rages on

From Lanjigarh to London, the Dongaria Kondh tribes of Niyamgiri hills in Odisha's backward Kandhamal district have fought long and determined battles against Vedanta Resources, the multinational company which wanted to uproot their homes in the ecologically sensitive hills rich in bauxite reserves, and strip out the precious metal for its aluminium refinery in nearby Lanjigarh.
What makes this case very unusual, and unites conservationists and social activists in a determination to prevent mining, is that the forest which Dongaria religion has conserved - covering 670 hectares known as Niyam Dongar - is one of Orissa’s last core areas of unspoilt forest.

The region considered to be the poorest zone in the country.

Neither the Congress nor the central government seem to be interested in the development of Kalahandi. They perhaps want the people of this backward district to remain poor," said Pradip Shaw president Sridhar Patnaik.

What has become more embarrassing for the anti-Vedanta tribals and organisations like Green Kalahandi supporting them is the open revolt of some of the Dongarias who have changed sides and begun supporting the alumina refinery as well as bauxite mining in Niyamgiri.

A case in point is Jitu Jalakia. The 22-year-old Dongaria Kondh youth was in the forefront of the anti-Vedanta movement for long. Being one of the very few educated Dongarias, he was seen explaining to Rahul Gandhi about their problems when the Congress general secretary visited Niyamgiri for the first time in 2008. Jalakia had quit undergraduate studies to fight against Vedanta.

The tribal youth has now turned into one of the strongest supporters of Vedanta’s refinery as well as the banned mining project. “The refinery and mining project are required for the development of poor tribals. I was misled and misguided by NGO activists and politicians who do not want our development”, says the Dongaria youth, who now plans to visit New Delhi and meet Rahul Gandhi to apprise him how he (Rahul), like him, has been misled by “vested interests”.

The anti-Vedanta tribals and friendly organisations charge the likes of Jalakia of selling themselves out to Vedanta and the state government and turning their “agents”. Whatever that may be, the recent developments have brought to the fore the cracks in the tribal unity so far as Vedanta is concerned.

Despite these recent setbacks, the Dongarias are determined to continue their fight and hopeful of ensuring closure of the Lanjigarh refinery with the backing of the union forest and environment ministry which has served notices to Vedanta for illegally grabbing forest land for the refinery and expanding the refinery violating the forest and environment laws.

Company to fight back?

Vedanta, however, denied the charges. “We have done nothing illegal. We will prove our innocence at the appropriate forum,” said a senior Vedanta official, indicating that the private sector metal major may not hesitate to move the court of law. The official who did not wish to be quoted claimed, “The land which was allegedly grabbed by us had actually been handed over to the company with all the required permissions for tree plantation.” He, however, could not specify the quantum of land in which trees had been planted by the company or provide documentary proof for the so-called permissions.

The official also rejected the allegation that Vedanta had “bought over” the tribals or the local organisations to silence opposition to the alumina refinery and mining project in Niyamgiri. “The local tribals have now started realising the benefit of industrialisation in the area which will ensure jobs for them”, said the official.

He also ridiculed the demand that the Lanjigarh refinery should either be shut down permanently or be shifted to another location outside Kalahandi. “It is impossible to close a legally set up refinery for which creoles of rupees have been pumped in! The union forest and environment ministry has charged us of grabbing forest land for our expansion programme. But the ministry has never said that the entire refinery has been set up on the illegally grabbed forest land,” he contended.

Govt backs company

The BJD government in Orissa also maintained that no illegal means had been adopted either for the Lanjigarh refinery or for the Niyamgiri mining project. “The mining project was being implemented as per the conditions laid down by Supreme Court,” says industries minister Raghurath Mohanty.
PM for ‘new balance’ on eco, industrial concerns

Siddharth Varadarajan
New Delhi, Sept. 6

In his first substantive comments on the broader issues at stake since the scrapping of the Vedanta mining project in Orissa, the Prime Minister, Dr Manmohan Singh, said there was need for a “new balance” and a “new pathway” in which concerns about the environment could be addressed without affecting the pace of industrialisation.

Environmental concerns and tribal rights cannot be wished away, he told a group of editors in Delhi at his residence on Monday, and these must be given their appropriate place. “But at the same time ... you cannot protect the environment by perpetuating poverty. So this is the challenge today and this country has to find a new balance.”

Insisting he was speaking of general principles and not any individual project, Dr Singh said he intended to convene a meeting of ministers of environment, coal, surface transport, petroleum and others to discuss the issue. “It is important to sit together and find new pathways to respect environmental concerns without going back to the licence-permit raj.”

