एनएमडीसी का मुनाफा 22 प्रतिशत बढ़ा

एनएमडीसी (एनएमडीसी) ने नवंबर 31 को समाप्त की तिमाही में 1,858.81 करोड़ रुपए का सुदर मुकाबला कमाया जो पिछले वर्ष की हसी अवधि में 1,518.03 करोड़ रुपए की कुल में 22 प्रतिशत अधिक है। नए ट्रेड टूर्न पर नए रुपए के लिए एक आपूर्ति व्यवस्था देने का प्रयास भी की है।
Call on iron ore canalisations after polls

Commerce ministry move draws fire from mining companies, but steel makers may favour it

Even as the mining industry and chambers of commerce have opposed the Union commerce ministry's proposal to partially canalise iron ore exports, the move is likely to come before the Cabinet for discussion next month.

According to sources, the ministry is waiting for elections to conclude in five states, including Goa, which contributes a large chunk of India's low-grade iron ore exports.

"The Cabinet is likely to discuss the issue of canalisation of high-grade iron ore (above 55 per cent ferrous content) before the budget session," the sources said.

In December, the commerce ministry floated a Cabinet note favouring canalisation of high-grade ore through state-owned Minerals and Metals Trading Ltd (MMTC). It left open below 55 Fe grade under an open general licence, with the aim of curbing illegal mining. The move comes after the M B Shah commission of inquiry recommended a total ban on export of iron ore.

The Cabinet note says export of ore with over 55 per cent ferrous content can be canalised through MMTC, which is to get one per cent of the value as commission. The ministry's proposal has been severely criticised by various sections of the iron and steel industry.

While mining companies and nongovernment organisations have termed the step retrograde and disastrous, steel companies have opposed only partial canalisation. "Leaving out low-grade iron ore from canalisational would give an undue advantage to miners from Goa, who mainly export low grade iron ore," steel industry sources said.

India currently exports about 100 million tonnes of iron ore annually. Of this, Goa contributes a little over half. In 2010-11, Goa exported 54 mt, of which 40 mt were of 55 per cent Fe grade and less. "Partial canalisation is retrograde and will not curb illegal mining. In fact, it will indirectly further aggravate corruption, as there are high chances of under-invoicing and diluted declaration to avoid canalisation," industry sources said.

The Federation of Indian Mineral Industries (Fimi), apex body of the mining industry, has strongly opposed the move. They say the time and money they've put into cultivating the export market would go waste. In a representation, it said, "In the international trade, even MMTC will have to sell its iron ore through other trading houses to steel mills in China, as they do in the case of Japanese steel mills. MMTC sometimes also sell to its own trading houses based in Singapore, the rationale for which is not well understood. Indian mine owners have overtime developed the skill to extract the maximum price and also export through these. Re-canalisation of iron ore in this manner will not give the country mileage."

Fimi says mining companies which have cultivated the export market with a lot of expenditure of time and money should be allowed to continue directly. Only the ore mined by owners without the wherewithal and depending on local middlemen or traders should be exported through MMTC, said D V Pichanathu, director, Fimi South.

Vinod Nowal, director and chief executive officer of JSW Steel, said at a time when the Indian steel industry is rapidly expanding capacity, there is need to preserve ore for domestic mills and avoid export of raw material.

"In future, we may have to import steel in big quantities. Instead of canalising export of high-grade iron ore and importing finished steel products, it would be better for the country to totally stop export of ore and export finished steel products," said Nowal, also president of the Bangalore Chamber of Commerce and Industry.

"We have long advocated a ban on export of iron ore. If the government does not want to halt it completely, they should at least include all grades of iron ore. Canalisation is the least of the evils and we urge the government to immediately open an office of MMTC in Goa to regulate the export because the government of Goa does not know how to regulate the exports of illegal ore," said Claude Alvarez, director of Goa Foundation, which has been campaigning on the issue.
PRICE CARD

