मनाफा बांटने के लिए
tैयार रहें खनन कंपनियां

अन्तर्दृश्य

खनन कंपनियों का 26% मुनाफा जारी करने वाली स्थानीय लोगों के साथ में अधिक खनन पर लगाया अधिक

नियमक एवं नियमन अधिनियम 2010
(एमसीबीएएस) के संरक्षक महादेव को अंतिम रूप से देने के लिए भारी मस्तक बांटने कर रहे हैं। इस महादेव को जीवंत रूप से देने के लिए भारी मस्तक बांटने कर रहे हैं।

खनन कंपनियों के सूची को जीवंत रूप से देने के लिए हस्तिको फिर कराना हमारी प्राधिकृतिक होगा।

एक टीम अधिकारियों ने कहा था कि मंत्री अधिकारियों के समूह (जीआईएस) को भेजा जाएगा। जीआईएस के से रहे हैं। जीआईएस के से रहे हैं। जीआईएस के से रहे हैं। जीआईएस के से रहे हैं। जीआईएस के से रहे हैं।

मंत्रालय तैयार कर रहा है नए खनन अधिनियम का संशोधित मसौदा
Adani buys Aussie mine

Deal to give assured coal supply

HT Correspondent

NEW DELHI: Domestic infrastructure major Adani Group, led by Gautam Adani, on Tuesday bought Australia’s Linc Energy’s Galilee coal tenement (output contract) for $2.74 billion (Rs 12,904 crore). This is the largest investment by an Indian firm in the metals and minerals sector in Australia.

According to the deal, Adani will pay $436 million (Rs 2,068 crore) in cash to the Australian miner and $1.8 per tonne (Rs 83) of coal produced as royalty for the first 20 years.

The deal will give Adani not necessarily cheap but assured supply of coal, a prime raw material in power generation—an area where the group has major expansion plans (see box).

Given the acute scarcity of thermal coal in India and the power needs in the country, this deal may spur more investments into Australia.

“Acquisition of mine is a part of long-term strategy for Adani Enterprises, which is the largest importer of coal in India,” said Devang Desai, CFO, Adani Group. “The acquisition will also help to maintain our position as a prominent coal supplier in coming years to energy-starved country.”

Indian thermal coal imports surged last year to a little less than 60 mt (million tonne) from about 30 mt in 2008. India plans to almost double electricity generation capacity by 2012, when the shortage of coal will exceed 200 mt.
Diamond jewellery at affordable price

If you think your love for gold and diamond jewellery will gradually diminish due to spiraling prices of precious metals and stones, think again. Mumbai-based jewellery maker KT Lifestyle has introduced unique combination of steel, gold and diamond in its latest brand “Arma” crafted with in-house “Fusion Technology”. Introduced for the first time in jewellery making, the technology offers unique cuts, designs and inserts for low-end jewellery consumers who were otherwise switching to other luxury items.

BS REPORTER
COPPER RALLY STALLS

Copper prices fell on Thursday as investors sold into a rally that took prices to three-month highs, taking note also that the trend of falling inventories was ebbing. Sentiment remained upbeat, however, with further gains expected in the medium term given underlying optimism in the broader financial markets and improved macro-economic data. Benchmark copper for three-month delivery on the London Metal Exchange traded at $7,383 a tonne at 0942 GMT from a close on Monday at a three-month high of $7,510. REUTERS
Kinross to buy Red Back for $7 billion

Gold miner Kinross Gold Corp said it will buy the 91 per cent of Red Back Mining Inc that it does not already own for around $7 billion to create one of the world’s largest gold miners. Red Back owns mines in Mauritania and Ghana, giving Kinross entry into west Africa.
RESULTS RECKONER

Hindalco net up 11% on higher metal prices

BS REPORTER, Mumbai, 3 August

Hindalco Industries' first-quarter net profit rose 11 per cent to Rs 534 crore, over the corresponding period last year, helped by higher metal prices. Driven by higher volumes, better product/geographic mix and improved realisation, net sales advanced 33 per cent to Rs 5,178 crore. Out of this, the aluminium business contributed Rs 1,867 crore, while the copper business contributed Rs 3,314 crore.

