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India, China and Russia will be driving uranium's future

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Land

Jairam to launch rally against govt

Prasad Nichenametla, Hindustan Times

New Delhi, September 28, 2011

Senior minister of the UPA government, Jairam Ramesh, will launch the Jan Samvad Yatra, a yearlong nationwide rally of NGOs, in protest against the government's failure in bringing land reforms in the country. The yatra supported by Anna Hazare will begin from Kanyakumari on October 2 under the leadership of Ekta Parishad president and Anna aide P V Rajagopal.

The rally, which will cover 350 districts and 80,000 km, will be joined by one lakh landless people at Gwalior on way to New Delhi in October 2012. Also, about 800 grassroot organizations will participate in it.

It was in October 2007, following a dharna by 25,000 landless from various states at Ramlila Maidan, that the UPA 1 announced setting up of a national council for land reforms under the chairmanship of Prime Minister Manmohan Singh. A gazette notification had also come in January 2008. But the council never met.

"It is a matter of shame that the Prime Minister did not keep his promise. Our effort now is to make people aware of the injustice meted out to them from decades," Rajagopal, on his way to Kanyakumari, told HT.

Though a committee on State Agrarian Relations and the Unfinished Task in Land Reforms reported the problems and way forward for land ceiling, distribution of surplus, no progress has been made.

Ramesh, who will be at Kanyakumari on October 1 for the inaugural seminar, said he would try to convene a meeting of the council soon. "Some of the reforms they are demanding are important. I'm writing to the PM explaining need for reforms like control of benami transactions, constitution of land tribunals etc," the rural development minister said.

The rally will cover flashpoints of land, water agitations like Plachimada in Kerala, Kudankulam in Tamil Nadu, Bhavnagar in Gujarat, Singur, Nandigram and even north eastern states, Rajagopal said.

http://www.hindustantimes.com/Jairam-to-launch-rally-against-govt/Article1-751343.aspx

UTTAR PRADESH Forest Dwellers & Landless Labour Stage 48 Hour Dharna

Subhashini Ali 1 October 2011

HUNDREDS of poor forest dwellers and landless labourers collected in front of the Railway Station, Mirzapur at noon. Nearly 150 among them were women. They had come from different villages in remote corners of the district – Baghauda, Pachhokara, Rajapur, Sateshgarh, Nanauti, Birlipur, Golanpur, Dhauhan, Kumarthala, Raikal, Kanhaipur, Jungalmahal Karmanpur, Agawa, Bikana, Banjari-Pawari, Sikta, Padariya, Bamuni, etc. About 250 came from the neighbouring district of Sonbhadra. From the Railway Station, a procession was taken out through the streets and bazaars of the town. Scores of people collected on the road and on the rooftops to see this unusual sight of poor people marching with red flags in their hands, shouting slogans like – "Van Adhikar Kanoon lagoo karo, Varna kursi khaali karo". The procession, led by national and state leaders of the All India Agricultural Workers' Union - Suneet Chopra, Ambika Misra, Brijlal Bharti, Ram Kripal, Subhashini Ali and others, ended at the District Collectorate where the 48-hour dharna started on September 21-22.

Mirzapur and Sonbhadra are two of the most backward and poorest districts of Uttar Pradesh. They have a large population of landless workers and forest dwellers but the number of pattas issued under the Forest Rights Act is practically nil. One important reason for this is the fact that the Kols – recognised as STs in neighbouring MP and other States – are not recognised as STs in UP but as SCs. As a result, all forest-dwellers are expected to provide documentation proving residence for more than 70 years which they simply do not have and cannot access. At the same time, they have absolutely no other alternative but to live in the forests, gather forest-produce and also cultivate fields as they have done for generations.