Pointing out the economic consequences of political problems, Dr Singh noted that “all the Naxalite areas happen to be those which are the heartland of India’s mineral wealth... If we are not allowed to exploit the mineral resources, I think the growth path of this country could be affected.”

He brushed aside criticism that his Government did not have a reforms roadmap and was drifting along. “...I believe there is enough entrepreneurial vigour... If we create a level playing field and ensure ... there is an environment in which enterprise can flourish, I think India today is in a position to deliver on the economic front.”

The country was back on 8-8.5 per cent growth path and with greater emphasis being laid on infrastructure development, this could rise to 9-10 per cent, he added.

On financial reforms, the Prime Minister said, “we have seen financial reforms of the type done by Wall Street and the City of London... Is that the roadmap you want India to follow?” The country would have to evolve its own roadmap based on its own situation.

Dr Singh said the Government could not implement the Supreme Court order to provide free food to the poor. But the UPA would ensure the poor had access to food at affordable prices.
Kashmir, Ayodhya, Naxals top Manmohan's political challenges

Says there will be problems if country does not manage divisiveness, caste tension, communalism

Siddharth Varadarajan

NEW DELHI: While the economy was back on track, Prime Minister Manmohan Singh said growth did not take place in a political vacuum. In this context, he identified three issues of particular concern. “First and foremost, I am told in a few days time you will see the] judgement of the Babri Masjid [title suit]. Now the way the country handles this — the aftermath — will have a profound impact on the evolution of our country. Then the same way — I think the way we handle the Kashmir problem, the way we handle the Naxalite problem.” If the country didn’t manage “the divisiveness, the communal elements … caste tension … I think there could be problems for India.”

Dr. Singh said he was proposing to call the Cabinet Committee on Security later this week “to discuss threadbare” the Kashmir problem. “No instant solution”

“I cannot promise you that I have an instant solution, I cannot produce rabbits out of my hat. It will be a problem of experimentation and the country must learn to be patient.”

Not being patient could sometimes “lead to pathways which may later on prove to be counterproductive,” he warned.

The problem of naxalism required a two-pronged strategy where underdevelopment and poverty were tackled even as law and order was restored. Here, he again emphasised the wider economic implications. “After all, the Naxalite areas happen to be those areas which are the heartland of India’s mineral wealth. Now, if we are not allowed to exploit the mineral resources of this country, I think the growth path of this country could be adversely affected.”

The Prime Minister also stressed the need to find a “new balance” between the environment and industry. “Environmental issues are important, they cannot be wished away,” he said.

“We must adequately ensure that whether it is tribal rights, environmental concerns or forest concerns, they are given their appropriate place. But at the same time there has to be a balance. You cannot protect the environment of this country by perpetuating poverty.”

Vedanta project

Asked whether he was calling for a new balance in the light of the government’s recent decision to shelve Vedanta’s mining plans at Niyamgiri in Orissa, Dr. Singh said he was speaking in general terms and not with reference to any individual project.
Gold steady near $1,250/oz

Reuters
London, Sept. 6
Gold held steady near $1,250 an ounce in Europe on Monday as expectations for a rise in physical demand going into the fourth quarter supported prices, but with gains limited by a recovery in risk appetite.
Spot gold was bid at $1,249.20 an ounce at 11:51 GMT, against $1,248.04 late on Friday. US gold futures for December delivery firmed 10 cents to $1,251.20.
Palladium posted its strongest weekly rise since late July last week with gains of 5.7 per cent.
On Monday, platinum was at $1,563.50 an ounce against $1,553.40 and palladium at $525.60 against $526.68.

Bullion rate

Mumbai: Silver spot (999 fineness): Rs 31,800; standard gold (99.5 purity): Rs 16,975, pure gold (99.9 purity): Rs 19,075.
Chennai: Bar silver (a kg): Rs 31,785; retail silver (a gm): Rs 34.00; standard gold: Rs 19,040; retail ornament gold (22 carat): Rs 1,771.
LME zinc hits 4-month peak

Reuters

London, Sept. 6
Copper prices rose near four-month highs on Monday as investors bet on improved demand following better-than-forecast jobs data in the US, the world's largest economy.

Benchmark copper for three-month's delivery on the London Metal Exchange traded at $7,675 a tonne in official midday rings from a close of $7,640 on Friday, when the metal used in power and construction hit a four-month high of $7,750.

