

COAL FROM ACROSS KALA PANI

Dear Friends,

The future, indeed, is a funny place. And predictions about the future are as dependant on the prevailing mood today, as on anything else. Take for example predictions about India's steel making capacities. When the then President had unveiled his grand vision of 2020 with a hundred million tons of steel, skeptics were many. Yet, as the "mood" swung, the predictions shot up, way up to 300 million tons, only to be dealt a body blow as we all changed our mood, from over optimism to abject despair.

Similar are projections about our energy needs and other critical areas of National concern, or at least, areas that should of National concern as the economy moves steadfast on the face of a crisis of global proportions. However, the heartening thing is that there is a broad consensus around the fact that coal availability is attaining criticality. While we have thermal coal in abundance, we do not have enough metallurgical coke to sustain our steel dreams and it is imperative that we look out and acquire resources assets with a view towards securing our supplies.

The idea is not new, but about a decade old and steps were initiated with much fan fare many years ago. But like so many other things that just doesn't happen, it too died a quiet death. **Coal Videsh**, the world's largest coal company, Coal India's maiden venture in the direction lays buried in moth eaten Government Files, tied with yards of red tape. The reason? Some say political apathy. Others, sheer corruption. While some blame bureaucratic lethargy.

Its next avatar, **Coal Ventures International (CVI)** " is a recently promoted Special Purpose Vehicle with proposed equity base of USD 0.9 billions, Debt USD 1.8 billion funds from private equity funds, venture capitalists, etc as required", lists as its objective, " CVI intends to acquire Metallurgical Coal and Steam Boiler) coal Assets in selected countries of the world". Now look at the promoters:

- **Steel Authority of India Limited:** Largest producer of iron & steel in India. Present production level 14 million tonnes and estimated 56 million tons by 2020.
- **Rashtriya Ispat Nigam Limited:** Shore based integrated steel plant with a production of 3.6 million tonnes slated to go 16 million tonnes by 2020.
- **Coal India Limited:** World's largest coal producing company. Present production is 361 million tonnes. Projected to touch 651 million tonnes by 2020.
- **National Mineral Development Corporation Limited:** India's single largest iron ore producer. Presently producing 27 million tonnes of iron ore and estimated to increase to 60 million tonnes by 2020.

- **NTPC:** Largest producer of power in India. Commissioned power generating capacity of 29,904 MW with plans to enhance to over 75,000 MW by 2017.all figures from the CVI website).

However, here too, the hyperbole far exceeds the achievements. Apart from regular trips abroad (“Junkets” for the uninitiated), desultory, half hearted moves, and an odd “chalta hai” statement to the media, nothing concrete has been achieved. And this at a time, when resource assets are available at attractive valuations as fallout of the global meltdown and corporate India is running helter- skelter to secure its supplies.

Another classic case that points out just how incredible, India really is!

Do write back with your suggestions, comments, and brickbats. They help us hone our skills only to make the journal a better read with more retention value.

Happy reading.

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