The participants of the dharna had assembled at the Collectorate precisely to press their demands for recognition as forest-dwellers. In the last year or so they have been facing the wrath of the authorities who have used the police and the forest guards to try and evict them. They have responded in many villages by hoisting red flags on their meager huts and organising to face the authorities courageously and successfully. Now some NGOs have also entered the fray. The government is giving them the right to large tracts of land in the name of 'forestation' and they have also joined in the eviction battle. What is most reprehensible is the fact that the administration and the ruling party are actively encouraging large-scale cutting down of trees and smuggling of timber and turning a blind eye to the grabbing of hundreds of acres of forest land by feudal elements, mafia gangs and a variety of 'Sadhus' and 'Babas' who are clearing the forests and building elaborate ashrams. In one case, Swami Agrahananda, tried to forcibly evict poor forest-dwellers and occupy their land but had to retreat in the face of their unity and militant opposition.

The dharna continued into the night and till the late afternoon the next day. There were songs and also dances. And many spoke about their problems, their demands and their determination to cultivate their land at all costs. District leaders Ram Asrey, Suresh, Mithai lal, Shiv Kumar, Chinta and Shyam Devi (AIDWA) and others also addressed the participants.

On the 22nd, a delegation of the AIAWU met the deputy commissioner and handed over the individual applications for pattas of hundreds of forest dwellers. Memoranda regarding MGNREGA, police atrocities and the activities of land-grabbers were also given. A detailed discussion on all these issues was held and the commissioner was also approached. He assured the delegation that he would do whatever was possible to help the poor access their rights.

These assurances were conveyed to those who had gathered. It was decided by all who had gathered there that they would give some time to the administration to accede to their demands but if this did not happen, then they would come in much greater numbers, bringing their animals with them and they would not leave until their right to live in the forests and enjoy its fruits was established.

http://pd.cpim.org/2011/1002_pd/10022011_14.html

Recommendations for the draft LA and R&R bill emerging out of the Main Points of Consensus Arrived at, at the National Consultation on Land Acquisition and Land Redistribution hosted by NCAS (National Center for Advocacy Studies), Pune

LAND ACQUISITION

- The definition of ‘Public Purpose’, for which land could be acquired, is too vague in the draft Bill. Will the acquisition for private companies also come under the definition of Public Purpose? This term must be defined in such a way that all possible activities which are valid get enlisted, and there are no ambiguities of which private companies can take advantage.

The house strongly felt that private profit can in no way be justified as “Public Purpose”.

- There must not be any acquisition without a true, pre-informed and representative Public hearing. There must be a sincere attempt at reaching the illiterate population that cannot be reached by newspapers and internet. The grievance redressal mechanism should be clearly articulated and accessible.

- Though the draft Bill says that if the acquired land remains unused for 5 years, then it will be returned to the original owners. But what will be the terms and conditions for returning such land, is not clear. Again, if at any place land is acquired for a specific purpose, and after fulfilling that purpose some part of land remains unused, then what will happen to that land? This must be clarified and proper procedure for returning such land to the original owners must be laid down.

- The question of Eminent Domain the State over all lands must be resolved. This provision directly conflicts with the provision of PESA, under which the Gram Sabhas have been given the total ownership of land under their areas. The provision of consent of 80% affected persons is problematic. Such decisions should be taken by Gram Sabha with consensus even in non-scheduled areas. Efforts at consensus building should not be given a short shrift.

- The element of coercion evident in the provision for imprisonment and fine for people opposing acquisition do not fit into the spirit of the act and should be done away with.

- Possibility of lease instead of outright acquisition should be explored.

- The bill does not seek any intervention in land transaction in the market. The house underlined the urgency to create mechanisms to check the unbridled growth of speculative capital in the land market which has resulted in distorted land use patterns. A regulatory mechanism and appropriate policy measures are required to check these as well.

- Most agriculture especially those that sustains poor farmers is rain fed. Acquisition cannot merely be justified on the ground that the land to be acquired is not irrigated. It must be justified on other technical grounds including demonstration of lack of any other alternative.