Tin was last bid at $21,350 a tonne versus $21,200.

Stainless steel-making ingredient nickel traded at $22,000 a tonne versus $21,600, while zinc traded at $2,176 a tonne versus $2,152, having earlier hit its highest since early May at $2,202.

Aluminium was traded at $2,178.50 from $2,148, having hit a one month high earlier of $2,190, while battery material lead traded at $2,176 from $2,168, having hit a one-month high earlier of $2,210.
Missing iron ore: 45 new firms under scanner

JOHNSON A
BANGALORE, SEPTEMBER 6

A CID investigation in Karnataka into the theft of nearly five lakh metric tonnes of illegally mined iron ore, worth about Rs 150 crore, from Belekeri Port in Karnataka, has now expanded to 45 companies.

Following up on the arrest of officials of 11 firms named in the original police complaint filed by the forest department, the CID has added the names of all companies involved in iron ore exports during the three-month period in which the iron ore theft occurred.

The list of 45 new companies under the police scanner is reported to include iron ore trading and export firms owned by political leaders or their relatives as well as major players in the mining business. However, no arrests have been made from the new companies, senior CID officials said.

Among the biggest companies named in the new list is the Vedanta Group acquired mining firm Sesa Goa. "All these companies exported iron ore between February 2010 and May 31, 2010 from the Belekeri Port when the iron ore seized at the port by the forest department went missing. They have been made a part of the investigations to help find out who is responsible for the theft," said DGP CID, D V Guruprasad.

The CID police have also arrested the port conservator, Mahesh Belya, who was in charge of Belekeri when the iron ore was stolen.

Officials of the forest department and the Karnataka Lokayukta had, through February and March, seized 8,05,991 metric tonnes of iron ore stocked at the Belekeri port yard after investigations had revealed that the iron ore was brought to the port from the mining district of Bellary with forged and invalid permits.

On June 2, an inspection of the seized material by the forest department, however, revealed that nearly five lakh metric tonnes of the seized material had disappeared. An assistant conservator of forest at Ankola, in coastal Karnataka, had filed a police complaint in the matter.

The Karnataka government subsequently handed over the theft case to the CID.

CID officials said they had sought information from the registrar of companies to find out the ownership patterns of all the companies under probe.

"There may be a lot of benami companies in this as well," officials said.
Not taken any money from Reddys: Sushma

EXPRESS NEWS SERVICE
NEW DELHI, SEPTEMBER 6

LEADER of Opposition in the Lok Sabha Sushma Swaraj on Monday said her “blessings for the controversial Reddy brothers from Karnataka were only for their political contribution”. She was interacting with women journalists here.

Answering questions about her patronage to them, she said, “I stood by the Bellary brothers as when I went to Bellary to contest against Sonia Gandhi, the constituency was a Congress bastion. The party had won the seat 12 times. I breached their fortress. The Bellary brothers later helped BJP not only win the Lok Sabha constituency but also nine of the 10 Vidhan Sabha seats there.”

“In the last 11 years, I have not taken even 1 paisa from them. Not even a single paisa was contributed from Bellary to me. Hence when the party asked me to talk to them to save our government in Karnataka, I used these relations with them,” she added.
After Niyamgiri

Our tribal policy is a mass of contradictions

BIBEK DEBROY

Let us be clear. ST populations do not live in a tribal Arcadia, to which they will return, once Posco and Vedanta are out of the way. The subsistence-level standard of living isn’t one worth returning to.

The core issue should be flagged differently. Why is the average condition of SCs superior to the average condition of STs? Because SCs are geographically integrated and STs aren’t. Lack of integration means lack of connectivity, especially transport connectivity. Without roads and electricity, remaining elements of physical and social infrastructure don’t follow either. Development comes through mainstreaming, not through segregation in enclaves. That’s the lesson everywhere in the world and there is no reason why India should be different. In other words, if implemented properly, Article 243 can lead to decentralised planning and consultation of stakeholders and local communities. (It is a separate matter that the government doesn’t want to do this.) But Article 244 is a bad idea. With integration, some of those isolated villages and hamlets will also disappear as a result of development. That’s inevitable and desirable. Providing social and physical infrastructure there is simply not viable, even if it is done by the public sector.