"Rise in the net sales is largely buoyed by higher LME (London Metal Exchange) prices," said D Bhattacharya, managing director of the country's largest aluminium producer. LME is the global benchmark for base metal prices.

"The outlook for coming quarters would be impacted by a subdued financial market sentiment, uncertain commodity and financial markets and lower production at Hirakud," said the company in a statement.

The company, also the country's second-largest copper producer, has Rs 12,000-crore debt on its books and its debt-equity ratio stands at 0.5.

The company said Utkal Alumina, a subsidiary, had tied up Rs 4,906-crore debt from a group of 28 banks for its refinery project in Orissa. After the financial closures of Utkal Alumina Refinery, it is the turn of Mahan Alumini- um, as both projects are linked and are scheduled to be completed by September 2011. "We have started the talks with the bankers for the debt syndication of Mahan Aluminium, but the mandates have not been given yet," said Sunirmal Talukdar, chief financial officer of the company.

The company plans to set up five projects in two phases at the cost of Rs 40,000 crore in the next three years. In the first phase, it will set up one refinery and two smelters.
Aditya Birla Minacs expands in E India

Aditya Birla Minacs, a business solutions company and subsidiary of Aditya Birla Nuvo, is strengthening its operations in eastern India. Minacs announced the launch of its new delivery centers in Kolkata and Ranchi, respectively. "The launch of these two centres aligns with our strategic effort toward creating business solutions that meet our clients' needs," said Milind Godbole, president - Apac, Aditya Birla Minacs.
Hindalco net up 11% at Rs 534 cr on higher prices

VIKAS SRIVASTAV
Mumbai.

Higher aluminium and copper prices have helped Hindalco, the Aditya Birla Group flagship, to post 11 per cent growth in quarterly net profit at Rs 534 crore.
The net sales for the first quarter grew 33 per cent to Rs 5178 crore as the company also benefited from higher aluminium rates on the London Metal Exchange, and better price realisations in its copper business.
The other income and interest financing charges were however constrained by lower returns on investments and lower average interest rate respectively.
Of the total revenues of Rs 5,178 crore, the aluminium business has contributed Rs 1,857 crore. The copper business on the other hand grew 34 per cent to Rs 3,314 crore on the account of higher LME and was not significantly impacted by the gain or loss on changes in LME.
“The company is determined to tide over these negatives because of its strong fundamentals and committed resources,” Debubhattacharya, managing director of Hindalco, said in a press conference.

Companies net sales for the first quarter grew 33 per cent to Rs 5178 crore

“The company also expects the cost of energy to be the major challenge along with input cost in the coming quarters,” Bhattacharya said. All the major projects of the company are on track and the company expects to tie-up loans on time. The project cost for all the greenfield projects put together is around Rs 25,000 crore and it will be funded on a debt equity ratio of 70:30.
The company is in talks with banks for the Mahan project and expects to tie up funds as soon as possible,” Sunirmal Talukdar, chief financial officer of Hindalco, told reporters on the sidelines of the conference.
“Mahan project is going to be on Hindalco’s balance sheet, hence we expect to get much finer rates on the loans,” Talukdar said.

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Hindalco profit up by 11%

New Delhi, Aug. 3: The Aditya Birla Group flagship firm Hindalco on Tuesday posted an 11.20 per cent rise in its profit to Rs 534.40 crore for the quarter to June mainly on account of higher metal prices.

The leading aluminium and copper producer said the company has benefited from higher aluminium prices on the London Metal Exchange, and better by-product realisation in its copper business. The company had a net profit of Rs 480.5 crore in the year-ago period.