REHABILITATION AND RESETTLEMENT

- The provisions for R&R should apply not on the basis of the area of land acquired but on the basis of the number of people affected. The poor have smaller land holdings, and there is a possibility that many people get affected but do not get the R&R benefits.

- All monetary dispensations mentioned in the act should be clearly linked to the price index in order to avoid loses due to price rise.

- Proposed law is only concerned with individuals, it does not deal with communities. In many areas, especially in scheduled tribal areas, land is owned by communities. The new law must come with clear provisions for compensation and rehabilitation for such cases. In fact it would not be too farfetched to suggest setting up an expert body that acts as a buffer between the uprooted tribal communities and the rest of world, to reduce the trauma that they would face.

- Land is acquired not only by invoking the Land acquisition Act, but also under many other Acts, such as Railways Act, Atomic Energy Act, etc. There is no provision for R&R in those Acts.

Therefore, now it must be legislated that all acquisitions in future will follow the provisions of R&R of the proposed Law.

This must be legislated along with the Act, so that there is no displacement until full and satisfactory rehabilitation and resettlement is completed.

- As far as R&R is concerned, the fundamental principal, that standard of living of displaced people should be better at the new site in comparison of earlier settlements must be included in the new Act. If there are state laws which provide for better dispensation on some counts, the more favourable of the two must be followed.

- The whole displaced community should be resettled at the same place. At the resettlement site, all basic facilities like hospital, school, etc should be provided in advance of resettlement.

- Repeated displacement of the same community should never be allowed as has happened to some tribal communities in the past.

Uprooting people more than once is criminal.

Most importantly, it was felt that the large trust deficit has to be addressed. People would want to know what has been done with the land acquired since independence. Therefore, the govt. must first come out with a white paper detailing the acquisitions and how they have been used. This would reveal the amount of land still lying unused, the misuse and abuse of original public purpose, the scale of profiteering, etc.

Such a paper can only be compiled if the Home Ministry sets up a task force or an institution that is permanently empowered to collect data from across the country on the following:

1) Area of land acquired under the 1894 Land Acquisition Act and all such similar instruments created by different State governments.

2) The number of households displaced.

3) The number of households officially rehabilitated.

4) The number of households displaced more than once.

5) The number of households still to be re-settled, and the date on which they were displaced.

6) The number of cases filed for revision of compensation which were upheld by the courts, directing the authorities to enhance the compensation amounts substantially, etc.

This White Paper must also contain detailed information on the value of assets created in comparison to the value of assets lost. While calculating the value of assets lost, the principle of “replacement cost” should be applied. This principle is logical and rational, and avoids all problems related to undervaluation/biased valuation, depreciation, etc.

[Note: “Replacement Cost” is equal to the amount of money required to buy the same (similar) commodity in the open market].

What is needed is a development Policy, outlining the aim of development, and how the displaced people could be made stake holders in the proposed development. Finally the house strongly felt that the question was far bigger than that of acquisition and rehabilitation. Unfortunately, India still does not have a national policy on Land Use. This lacuna has to be bridged immediately.

http://www.ncasindia.org/sites/default/files/recommendations_from_ncas_pune.pdf

Social responsibility in mining

Sharing the spoils of mineral mining

By Yassir A Pitalwalla Sep 30 2011

Supervision of locals is essential to ensuring social responsibility. The recent announcement by the country’s largest steel maker by capacity, JSW Steel, that it may have to scale down production to 30 per cent of its expanded capacity because it is unwilling to buy iron ore from National Mineral Development Corporation through an op-en market e-auction price, has brought to fore the issues concerning the extractive resources industry.

Be it Vedanta’s plans to mine alumina ore from the Niyamgiri Hills in Orissa or the illegal mining in Karnataka, the extractive resources industry has finally started getting a pushback from civil society. Firms such as Vedanta and the Sajjan Jindal controlled JSW Steel may argue that the pendulum has swung the other way, but that is to be expected if the system is abused long enough.