As on Feb 1

<table>
<thead>
<tr>
<th>METALS ($/tonne)</th>
<th>International</th>
<th>Domestic</th>
<th>%Change</th>
<th>International</th>
<th>Domestic</th>
<th>%Change</th>
</tr>
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<tbody>
<tr>
<td>Aluminium</td>
<td>2,257.4</td>
<td>7.9</td>
<td>2,558.8</td>
<td>2.3</td>
<td></td>
<td></td>
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<tr>
<td>Copper</td>
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<td>10,067.9</td>
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<tr>
<td>Nickel</td>
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<td>23,209.3</td>
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<td></td>
<td></td>
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<tr>
<td>Lead</td>
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<td>2,545.9</td>
<td>6.1</td>
<td></td>
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<tr>
<td>Tin</td>
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<td>27,095.8</td>
<td>1.1</td>
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<tr>
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<td>2,638.5</td>
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<tr>
<td>Silver-HR (Rs/kg)</td>
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<td>-2.0</td>
<td>882.2</td>
<td>-1.2</td>
<td></td>
<td></td>
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<tr>
<td>Gold (Rs/ounce)</td>
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<td>1.7</td>
<td>1,775.6</td>
<td>3.6</td>
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<td></td>
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<tr>
<td>Silver (Rs/ounce)</td>
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<td>1.8</td>
<td>35.4</td>
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</tbody>
</table>

ENERGY

Crude Oil ($/bbl)    | 111.4*        | -2.3     | 109.9  | 2.9           |          |        |

Natural Gas ($/MMBtu) | 2.4*         | -36.5    | 2.5    | -36.2         |          |        |

AGRI COMMODITIES ($/tonne)

Wheat                | 259.2         | 14.2     | 254.3  | 14.5          |          |        |

Maize                | 276.8*        | 4.0      | 250.6  | 13.1          |          |        |

Sugar                | 628.9*        | -7.6     | 625.2  | 2.8           |          |        |

Palm oil             | 1,062.5       | 5.3      | 1,199.4| 6.1           |          |        |

Rubber               | 3,982.1*      | 7.1      | 3,850.2| -10.3         |          |        |

Coffee Robusta       | 1,821.0*      | -0.8     | 1,126.0| 1.2           |          |        |

Lentils              | 2,064.4       | -5.9     | 2,087.2| -7.4          |          |        |

Notes:

1) International market is CIF spotunless and domestic market is H/C spot unless noted.
2) International prices of basic metal is domestic market price where applicable.
3) International and domestic prices are FOB skinless in mills/tonne.
4) International and domestic prices are FOB spot unless otherwise mentioned.
5) Information on wheat, maize, sugar and coffee is based on latest month's prices.
6) International futures are in USD/MT for wheat and maize, and USD/MMBtu for all other commoditites.
7) International futures are in USD/MMBtu for gas.
8) International futures are in USD/MMBtu for all commoditites.

BALTIC EXCHANGE INDICES

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<tr>
<td>Baltic Dirty T</td>
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</table>

ELECTRICITY TRADING AT IEX

Market price in ₹/MWh
CG taps low-cost markets for raw materials

BS REPORTER
Mumbai, 1 February

Weighed down by eroding profits and a sharp fall in margins, Crompton Greaves is taking steps to make its operations leaner and improve plant capacity. It posted a 67 per cent fall in profits in the December quarter, largely on account of higher commodity prices and slump in the European business. It has begun sourcing raw material from low-cost markets and is developing a supply chain in China for metals, such as copper.

The rise in prices of copper (10-12 per cent), steel (six-seven per cent) and aluminium impacted the company. These constitute 40 per cent of raw material costs. Managing director Laurent Demortier told investors the company was adopting various steps to improve margins. "The margin recovery plan is underway. Our plan to source material from low cost countries is working and we are expecting benefits," Demortier said.

"We have been able to save about 650 crore in this quarter because of sourcing from low cost markets," said Madhav Acharya, chief financial officer. Besides, the company has decided to reduce inventory stock to make operations leaner. Along with its cost rationalisation exercise, it is adding capacity to factories in India and Indonesia and setting up a plant in Brazil.
NMDC Q3 net profit up 22.45%

NMDC has reported 22.45 per cent growth in net profit to Rs 1,650.81 crore for the quarter ended December 31, largely due to higher realisation from the iron ore sales and interest income. Net sales of the company stood at Rs 2,821.95 crore during the quarter, 7.68 per cent increase from Rs 2,621.22 crore last fiscal. The profit was boosted by higher interest income of about Rs 525 crore, earned on company's deposits and increase in ore prices.
India, China cooperate to make high seas safe

New Delhi, Beijing join Japan in escorting merchant ships across waterways

NEW DELHI: Notwithstanding the simmering tension between them, India and China have begun to cooperate in the high seas to ensure safe passage of merchant vessels with optimal use of warships from both sides, which in turn saves resources for both.