The company clocked net sales of Rs 5,178.25 crore for the reporting quarter over Rs 3,896.90 crore q-o-q. The aluminium prices were hovering at around $1,600 a tonne on the London Metal Exchange (LME) in June 2009 and had touched a high of around $2,400 a tonne in April 2010. Hindalco said metal prices on the LME ended in the first quarter at $1,900 a tonne level. Similarly, copper prices, which ended the first quarter at around $6,700 a tonne, had touched $5,000 a tonne in the same period a year ago. Hindalco is positive on this sector, and hopes demand and prices to rise steadily. “The domestic aluminium industry had a nominal growth of 8 per cent on y-o-y basis. — PTI
खान मंत्रालय नए खानन विधेयक का पसोडा तैयार करने में लगा

बाहरी डिलरी, 3 अगस्त (पावा). देश में अवधारणा खान की विधेयक विवाद रोष के खान मंत्रालय नए खानन कानून का पसोडा तैयार करने में लगा है। नए खानन कानून में ऐसी शर्तें होंगी जिसके रूप में खान नारीलों को 26 हजार मुनाफा श्यामाय जपात के साथ चार्टरित करना होगा। साथ ही अवधारणा को शामिल के लिए नियमानुसार माना गया है और उसके अधिकारी ने कहा कि जीवन एक विशेषण उद्योग के लिए निष्पादन की गई है।

एक विवरण अधिकारी ने अधिकारी ने कहा कि रोजगार परीक्षण की गई है और अधिकारी ने कहा कि यह विषय स्थानीय मामला के लिए निष्पादन की गई है।

छत्तीसगढ़ मंत्री मंत्रालय के लिए शान्ति लेने के लिए बच्चों को शामिल किया जा रहा है।

यह पुरी जाने पर सामाजिक प्रतिकूलित्व से कई उन लोगों के लिए गंभीर होने के साथ साथ अधिकारी ने कहा कि जीवन एक उद्योग के लिए माना गया है।

डीपी मंत्री उत्तम गुप्ता का यह विवरण रोजगार के लिए उद्योग की शर्तों के अनुसार उन्हें खान नारीलों के साथ जोड़ना है। जीवन एक उद्योग के लिए उन्हें खान में शामिल किया जाएगा।
ऋण की व्यवस्था

नई दिल्ली। देश की प्रमुख एल्यूमिनियम कंपनी डिस्कल्फुर की सहायता द्वारा एल्यूमिनियम नैनियों में अपनी निर्माणशीली परिचालना के लिए बैंकों से 4,906 करोड़ रुपए के ऋण का करार लिया है। डिस्कल्फुर ने एक बयान में कहा कि उसकी सहायता कंपनी उर्मिला एल्यूमिनियम ने 4,906 करोड़ रुपए के ऋण के लिए बैंकों के एक समूह के नाव करार पर हस्ताक्षर कर अपनी सीमित क्षमता कर ली है।
Hindalco net up 11% at ₹534 cr; wraps up funds for Orissa plant

MUMBAI: Kumar Mangalam Birla-led Hindalco Industries announced a net profit of ₹534 crore — an increase of 11 per cent — for the quarter ended June 2010. Its profit was ₹481 crore in the same quarter last year.

The company on Tuesday also announced that it has achieved the financial closure of a loan agreement of ₹4,906 crore for Utkal Alumina International Limited (UAIL), a 100 per cent subsidiary of Hindalco, which is setting up a 1.5 million tonnes per annum alumina refinery in Orissa.

Higher volumes, a better product mix and improved realisation helped the Aditya Birla Group company’s net sales grow by 33 per cent to ₹5,178 crore during the quarter.

“A higher price at the London Metal Exchange (LME) and better by-product realisation in its copper business helped in revenue growth,” said D Bhattacharya, managing director, Hindalco. “We will work to maintain growth momentum across the businesses.”

While the aluminium business accounted for 86 per cent of the revenues, the copper business accounted for 64 per cent of the company’s revenues.