Indian firms need to take a leaf from their Canadian counterparts who have internalised guidelines for such businesses in consultation with Canadian government and its chambers of business. These guidelines focus on the sustainability of an area over the lifecycle of the asset. "The cardinal principle is that the area should be benefited in a way that even after the withdrawal of the firm, the economy becomes self-sustaining rather than crumbling when the inevitable closure happens," a top Canadian government official told this writer.

In India, we have had a wide variance of practices among firms. Essentially, the pushback from civil society has to do with the fact that while the benefits are internalised by these companies, the negative fallouts of the activities are borne by society at large rather than taken care of by the firm.

In the case of JSW one can argue that the firm should have been careful about where it sourced its iron ore supplies from and whether the suppliers were being socially responsible. Instead, it chose to go with the letter of the law and ensure the purchases were billed for and paid for via an auditable trail. JSW, like other firms, has gotten used to supply of raw materials at below market prices in the garb of long-term contracts. Since these minerals are owned by the state and held in custody for the citizens, sale of such resources at below market prices to privately-owned firms results in a transfer of pub-lic wealth to select private individuals. Just like global steel firms, who have become used to buying ore from mining majors such as Rio Tinto and BHP Billiton on monthly or at best quarterly contract prices, Indian steel makers and manufacturers of other metals also realise that they cannot have a situation where inputs are supplied to them at artificially depressed prices while finished products are sold at market prices allowing them to earn super normal profits.

The state and local governments also need to get their fair share of taxes and fees based on prevailing market prices. Fuller revenues for these mineral resources would allow mining firms to put aside enough reserves for remediation and mine closure and ensure that they do not cut corners when it co-mes to sustainable mining. A number of mines are accused of cutting corners by dumping the burden in dangerous ways that sometimes results in landslides and damage to life and property. Leaching of minerals from such sites also tends to pollute precious groundwater resources causing damage to the environment and health. By externalising these costs to people who do not benefit from the resource extraction, their lives are left even more impoverished.

In the case of Vedanta's aluminium operations at Orissa, the area from where the ore is sought to be extracted is considered as sacred by the Dongria Kondh tribals of the area. A resettlement of these tribals and destruction of what they consider holy cannot be compensated in monetary terms. These marginalised communities are being asked to give up their cultural identity and become part of a monoethic whole. For a society and a constitution that so deeply values and encourages diversity that would indeed be an irreparable loss.

Even firms such as Tata Steel, considered to have excellent values of corporate social responsibility, have something to learn from Canadian practices. Those guidelines focus on trying to make the surrounding population self-sufficient rather than dependent on the mining company for social infrastructure. Thus, when the mine eventually closes down, the area does not become a dysfunctional eyesore but continues to prosper.

The Mines and Minerals Development Regulation Bill may be motivated by much the same concerns, that is, ensuring a stake of the project affected people (PAPs) in the spoils of what is mined. It proposes that coal miners share 26 per cent of their profits with PAPs while other miners would share a sum equivalent to the royalty payments to authorities. Additional cess to state and central governments has also been proposed. However, unless there are effective mechanisms to involve these people in monitoring the extraction of resources, it remains to be seen whether the gains would be shared as intended. Supervision of affected locals is esse-ntial in ensuring revenues are properly booked and, unlike illegal mining, the correct revenues are booked. Similarly, local supervision can ensure that there is no gold plating or inflation of expenditure to siphon out profits and reduce the share of the PAP's.

Ultimately businesses have to realise that having an industrial license is not enough. They also need to get social license by ensuring that pr-ivate gains are not made by ext-ernalising co-sts to those who are not beneficiaries. This ultimately is the lesson from across the country, ranging from Niyamgiri to Goa to Singur & Tamil Nadu.

http://www.mydigitalfc.com/news/sharing-spoils-mineral-mining-046

World Bank to India: Sell off excess public land in cities

Nauzer K Bharucha, TNN Sep 27, 2011, 10.39 am IST

MUMBAI: The World Bank has suggested sale of excess public land in Indian cities to fund infrastructure projects. Collaborating with the India Development Foundation and the Public Private Infrastructure Advisory Facility, the World Bank has formed a steering committee headed by Vijay Kelkar, chairman of the 13th finance commission, to formulate a proposal on monetizing excess public land.