Navies from the two neighbouring countries had a face-off in the South China Sea region of the Indian Ocean when an English-speaking caller identifying himself as the PLA Navy official asked INS Airavat to move away from the South China Sea.

The unprecedented warning ruffled many diplomatic feathers as it came immediately after Beijing’s objections to India’s offer of assistance to Vietnam to explore oil resources off Vietnam coast.

Since January 1 this year, warships of India, China and Japan are sharing their rosters before escorting commercial ships through the piracy-infested 490 nautical miles long internationally recognised transit corridor in the Gulf of Aden.

The purpose was to maintain adequate gap between two convoys so that every warship’s escorting capability can be put to best use, said Monty Khanna, assistant chief of naval staff in charge of foreign cooperation and intelligence.

Since 2008, Indian Navy is sending warships in the Gulf of Aden to a provide safe passage for merchant vessels. So far, Indian Navy escorted more than 2,000 vessels, out of which more than 1,500 are foreign flag ships. India along with China, Japan, Russia, Thailand and Singapore are independent countries who are not part of any patrolling group like Task Force 151, TF-465 and TF-508 under the respective leadership of USA, EU and NATO.

The two neighbours’ focus is on ensuring safe passage to the merchant vessels with best use of their naval capabilities.

The problem

As India, China and Japan were setting up their own schedules, it created a problem for many merchant ships. There were days when no escorting vessel was available from any of the three countries as they either departed within a short span of time and merchant ships had to wait or were on their return way.

The merchant shipowners complained to a regional working-level body called Shared Awareness and Deconfliction (SHADE) in Bahrain asking the independent players to coordinate among themselves.

All key sea-faring nations are SHADE members.

The convoy coordination group under SHADE took up the issue with New Delhi, Beijing and Tokyo.

After rounds of discussions in the last six months, it has now been decided that India, China and Japan will share each other’s roster three months in advance through SHADE for ensuring safe passage of maximum number of ships with one escorting vessel.

The trio was sharing information through a secured SHADE server in Bahrain.

While Indian Navy deploys one warship for patrolling the IRTC, China’s People’s Liberation Army Navy has positioned three ships including two warships. Japanese resource includes one-two ships and an aircraft stationed at Djibouti.

Currently the Indian ship on duty is INS Trishul, which was preceded by INS Godavari.

DH News Service
Mahagenco Drags CIL to CCI for Violating Contract

SHRUTI CHOWDHURY
NEW DELHI

Maharashtra State Power Generation Co (Mahagenco) has dragged the world’s largest coal miner, Coal India Ltd, and its subsidiary to the competition regulator for failing to meet coal supply obligations.

Mahagenco has accused Mahanadi Coal, Odisha’s largest miner and arm of CIL, of delivering sub-standard coal, delaying supplies and abusing its dominant position.

“We have approached the Competition Commission of India (CCI) because we have received no assurance from either the ministries of coal or power for sufficient supplies,” said Subrat Rathi, managing director at Mahagenco, Maharashtra’s largest power generator. “We are at their mercy as there are limitations on the amount of coal we can import for blending.”

At present, Mahagenco has a total installed thermal power generation capacity of 6800 MW, or more than half the state’s total generation capacity. Coal India, through its eight subsidiaries, regulates all policy matters relating to production and distribution of coal.
Copper advances on stronger euro

Reuters
London, Feb. 1
Copper rose by almost 1 per cent on Wednesday as the euro strengthened against the dollar after Euro Zone manufacturing data showed an activity upturn in Germany, the region's largest economy.

Benchmark copper on the London Metal Exchange traded at $8,389 at 11:30 GMT, up 0.8 per cent against Tuesday's close of $8,320, having hit a 4-month high of $8,379.80 a tonne on Friday.

Manufacturing activity in the euro zone declined for the first time in German manufacturing in four months that also bettered an initial flash estimate, boosting investors hopes of an economic recovery. Investors were focusing on manufacturing data from the US that may give more hints about the state of the world's largest economy after disappointing figures on Tuesday.

Inventories of copper in LME-monitored warehouses continued to fall, according to latest data, and hit their lowest since 18 Sep. 2009, a sign physical demand has improved lately. Nickel was at $20,840 from $20,855 Tuesday's close. Tin was at $24,280 from $24,345 while zinc, used in galvanizing was at $2,110 from $2,106.