Since tribal regions are rich in minerals, one should also mention the Supreme Court’s 1997 Samata judgment. The bullet points of that judgment are the following. A gram sabha has powers to prevent alienation of land in scheduled areas and restore unlawful alienation. Minerals must be exploited by tribals themselves (individually or collectively). Ideally, there should be prohibition on exploitation of minerals (through leases) by non-tribals. In the absence of complete prohibition, 20 per cent of net profits must be earmarked for developmental expenditure, reforestation and ecology. The Supreme Court, or any other court, interprets the law of the land. Whether that law furthers the cause of tribal development is a broader question, outside the purview of courts. Are these Supreme Court guidelines implementable? In scheduled areas, they will bar all private mining and tribals do not possess the wherewithal to exploit minerals individually or collectively. With Avatar analogy being used so much, that is Unobtainum.

But right at the end, the Supreme Court did add a further guideline: “Conference of all chief ministers, ministers holding the ministry concerned and prime minister, and Central ministers concerned should take a policy decision for a consistent scheme throughout the country in respect of tribal lands.” What we need is more than a conference. We need to take stock of our entire attitude towards tribal development and principles of segregation, vis-a-vis mainstreaming. The answer won’t be found in Lanjigarh or Niyamgiri. It has to be found in Delhi.

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What does it mean to say that tribal voices will be heard in Delhi only now? “Regular elections to panchayat bodies will be ensured and the amended act in respect of the Fifth and Sixth Schedule Areas will be implemented... The UPA government will immediately review the overall strategy and programmes for the development of tribal areas to plug loopholes and to work out more viable livelihood strategies. In addition, more effective systems of relief and rehabilitation will be put in place for tribal and other groups displaced by development projects. Tribal people alienated from land will be rehabilitated.” That quote is from National Common Minimum Programme (NCMP) of May 2004, and Fifth and Sixth Schedule areas refer to the Constitution.

The Fifth Schedule talks about a “Tribes Advisory Council and confers comprehensive powers on the governor. For instance (and this is just one example): “Notwithstanding anything in this Constitution the governor may by public notification direct that any particular act of Parliament or of the legislature of the state shall not apply to a scheduled area or any part thereof in the state or shall apply to a scheduled area or any part thereof in the state.” And: “In particular and without prejudice to the generality of the foregoing power, such regulations may... prohibit or restrict the transfer of land by or among members of the Scheduled Tribes in such area.” The Sixth Schedule is specific to tribal areas in Assam, Meghalaya, Tripura and Mizoram.

We cannot keep ducking the core issue, indefinitely, Articles 244(1) and 244(2) of the Constitution provide separate governance and administration of tribal areas. There is an inherent conflict with Article 243 and the 73rd Amendment. Yes, but the Bhuria Committee, we have PESA (Panchayat Extension to Scheduled Areas Act) of 1996 and it provides for gram sabhas, but these need not be elected. While there are systems of community ownership and practice and, occasionally, tribal mechanisms of governance too, tribes aren’t homogeneous. Even if they were, does the existence of such traditional systems warrant a completely different form of governance and administration? Principles of governance and administration ought to be the same, whether it is a scheduled area or not. It is one thing to argue there should be decentralised planning in the way one treats development, land, forestry and other natural resource issues. Literacy is only one indicator of development or deprivation. In the 2001 census, female literacy among STs was 15.54 per cent in Bihar. On the literacy indicator, the Northeast is different. But in bulk of the Fifth Schedule areas (Andhra Pradesh, Jharkhand, Chhattisgarh, MP, Orissa, Rajasthan... and even Himachal Pradesh, Gujarat and Maharashtra), assisted government programmes haven’t delivered much and this is starker if one uses non-literacy indicators.

We didn’t need a Posco or a Vedanta to tell us this. Therefore, why wasn’t a tribal voice heard in Delhi earlier? Even if one doesn’t delve into history, there was an Eleventh Five Year Plan document, authored after UPA-1 came into power. The first of its three volumes was titled “Social Justice” and it had an extensive section on STs. This first listed out constitutional safeguards and assisted government initiatives and then told us the following: “Since most of the tribal habitations are located in isolated villages and hamlets in undulating plateau lands coinciding with forest areas, they have limited access to critical infrastructure facilities such as roads, communication, health, education, electricity, drinking water, and so on. This widens the gap between the quality of their life and the people in the country.” There are 2,474 distant forest villages in the country, 893 in MP, 499 in Assam, 425 in Chhattisgarh, and the rest are scattered. The Plan document also tells us: “Though the majority of the tribals are settled cultivators, their farming activity is generally uneconomical and non-viable due to the lack of access to necessary agricultural inputs, specially assured irrigation.” Hence, let us be clear. ST populations do not live in a tribal Arcadia, to which they will return, once Posco and Vedanta are out of the way. The subsistence-level standard of living isn’t one worth returning to.
MANIPURI FASHION IN GLOBAL MARKET