Earlier this month, the bank's India director Roberto Zagha Patricia Annez met stakeholders, town planners and urban experts in Mumbai and sought their advice on safeguarding affected communities and transparency in transactions.

The bank's policy is that land has always served as an instrument of urban infrastructure finance. It cited the example of Istanbul, where an abandoned municipal brewery and bus stand were sold for nearly $2 billion (around Rs 9,000 crore), double the investment budget of that city. However, a bureaucrat dismissed it as a "bad proposition" and said it is "like selling the family silver".

http://articles.economictimes.indiatimes.com/2011-09-27/news/30208287_1_world-bank-13th-finance-commission-cities

Forests

Compensatory afforestation has not worked, says a new study

Chetan Chauhan, Hindustan Times

New Delhi, September 27, 2011

A new study supported by the Green Party of Germany finds that compensatory afforestation has not taken off in many cases and forest conservation rules have helped industry more than environment. The report funded by the Heinrich Boll Foundation of the Green Party comes at the time when the environment ministry is framing new guidelines to streamline the process to clear projects in forest areas, in the wake of pressure mounted by infrastructure ministries such as Coal, Power and Steel.

The report examining India's 30 year old forest conservation regime says that forests were being treated as a "commodity" and regulations have been used to help the industry and displace local communities, thereby defeating the purpose of forest conservation programmes.

The report, Banking on Forests: Assets for Climate Cure?, also analyses the possible impact of Reduced Emissions from Deforestation and Forest Degradation (REED) on Indian forests in wake of allowing diversion of forestland for non-forest purpose without sound compensatory mechanism.

Under REED, the United Nations has proposed providing money to developing countries to protect forests, which sequester carbon emissions. It would mean a company in UK would be able to buy carbon sequestered in a forest in Madhya Pradesh and the money generated can be ploughed for welfare of the locals.

The report says the similar regime of providing conservation benefit to communities, whose forests have been diverted since 1980, has not worked.

"Several decisions of the forest bureaucracy to allow mining or other construction in protected areas from whom people have been displaced and to encourage tourism in forests where grazing or other livelihoods have been brought to a halt are made to seem rational and complaint with the objectives of conservation and sustainability," the report said.

In Chandrapur district of Maharashtra, the forest administration had handed over the forest area created and managed by it and the local community for Human Dam saying the project will be more beneficial for locals than forest. "The very same consequences are likely to occur to the forests created or conserved as carbon stocks," the research done by Kanchi Kohli and Manju Menon of Pune based NGO Kalpvariksh said.

The environment ministry, in the recent Group of Ministers, agreed to formulating new guidelines to streamline forest clearance process.

Already, over eight lakh hectares of forestland has been diverted for non-forest purpose since 1981 on condition of compensatory afforestation, but the report says the mechanism has not worked well.

http://www.hindustantimes.com/Compensatory-afforestation-has-not-worked-says-a-new-study/Article1-750886.aspx

Coal, Lignite and Thermal Power

Coal India may invest up to Rs 40,000cr in 12th Plan

Oct 2, 2011

New Delhi: State-run Coal India today said it may invest up to Rs 40,000 crore in the 12th Plan Period ending 2017 towards mines' development for augmenting production.

"We will spend anything between Rs 35,000-40,000 crore in the 12th Plan Period for development of new projects, buying machinery and building washeries, among others," CIL Chairman N C Jha told PTI.

Jha said that against the company's investment target of Rs 35,000 crore during the 11th Plan Period, CIL might end the five-year period with an actual investment of less than Rs 25,000 crore.

State-run Coal India today said it may invest up to Rs 40,000 crore in the 12th Plan Period ending 2017 towards mines' development for augmenting production.

