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Vedanta urges Odisha to secure bauxite for refinery survival

Vedanta today urged the Odisha government to secure bauxite in order to make its Kalahandi-based refinery survive against all odds in the international aluminium market.

"Our submission before the state government is very clear. We have told them...Please secure bauxite as early as possible for survival," Vedanta Resource Plc. Tom Albanese told reporters after his team met Odisha Chief Minister Naveen Patnaik here this evening.

The aluminium major which has a "world class" refinery and a "world class smelter" in Odisha, during discussion with the chief minister pointed out that they have no bauxite reserve to run the facilities.

The company has already announced that it has started the process of closure of the refinery due to acute scarcity of the raw material though its 1 MTPA plant sits on the bauxite reserve in Kalahandi and Rayagada districts.

Asked about any assurance from the Chief Minister, Vedanta CEO Albanese said: "We had a very positive discussion... Therefore, we are optimistic that some... solution will come out to resolve raw material crisis."

While terming the raw material crisis at its Lanjigarh refinery plant as "very serious", Albanese said the company has been incurring huge cash loss.



"We are sustaining cash loss on each ton of alumina being produced at Lanjigarh," he said.

He said that the company had been struggling for the bauxite since its inception.

"Ten years of struggle is certainly a long period," he said to a question whether they would continue in business banking on the "positive mood" at the meeting.

India's GVK wins court fight over Australian coal mine

Green groups lost a fight to stop billionaire Gina Rinehart and India's GVK from building a giant coal mine in Australia, as a court on Friday dismissed an appeal against the state of Queensland's environmental approval for the project.

Conservation group Coast and Country, originally working for three farmers, had sought to have the state environmental approval for GVK-Hancock's 30 million tonnes a year Alpha mine overturned based on the impact it would have on water supply and climate change.

The state Land Court last year ruled that the mine should be approved with strict water management conditions or rejected.

But the green group appealed that decision to the Supreme Court saying the Land Court did not have the right to issue two alternative recommendations and should have rejected the mine outright.

The Queensland Supreme Court dismissed the appeal on Friday.

The ruling eliminated one hurdle for the \$10 billion Alpha mine, rail and port



project, which has effectively been put on ice until it obtains a mining permit and overcomes a lack of funding due to a slump in coal prices.

"We are pleased the court has clearly ruled that our project has continued to follow and comply with all regulatory and legal processes," GVK spokesman Josh Euler said.

The state government, which wants new mines to be developed in the untapped Galilee Basin to promote jobs, has yet to issue a mining permit for the Alpha project, but has said it would be subject to existing water management rules.

The Supreme Court decision was a blow, said Bruce Currie, one of the farmers represented in the case.

"Justice has not been done. If this mine goes ahead, it risks draining away the groundwater that our lives and businesses depend on," Currie told reporters outside the court in Brisbane.

The Queensland Resources Council on Friday launched an advertising campaign urging communities to sign a petition calling on the state to protect mining jobs against green groups looking to delay new projects.

The Alpha project is 50-50 owned by Rinehart's Hancock Coal and GVK, with a small portion of GVK's stake owned by GVK Power & Infrastructure.



Coal ministry seeks exemption from forest clearances

The ministry of coal has sought an exemption from forest clearances in prospecting for coal to help boost production of the fuel.

If accepted, the move, which is currently being considered by the environment ministry, would potentially cut delays in coal exploration.

Some of the trial studies conducted jointly by the environment ministry and the Central Mine Planning and Design Institute (CMPDI) have, however, shown that drilling operations for exploration in some forest blocks affected movement of elephants and had an adverse impact on herbs and medicinal plants.

The findings may make it difficult for the environment ministry to give the coal ministry general approval for such exploration.

The issue was discussed in a 10 July meeting of environment minister Prakash Javadekar and coal minister Piyush Goyal. In the meeting, it was decided that the environment ministry's forest advisory committee (FAC), a statutory body for forest clearances, will consider the proposal.

The coal ministry has been seeking general approval for exploration of coal in forest areas for years citing delays in approvals. "The process has got a solid push under the NDA (National Democratic Alliance) government," according to a senior environment ministry official, who did not want to be named.



“It is primarily because the environment ministry has given several general approvals for infrastructure projects in border areas citing national interest. And the argument with coal is that it is also important for nation’s growth and thus should be given general approval too,” the official explained.

Drilling of boreholes is undertaken to assess coal reserves in a particular area because they then form the basis of mining plans and formulation of project reports. It usually involves drilling of 18-20 boreholes per 10 sq. km.

The move, however, doesn’t find support from environmentalists.

“General approval, if given, would be a direct violation of the forest rights Act. It is going to result in conflict with lot of other environmental laws too and going to a big disaster. It is also in conflict with rights of tribal and other forest dwellers living in such forests,” said Tushar Dash, an Odisha-based environment researcher. “Forests are already under huge pressure in the name of development.”

While the coal ministry’s contention is that the environment ministry should exempt it from seeking forest clearance for prospecting minerals under the Forest (Conservation) Act, 1980, the latter says that as drilling may require felling of trees, it requires forest clearance.

“Construction of roads for allowing transportation of drilling rigs to bore hole sites would require roads and thus needs to be properly examined,” the environment ministry official added.



According to the coal ministry and CMPDI, there are 70 pending proposals seeking approval under the Forest (Conservation) Act before various state governments.