In the copper business, revenues were higher at ₹3,314 crore, up 34 per cent from ₹2,479 crore in the previous quarter, mainly on account of higher copper prices at LME. However, the copper business being a custom smelting operation, with an offset hedging programme, it was not significantly impacted by the gain or loss on changes in LME.
राउरकेला की माइंस पर 100 नक्सलियों ने धावा बोल दिया

कार्यालय प्रतिनिधि/राउरकेला

उड़ीसा के तलहरी नक्सली प्रभावित राउरकेला इलाके की एक माइंस पर अभियान लगभग 100 नक्सलियों के एक समूह ने धावा बोल दिया। एक टीवी खेल के अनुसार नक्सली हाथों में बंदूकें और जेलसीट पाया गया है। जितने भी सुरक्षा जवानों के हाथ और नक्सलियों की हाथों में बंदूकें बराबर थीं। हालाँकि इससे पहले काफी समय या पिछले नक्सलियों ने राउरकेला की तारीख पर हमला करने का चेतावनी दे रखा था जिसे उन्होंने पूरा कर दिखाया।
DEMAND UNCERTAINTY

Hindalco beats Street, outlook subdued

Revenue was driven by higher aluminium prices and local demand; alumina production grew 9%

By Joel Rebello
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Mumbai

India’s biggest aluminium producer Hindalco Industries Ltd beat Street estimates to post an 11% jump in profit to Rs3,534 crore for the June quarter, up from Rs481 crore a year ago.

A Bloomberg poll of 19 analysts estimated an average profit of Rs494 crore.

Higher global aluminium prices and local demand helped bring in revenue of Rs5,178 crore, 33% more than the Rs3,897 crore in the year ago period. Alumina production grew 9% to 341,000 tonnes from 311,000 tonnes.

The company, however, said “outlook on the coming quarters would be impacted by a subdued financial market sentiment, uncertain commodity

and financial markets and lower production at Hirakud”, the company’s unit in Orissa hit by rains and lightning in July.

“Prices have improved but the outlook is uncertain. Growth in China is not expected to last,” managing director D. Bhattacharya said.

He added that a 41% rise in aluminium prices at the London Metal Exchange (LME) and demand in India from sectors such as electrical and electronics, building and construction, consumer durables and automobiles had boosted sales in the June quarter.

“Global consumption has increased 7% in the first half of 2010, which, though lower than a 17% increase in the second half of 2009, is higher than the 3-5% growth we normally see,” he said.

Tarang Bhanushali, research analyst at India Infoline Ltd, said the profit numbers were “way above” his expectation of Rs412 crore. “But profits are dependent on raw materials. Higher costs of raw material are just passed on, resulting in higher realizations. So though the net sales were higher than last year, if you see quarter-over-quarter, realizations have come off about 5%,” he said.

Hindalco also announced that it has finalized a 12-year loan of Rs4,906 crore for Utkal Alumina International Ltd in Orissa that will have an annual capacity of 1.5 million tonnes (mt). IDBI Bank Ltd, SBI Capital Markets and Royal Bank of Scotland NV are the lead arrangers for the loan.

Hindalco is also building three 359 kilotonnes per annum (kta) aluminium smelter plants: the Mahan aluminium project in Madhya Pradesh, the Aditya aluminium project in Orissa and the Jharkhand aluminium project. It is also planning a 1.5-mt-a-year plant in Orissa.

Sunirmal Talukdar, Hindalco group executive vice president and chief financial officer, said the firm will invest Rs25,600 crore for the projects, of which 70% will be debt. The company can invest around half the cost in equity if needed, he added.

Hindalco has Rs7,300 crore debt, besides a $982 million (Rs4,500 crore) foreign line of credit, and around $1 billion cash, Talukdar said.

However, Pawan Burde, senior analyst at Centrum Broking Pvt. Ltd, warned about a fall in prices ahead.

“Already margins have fallen about 300 basis points per year on year from 19% to 16.1%. Prices have started to fall globally as inventory is built up in Europe and China,” he said, adding that prices have fallen 10-12% in the past two months on LME, which may impact the firm this quarter. One basis point is one-hundredth of a percentage point. Bloomberg contributed to this story.