"There were lot of bottlenecks because of which we could not move ahead with our entire investment proposals in the 11th Plan Period," he said, adding that during the 12th Plan, the production target is more which warrants more investment.

Jha said CIL has set a production target of 556 million tonne by 2016-17 against the country's projected demand of 965 million tonnes in the terminal year of the 12th Plan Period.

"Overall, country's coal production, including by captive miners, is likely to be 700 million tonne by 2016-17. So, we will have to import the remaining to meet demand," he said.

The CIL chief said that overseas coal assets acquisition programme of the company was not moving ahead as was expected and hence, the focus of the company in the next Plan Period would be on developing mines within the country.

CIL had earlier announced that it plans to put up 20 new washeries with a combined capacity of 111.1 MT. It has 17 such washeries now.

Meanwhile, Jha said that the 452 million tonne production target of the company for current fiscal would be met despite lower production till September, compared to the same period last year, because of excessive rains.

“I hope things will be better after October and there will be no shortfall,” he said.

http://www.firstpost.com/business/coal-india-may-invest-up-to-rs-40000cr-in-12th-plan-97465.html

Commercial coal mining set to make covert entry

Parul Chhaparia, Subhash Narayan

Thursday, Sep 29, 2011 at 0142 hrs IST

New Delhi: Stumped by political opposition to letting private companies into commercial coal mining, the government has found a way to achieve almost the same without having to face Parliament. It is planning to allot captive coal blocks to private miners like BHP Billiton, Rio Tinto and Sesa Goa on the condition that these firms have tied up with approved end users for supply.

Currently, captive blocks are allotted only to end-users like cement, steel and power companies. The move is expected to bridge the widening demand-supply mismatch for coal, leading to a surge in imports which are expensive.

Commercial coal mining was nationalised in the early 1970s and is not open to private firms. State-owned Coal India, which went public early this year, produces over 80% of the country's coal output (433 million tonnes in 2010-11). A few public sector entities like state power companies command over 10% and private end users the rest.

Under the captive mining policy, which has received a recent push, coal blocks are offered the private players in approved end-user segments like cement, power, steel, syngas and liquefaction. These firms, in turn, are free to form joint ventures in mining. Even under the auction route, only these sectors are eligible to participate.

“We have agreed to get fresh legal opinion on allowing independent mining firms to take part in auctions for captive blocks,” said a coal ministry official.

“Once we get clarity from the law ministry, modalities to let independent mining firms bid for captive coal blocks would be included in the guidelines on auction of coal blocks,” said the official. An earlier opinion from the attorney general had encouraged government to include mining firms in auction of captive coal blocks.

The proposal aims to end shortage of domestic coal with larger private sector participation. As per an assessment by the Planning Commission, India will need to import 200 million tonne of coal by 2017 as domestic production won't be unable to meet industry demand.

The proposal has already been endorsed by the committee on allocation of natural resources headed by former finance secretary Ashok Chawla and approved by the finance ministry and a committee headed by the secretary, department of economic affairs.

There is wide approval that independent miners could be allowed in captive blocks without interfering with the provisions of the Coal Mines (Nationalisation), Act, 1973.

“Coal should be treated as an industry and companies given full access, not a conditional nod. It would be difficult to participate in an auction without doing a self-assessment of coal blocks,” said an official of a multinational mining company who did not want to be identified.

The government has earlier considered liberalising the coal sector by opening it for commercial mining, but is fearful of a possible backlash from workers and opposition from political parties. “The move will provide yet another avenue for private sector involved in mining activity. It will help bring new mining technologies and step up investment,” said an expert in the sector.

Changes in captive block allotments will let independent miners strike supply contracts with more than one approved user. They will also have the freedom to charge market rates for their coal. As 100% FDI is allowed in captive coal mining in specified sectors, it will apply even if the block is operated by a mining company and user companies.