Battery material lead was at $2,242.50 from $2,213 and aluminium was at $2,265.75 from $2,230.
NMDC Q3 net up 22%

Hyderabad Feb 1
India’s largest iron ore producer NMDC has clocked a 22 per cent rise in its net profit for the quarter ended December 31, 2011 at Rs 1518 crore, as compared to Rs 1518 crore in the year-ago period, mostly on the back of higher sales.

During the period, the company reported net sales of Rs 2822 crore (Rs 2631 crore).

The Board of Directors has approved a further interim dividend of Re 1 per equity share, taking the total interim dividend so far to Rs 2 per equity share for the current fiscal.

— Our Bureau
Mines Ministry for exporting all types of iron ores

Shishir Sinha
Vishwanth Kulkarni
New Delhi, Feb 1
Differing sharply with the Commerce and Industry Ministry, the Mines Ministry favours export of all types of iron ore. It is also against channelising exports of high-grade iron ore through the State-run MMTC.

"Why allow exports of iron ore with 55 per cent ferrous content? The Mines Ministry is in favour of no restrictions," a senior Government official told Business Line.

The Commerce Ministry had recently moved a draft Cabinet note on channelising high-grade iron ore exports as part of the strategy to curb illegal exports.

The Mines Ministry is also in talks with the Customs Department in this regard. "The Customs Department does capture export data. With some change in format, it can provide data for the sake of monitoring," the official said.

He said involving an agency would unnecessarily increase export costs, MMTC will get about one per cent of the consignment value if exports are channelised through it. There is also apprehension of delays and more regulations. So, such a move should be avoided, he added.

The Mines Ministry is yet to firm up an official view. "We hope to finalise it soon and send our comments," he said. However, the matter is unlikely to go to the Cabinet before mid-March, when polls end in five States.

The Federation of Indian Mineral Industries (FIMI) has also opposed the move to channelise exports of high-grade ore. "This would mean putting the clock back again," said Mr. R.K. Sharma, Secretary-General, FIMI. It has suggested a via media wherein mine owners should be allowed to export as it is. In cases where small miners or exporters face difficulties, the MMTC should step in.

The Justice M.B. Shah Committee on Illegal Mining has recommended a total ban. It argued that the main cause and incentive for illegal mining of iron and manganese ore were the huge profit in the export market (mainly China). The prices of these have gone up about 20 times without any benefit to the public exchequer.

ILLEGAL MINING
Even in the Action Taken Report on the panel’s report, the Mines Ministry said that while iron ore demand due to exports is a reality, it cannot be held that exports are the reason for illegal mining. Rather, it is lack of governance at the State-level that has largely contributed to illegal mining.

India’s iron ore exports have slowed down due to duty hikes and rise in freight rates, besides being impacted by mining curbs in Karnataka. The recent hike in export duty to 30 per cent has made Indian ore uncompetitive. The industry expects exports at around 50 million tonnes this fiscal.

Shishir.s@thehindu.co.in
एनएमडीजी का मुजाफ्ता
22 प्रतिशत बढ़ा

मुंबई। राजीव खर्जू खिरसी निगम (एनएमडीजी) ने जनवरी के 31 दिसम्बर को समाप्त विभागों में 1858.81 करोड़ रुपये की शुल्क मुनाफा कमाया जो पिछले वर्ष में की आवागमन क्षमता में 1510.03 करोड़ रुपये की तुलना में 22 प्रतिशत अधिक है। एनएमडीजी को बताना कि पहले वर्ष की तीसरी विभागों में उसकी कुल आय 14.82 प्रतिशत बढ़कर 3347.34 करोड़ रुपये पर पहुंच गई।
‘कोयला खनन संबंधी प्रस्ताव भेजें राज्य सरकारें’

नई दिल्ली। केंद्र ने सभी राज्यों को कोयला खनन की मंजूरी के लिए विभिन्न उपायों के लिए निर्देशित किया है कि इस संबंध में राज्य सरकारें अपनी तरफ पर चलना चाहिए। यह निर्देश, आदेश या सरकारी केंद्र ने राज्यों को कोयला खनन के लिए एवं पर्यावरण एवं पर्यावरण एवं ऊर्जा मंत्रालय के पास भेजे या भेजें।