OTHER SEE

MARKET TO MARKET: Uptrend in aluminium positive for Hindalco P19
हिंदाल्को को 534 करोड़ का मुनाफा

नई दिल्ली * आदित्य बिरला ग्रुप की प्रमुख कंपनी हिंदाल्को का मुनाफा पहली तिमाही में 534.40 करोड़ रुपये रहा है। यह मुनाफा गत वर्ष की समान अवधि के मुकाबले 11.20 प्रतिशत अधिक है। मुनाफे में जोड़ोली का प्रमुख योगदान है जिसमें जोड़ोली की भोजन में भारी जोड़ोली का इशारा होता है। एन्यूनाउज़म और बॉर्ड की प्रमुख ऊर्जा हिंदाल्को ने कहा है कि इस मैटल कास्टिंग में एन्यूनाउज़म को ऊंची सीमाओं से उसे कारोबार लाना हुआ है। कॉफ़े विषय में बाई-प्रोडक्ट्स की अन्य फाइल प्रति से भी फाइल बड़ा है। (प्रेंटू)
अड्डानी ने ऑस्ट्रेलियाई कॉयला कंपनी स्थापित की

वर्षों के लिए, ऑस्ट्रेलिया के प्रमुख उद्योग गैरि प्रांतीय अड्डानी की कंपनी के लिए अड्डानी प्लांटिंग ने ऑस्ट्रेलिया की लिंक रचना का कोंशल अनुपालन कराया जा रहा है। सीमावर्ती को दोनों कंपनियों के बीच सीमे की तेजी से पहुंची है। कॉयला कंपनी को अड्डानी के लिए भारतीय कंपनी ने करीब 2 हजार 100 करोड़ रुपये देने पर भी मिलने के लिए अड्डानी कंपनी को ढालने की देनी है। सीमे के तहत आगे 20 साल तक अड्डानी की कंपनी जोपणे का खुना करेगी, उससे अंतर्गत हर टन पर 2 ऑस्ट्रेलियाई ऑस्ट्रेलिया की लिंक रचना को देंगे।
It’ll be the largest single mine buy by Indian co in Oz

Adani inks $2.7-bn coal deal with Linc Energy

AUSTRALIA'S Linc Energy has agreed to sell its Galilee coal project to Adani Enterprises in a cash and royalty deal worth $2.7 billion, marking the largest single mine investment by an Indian firm into Australia.

The deal with Adani could herald more Indian investments amid forecasts of an acute coal shortage in the fast-growing economy, which is expected to see its power output double in a decade.

About two-thirds of India's installed power capacity of 126,365 megawatts (MW) is fuelled by thermal sources, mainly coal. India plans to add capacity of 1,00,000 MW during 2012-17.

"With the deal, Linc, whose primary business is underground coal gasification, will receive A$500 million in cash and A$2 per tonne in royalty for the first million tonnes of coal production," said Peter Bond, CEO, Linc Energy.

Adani also owns a coal mine in Indonesia

20 years of coal production from the mine,” Linc’s chief executive officer (CEO) Peter Bond said.

"It’s a fantastic deal for us. We also have the flexibility to sell the royalty agreement to monetise it into cash now, or hold it and receive the full benefit of 20 years of cash flow," Bond said in a telephone interview from Brisbane.

The Galilee mine will be operational in four years and will be able to supply up to 20,000 megawatts of generating capacity to its unit, Adani Power, Adani chief financial officer (CFO) Devang Desai said.

"It's a fantastic deal for us. We also have the flexibility to sell the royalty agreement to monetise it into cash now, or hold it and receive the full benefit of 20 years of cash flow," said Peter Bond, CEO, Linc Energy.

Adani Power has plans to build about 16,000 megawatts of capacity in India.