Since 1993, over 208 coal blocks holding around 50 billion tonnes reserves have been allocated for captive users. However, only about 30 blocks have started production, mining just about 40 million tonnes of coal against the potential of over 200 million tonnes.

Planning Commission estimates that domestic coal production will grow to 770 million tonnes by 2017 on the basis of projected annual growth of around 7%; but by then, demand would soar to 1,000 million tonnes, requiring companies to import 200 million tonnes. For the current Plan (2007-12), the Commission had earlier estimated that coal production will reach 680 million tonnes by 2011-12, but the estimate was later scaled down to 630 million tonnes in a mid-term appraisal. Later, it was revised further down to 554 million tonnes.

Production shortfall in the current fiscal, the final year of the 11th Five-Year Plan (2007-12), is projected at 142 million tonnes, with domestic output likely to touch 554 million tonnes.

http://www.financialexpress.com/news/commercial-coal-mining-set-to-make-covert-entry/853364/

Iron Ore, Iron and Steel

Buyback should be avoided, say market participants

N Sundaresha Subramanian / Mumbai September 29, 2011, 0:43 IST

The government's move to buy back shares would affect public sector companies hungry for capital to fund their expansion plans, say marketmen.

Amit Tandon, former managing director of Fitch Ratings and co-founder of Institutional investors advisory services, said the move was not good for companies which have capital expenditure plans laid out. "For companies like SAIL and ONGC, which have laid out huge expansion plans and are in need of capital, diverting of resources to buy back own shares is debilitating. This needs to be certainly revisited. Many Navratnas have enough plans laid out. On the other hand, if companies are sitting on huge cash piles and do not know what to do with them, a buyback of shares may be useful," Tandon said.

SAIL would continue to place maximum thrust on capacity addition, for which capital expenditure would be made "with positive and upbeat sentiments", C S Verma had told shareholders in an AGM earlier this week. "Cumulative orders worth about Rs 54,000 crore have already been placed under SAIL's ongoing modernisation & expansion plan to realise hot metal production capacity of 23.5 million tonnes by 2012-13," he said.

In such circumstances, the buyback move would not only deplete existing resources, it would also constrain the companies from raising capital in the future. "It appears to be a desperate move,"said R Balakrishnan, Chennai-based independent adviser, "the move could restrict their ability to raise money for the next couple of years".

While the completion of the offer could take a few months, Sebi rules specify a moratorium of six months for any new fund raising after completion of the buyback offer.

Buyback is one of the many ways available for a company to deploy surplus cash. Paying out dividends is the other form. Most minority investors prefer the latter as it is more transparent and investor-friendly. Last year, Piramal Healthcare chose the buyback route to pay surplus generated by sale of part if its pharma business, much to the discontent of investors.

Unlike in a dividend payout, an investor is not sure of what he is getting. A buyback offer is generally made for a particular number of shares or a particular corpus subject to a price ceiling. If more investors tender shares, the offer is done on a pro-rate basis. Government being the largest shareholder is likely to get the lion's share as it holds over 70 per cent in many large PSUs.

Balakrishnan advises investors to stay back and not to tender in such offer. "If the offer is made at a reasonable price, investors should hold back. If they hold back, since the shares bought back will be extinguished, the stake of residual shareholders will go up" he said.

http://www.business-standard.com/india/news/buyback-should-be-avoided-say-market-participants/450859/

BHP and Rio's output plans for Pilbara reach staggering 750 million Mtpa

Frik Els | September 28, 2011

Mining Weekly reports mining giant BHP Billiton unveiled plans on Wednesday to increase its iron-ore production in the Pilbara region – the heart of Australia's iron ore mining – to 450 million tonnes a year by adding infrastructure and building new mines.

BHP's current iron-ore production capacity is 155 million tonnes a year in the Pilbara, while rival Rio Tinto's capacity is 225 million tonnes a year. Rio Tinto announced a fortnight ago that it wants to grow output to 333 million tonnes by 2015.