MANIPUR IS not just about highway blockades and insurgency. Thanks to a handloom project jointly launched by the Indian Chamber of Commerce (ICC) and Manipur Development Society (MDS), local fashion designer are gearing up to display their products in Italy and Germany. Nine designs made in the best Manipuri handwoven way have been already shortlisted under the ICC-MDS project for a 15-day trip to Milan and Frankfurt, with state Chief Secretary D S Poonia saying this is just the beginning. Most Manipuri traditional fabrics are environment-friendly as they use natural homemade dyes, he pointed out.

A FISH SANCTUARY FOR MEGLAYA

IN MEGLAYA, traditional tribal Dorbars can do wonders when it comes to motivating the community. Last week, the Dorbar Shnong of Khiehmushut under Khiehnai civil sub-division in the Jaintia Hills district got the community to set up a fish sanctuary upstream Umiurem, a small river that flows through the area. The state’s Fithery Department chipped in with 5,000 fingerlings of different species of fish, while the Dorbar engaged the local people in constructing a check-dam upstream the Umiurem under the MNERGS. The traditional Dorbar had 10 years ago imposed restrictions on unabated extraction and stock-piling of coal in the areas that are under its jurisdiction.

TRIPURA BUILDING SCIENCE VILLAGE

LANDLOCKED TRIPURA has big dreams — the latest being a science village. Vigyan Gram is already beginning to come up on a 9.20 acre plot just outside Agartala, the state capital. Being modelled on the lines of science cities already set up in a few states of the country, the Vigyan Gram at Badharghat, a village near Agartala, will not only have a planetarium, museum, library, botanical garden, bird sanctuary and a science park, but also promises to integrate people of the adjoining villages to reap benefits from it. Needless to say it would be both a tourist attraction and a must-see place for students.

— SAMUDRA GUPTA KASHYAP
Orissa may not give Vedanta another mine

BHUBANESWAR: The Orissa government will find it tough to provide another mining site to Vedanta Resources, which was denied permission to mine bauxite in Niyamgiri Hills, a top company official said on Monday. "The state government in its MoU with Vedanta in 2004 had committed to supply 150 million tonnes of bauxite for its alumina refinery at Lanjigarh," a top company executive said.
THE HILLS ARE ALIVE WITH THE SOUND OF CONTROVERSY

While activists claim the Lavasa hill-town project has flouted several environmental norms, the company insists it has all the necessary permissions from the state government.

LUKASHAN MUKERJI

The township of Lavasa, spread over 25,000 acres, is embraced by seven hills that glisten in the 70-km lakeshore. What is, however, creating ripples in the otherwise placid waters of the lake is a barrage of allegations from environmentalists against Independent India’s first planned hill-town, which is a three-hour drive from Mumbai.

After noted lawyer and former Indian Police Service officer VP Singh, who represents six activists, won a legal notice to the Union Ministry of Environment and Forests (MoEF) over Lavasa violating environmental norms, Environment Minister Jairam Ramesh last week asked Maharashtra Chief Minister Ashok Chavan to look into the allegations.

The crux of the charge is that Lavasa failed to obtain clearance under the Environment Impact Assessment Notification, 1994. The notice filed by Singh claims the developer received approval from the state government’s environment department, whereas the 1994 Notification rests such powers only with the central government, through the environment ministry. The notice also seeks the state government to issue permissions without statutory powers to do so.

“The project has not taken permission under any law,” said Singh, who has directly approached the state government and taken the approval. Singh, who has demanded that work at Lavasa be stopped immediately, has now filed the notices in the Bombay and the Nagpur divisions.

Singh’s notice also states that at some places, construction of the Lavasa hill-town crossed an altitude of 1,100 metres, which is the maximum height allowed for tourism-related projects. The notice was not enough, the project also saw protests by the locals of activists Pedha Parkar. Their main grouse is that the project damaged the ecology of the Sahsauli Hills, an ecological and sensitive area. There were also complaints about project authorities forcibly relocating tribal and village folk from the project land.

The company, however, dismisses the charges. Officials argue that being a tourism project, it does not require environmental clearance from the Union government. They say the project is supported by Maharashtra Tourism Development Corporation and has received “mega project status” from the state. Surendra Pandharipande, chief planner, Lavasa Corporation, says the project was exempted from environmental clearance under Schedule 1, Section 15 of the 1994 notification.