Desai said funding for the Linc asset will be made with short-term loans and internal sources. Adani Enterprises recently raised $550 million in a share sale. Adani Enterprises, which owns a coal mine in Indonesia that currently produces six million tonnes of coal per annum, is looking to buy more coal assets in Indonesia and Australia, Desai said.

Analysts said the deal was a win for both companies, with Linc securing quality coal resources at a good price and Adani securing a long-term income stream.

The Galilee tenement, located in the northeastern state of Queensland, holds about 7.8 billion tonnes of certified indicated resources and Linc said it can produce up to 60 million tonnes per year once the mine is fully operational.

"The deal is reasonable as the acquisition costs for this eight billion tonnes mine comes out to be $4-$5 per tonne," said Giriraj Daga, analyst at Indian brokerage Khandwala Securities.

Linc’s shares, which have been suspended pending the sale announcement, last traded down 1.6 per cent at A$1.86. Shares of Adani Enterprises, founded by Gautam Adani, ended 2.1 per cent higher.

Bond said Adani has already obtained approval from both the Australia’s Foreign Investment Review Board (FIRB) for the Galilee acquisition, and indicative approval for the transfer of the coal tenement from the Queensland state government.

Although India has significant coal reserves suitable for power generation and is one of the world’s top coal producers, infrastructure constraints and rapid economic expansion has caused demand to fall short of domestic supply. India may face a coal shortage of 180 million tonnes a year by 2015, leading to a two-fold rise in imports.

More Indian coal investments in Australia likely now

About two-thirds of India’s installed power capacity is mainly fuelled by coal.

India’s electricity output is likely to double in a decade.

THE DEAL
- Linc sold Galilee mine for cash & royalty worth $2.7 bn
- It will get A$500 mn in cash and A$2 per tonne in royalty for first 20 yrs of coal output
- Adani has got approval from Australia’s Foreign Investment Review Board
- The mine will be operational in 4 yrs & will be able to supply 20k MW to its unit
- Galilee holds 7.8 bn tonnes of certified resources
- It can produce 60 mn tonnes per year once operational

FUNDING
- Funding for the asset will be made with short-term loans & internal sources
- Adani recently raised $550 mn in share sale

PLANS AHEAD
- Adani Power plans about 16,000 MW of capacity in India
- The firm will buy more coal assets in Indonesia & Australia

COAL RUSH
- India has significant coal reserves and is one of the world’s top coal producers
- But India may face a coal shortage of 180 mn tonnes a year by 2015, leading to a two-fold rise in imports
- More Indian coal investments in Australia likely now
- About two-thirds of India’s installed power capacity is mainly fuelled by coal
- India’s electricity output is likely to double in a decade

Reuters
Higher prices push Hindalco profit

NEW DELHI, AUGUST 3
Hindalco today posted an 11.20 per cent rise in its profit to Rs 534.40 crore for the quarter to June mainly on account of higher metal prices.

The leading aluminium and copper producer said the company benefited from higher aluminium prices on the London Metal Exchange and better by-product realisation in its copper business. The company had a net profit of Rs 480.56 crore in the year-ago period.

The company clocked net sales of Rs 5,178.25 crore for the reporting quarter over Rs 3,896.90 crore q-o-q.

Aluminium prices were hovering around $1,600 a tonne on the London Metal Exchange in June 2009 and had touched a high of around $2,400 a tonne in April 2010. Hindalco said metal prices on the LME ended in the first quarter at 1,900 a tonne level. Similarly, copper prices, which ended the first quarter at around $6,700 a tonne, had touched $5,000 a tonne in the same period a year ago.

Hindalco is positive on the outlook for the sector as it hopes demand and prices to rise steadily. "The domestic aluminium industry had a nominal growth of 8 per cent on y-o-y basis. Major growth areas were the electrical sector and castings for the auto industry. Global demand is expected to continue to be good in Q2, though the base effect will start to get diluted," the company said.

"The outlook for refined copper consumption in the country remains robust, given the continuing growth momentum in the economy," it added.