Mining Weekly reports BHP estimated that its production target of 350-million tonnes a year could be reached by 2020, with no official date given for the 450-million-ton-a-year target.

The Age reported earlier in September Rio Tinto will spend $833 million on power and fuel infrastructure under plans to increase iron ore production in the region by 50% to 333 million tonnes per annum (Mtpa) by the first half of 2015.

http://www.mining.com/2011/09/28/bhp-and-rios-output-plans-for-pilbara-reach-staggering-750-million-mtpa/

Vizag Steel unions oppose disinvestment

The Hindu, Visakhapatnam, Sept 30:

BL reported that all the unions in the Visakhapatnam steel plant met on Friday and passed a resolution urging the union government to give up the disinvestment proposal, as there is no necessity for such a move and the steel plant here has been set up after an agitation by the people of the State.

The union leaders said 32 persons had lost their lives in the agitation, taken up during the sixties, and, therefore, any attempt to offload stake in the PSU or to privatise it would be resisted.

Mr D Adinarayana, the president of the Visakha Steel Workers' Union and Mr N Rama Rao, the general secretary, said the Government was planning to offload 10% of the stake and mop up INR 480 crores or so, but it was totally unnecessary.

They said "The steel plant is currently expanding its capacity from 3 million tonnes to 6.2 million tonnes and is expending INR 12,000 crores out of its internal accruals. The plant is in a sound financial position and there is no need to do it. The government has taken a policy decision on disinvestment and is applying to the steel plant here. It is entirely unacceptable to us and all the other unions. We will fight the move, which is a prelude to privatisation."

They also criticised the union government and the state government for not allotting captive iron ore mines to the Visakhapatnam steel plant, in spite of repeated appeals from the plant authorities, the local political leaders and the unions.

They said "The lack of captive mines is pushing up the cost of production and making it very difficult for the plant to compete with others in the market. Instead of concentrating on the vital issue, the union government is taking up disinvestment move."

They said the steel plant employees had staged demonstrations against the move and sent representations to the union government, and if necessary they would not hesitate to strike work. They expressed the hope the Government would heed to their pleas.

Mr D.P Sarma, of the Hind Mazdoor Sabha, said the Union Government should allot captive iron ore mines to the steel plant on a preferential basis and there should be no bidding. He said the disinvestment move should be opposed by all unions.

Mr V.V. Rama Rao, CITU, Mr Gangadhara Reddy, AITUC, Mr M. Rajasekhar, INTUC, and other union leaders spoke.

www.thehindubusinessline.com/companies/article2500988.ece

Nuclear Energy

India, China and Russia will be driving uranium's future

Michael Allan McCrae - MINING.com Editor | September 26, 2011

Although nuclear power's future may be hampered, significant expansion of nuclear power capacity is expected in non-OECD countries, especially in China, India and Russia, according to the U.S. Energy Information Administration.

The government agency released its International Energy Outlook 2011 last week.

"China, Russia, and India account for the largest increment in world net installed nuclear power from 2008 to 2035: China adds 106 gigawatts of nuclear capacity over the period, Russia 28 gigawatts, and India 24 gigawatts."

The reports projects that 75 percent of the world expansion in installed nuclear power capacity will occur in non-OECD countries.

The report argues that several factors are weighing on wider adoption of nuclear power, namely the high upfront costs, technological hurdles and poor public opinion of the sector since the disaster at Japan's Fukushima Daiichi nuclear power plant. Nuclear power capacity has been curtailed in a number of countries.

“. . . Germany, Switzerland, and Italy have already announced plans to phase out or cancel all their existing and future reactors. Those plans and new policies that other countries may adopt in response to the disaster at the Fukushima Daiichi plant, although not reflected in the IEO2011 projections, indicate that some reduction in the projection for nuclear power should be expected.”

http://www.mining.com/2011/09/26/75-of-future-nuclear-power-expansion-will-occur-in-china-russia-and-india/