His argument is that since the project was started in 2003, the amendments of 2004 (to the 1994 notification) and revised notification of 2006 did not apply to the project. On the charge of flouting norms in elevation, Pedha Parkar says the project did not carry out any developmental work in areas that were notified as being above 1,000 metres, for which each environmental clearance is required.

RESPONSE


State’s environment dept issued permits without statutory powers to do so.

Construction crossed 1,000-m altitude forched for tourism-related projects.

Project authorities forcibly relocated tribal and village people from the project land.

Company does not own any tribal land, but bought tracts from private owners.

Project wasn’t exempted from clearance under Schedule 1, Section 15 of 1994 notification.

The project did not carry out any developmental work in areas notified as being above 1,000 metres.

Lavasa submitted an environment assessment impact study in 2001 and received in-principle approval from the state government the same year.

On the charges of forcibly evicting tribals, Anandhakumar, senior vice-president, marketing, Lavasa, said the company does not own any tribal land, but bought tracts in negotiations with private owners.

The controversy comes at a time when Lavasa’s parent, BCC, is planning a Rs 5,000-crore initial public offering of shares for the hill-town project. The company plans to file a draft red-herring prospectus for the IPO in a week or two. BCC Chief Financial Officer Praveen Sood said BCC’s stock has fallen over 11 per cent in the last fortnight.

Lavasa, whose revenues went up 94 per cent in the June quarter of FY11 to Rs 161.4 crores and net profit by 87 per cent to Rs 42.9 crores, is planning to start the sale process for the second phase of the project from next month.

The first phase is already sold out, and delays in the execution of the project could hurt the company’s ability to pull in major investors.

Lavasa is also facing challenges from the Narmada Bachao Andolan in the Mahi basin, where the Thapar group’s Aravali-Vasundhara and private investor Vipul Mistry own the real estate. Additionally, eight banks, including Bank of India, Axis Bank, ICICI Bank and financial institutions hold over 21 per cent through convertible debentures. The project’s initial promoter, Agriculture Minister Shardul Pawar’s daughter Supriya Pawar, and her husband, Sidhant Sode, withdrew in 2004.

That the controversy is taking distinct political overtones is evident from the fact that residents of 14 villages included in the Lavasa projects have organized a meeting last Saturday to protest what they described as a “takeover” of the project. Lakshmi Pasalkar, president of the more than 200 Nagrik Vikas Sangh, a body of villagers from the local valley, told reporters they do not want another Singar in Lavasa.

Lavasa, Independent India’s first planned hill-town, is expected to be complete by 2020.
Copper gains for fourth day on shrinking inventories

LONDON: Copper rose for a fourth day in London as stockpiles continued to shrink, indicating steady demand for the metal. Inventories tracked by the London Metal Exchange dropped for a second day after last week sliding below 400,000 tonnes for the first time since November. Stocks fell for a 28th week in a row last week, the longest such streak of declines since August 2004, and are down 21% this year, on course for the first annual retreat since 2004. “Supply will be under constant pressure to keep up with demand in the years ahead,” Dan Smith, an analyst at Standard Chartered in London, said on Monday in a report.
कोल ब्लॉक पर पर्यावरण मंत्रालय
दस से मस नहीं

ईसा बिल्ली (ब्यूरो)। मंत्री पर लोट
रही हिजली उपाधि की स्थापना पर
पर्यावरण मंत्रालय का ‘कोल ब्लॉक’
हटने का नाम नहीं ले रहा है। हैमन
ध्यान के लिए बेचाली बिजली परिस्थितियों
के लिए कोलशाला खुदाया पर पर्यावरण
और नव राष्ट्रीय (स्वतंत्र प्रभार)
नियमानुसार सर्वे नहीं होते नहीं मजबूत
आ रहे हैं।

कोलशाला खुदाया के लिए ‘भो’ और
‘भो भो ऐलिया’ पर समीक्षा को बता
कह थुके पर्यावरण मंत्रालय ने
संसदीय समिति के सामने अपना
पुनःवार्ता एवं केमेन्ट दिया है। इसके
बिजली परिस्थितियों के लिए
कोलशाला जुटाना मुद्दता हो जाएगा।
बुधवार इसका का अप्रैल 2012 तक
सभी को फिल्टरे देने संभव है। समाप्त
ध्यान के यथार्थ मजबूत होने का खतरा
महंते रहा है।