Elaborating on the company's outlook, it said, "Outlook for the coming quarters will be impacted by a subdued financial market sentiment, uncertain commodity and financial markets and lower production at Hirakud. We are determined to tide over these negatives because of our strong fundamentals and committed resources," the company said.

Its subsidiary Utkal Alumina is setting up a 1.5 million tonne per annum aluminium refinery in Orissa and has tied up Rs 4,906 crore debt for the same. Besides this, Hindalco is also undertaking Aditya Aluminium and Refinery projects in the state. It has also announced similar projects in MP, Jharkhand. — PTI.
खनन कंपनियाँ बांटेगी मुनाफे का हिस्सा

खनन कंपनियाँ नई दिल्ली, आपके जवाब में खनन कंपनियों को अपने शुद्ध मुनाफे का 20% भीसी लोगों के खिलाफ बांटना पड़ सकता है। इसकी अहमत अतिशय खनन पर लगाया गया है क्योंकि एक नियमात्मक मोर्डर का बहुत नया अवसर आ रहा है। खनन मंजूरी के लिए नए खनन अधिनियम का जो संशोधित मोर्डर तैयार किया जा रहा है उसमें से इन संशोधनों को नहीं मिला है। इस नयी चीज़ में नया बड़ा बख्श किया जा सकता है।
Banning iron ore exports makes no economic sense: Fimi

BANGALORE, 3 AUG: The Federation of Indian Mineral Industries (Fimi) today criticized the Karnataka government for banning export of iron ore, as it is not used by Indian steel plants due to its low-grade quality.

"Banning export of medium and low-grade iron ore makes no economic sense as local steel plants do not use due to ferric content in them being less than 60 per cent," Fimi director Mr David Pichamuthu said here.

In a bid to check rampant illegal mining in the rich iron ore belt of Bellary-Hospet in north Karnataka, the state government on 26 July banned exports from 10 minor ports in the state and on 28 July withheld permits to move the extracted raw material from the lease areas of losses.

"Only China has been buying low-grade iron ore from India since 2005 in the run-up to the 2008 Beijing Olympics and subsequently to blend it with high-grade iron ore it imports from Brazil and Australia for hundreds of its steel plants," FIMI vice-chairman Mr Basant Poddar said.

Though Chinese steel plants consume only 10 per cent of Indian iron ore annually, they account for about 80 per cent of 40 million tons of the raw material extracted by Indian mining firms.

"Of the 40 million tons of fines and lumps extracted, about 30 million tons are from Bellary-Hospet region. While high-grade hematite ore with over 65 per cent ferric content is used by domestic steel plants the medium and low-grade fines and lumps are exported to China," Mr Poddar pointed out.

Noting that if the export ban was not lifted, the industry would suffer a loss of Rs 13,000 crore (Rs 130 billion/$2.8 billion) in sales at the rate of $100 per ton for 30 million tons over the next 12 months.

"In addition, the central and state governments will suffer huge revenue losses in terms of railway freight (Rs 6,000 crore), export duty (Rs 500 crore), port handling charges (Rs 600 crore), forest tax (Rs 1,000 crore) and royalty (Rs 300 crore) per annum," Mr Poddar claimed.
Adani buys coal mine in Australia

Press Trust of India

AHMEDABAD, 3 AUG: Adani Enterprise Limited (AEL) today announced that it has concluded a binding agreement with Australia’s Linc Energy Ltd to purchase their Galilee coal tenement in Queensland.

The purchase agreement inked by AEL’s step down Australian subsidiary, Adani Mining Pvt Ltd, is of Australian $500 million (Rs 2,000 crore) and a royalty payment of Australian $2 per ton of coal mined for 20 years.

“We were in search of coal mines to enable the rapid expansion of the power business of Adani Power Ltd in India while also expanding AEL’s coal business where we are the largest importer of thermal coal,” CFO of AEL Mr Devang Desai told media persons.

“As per our vision 2020 development plan, we aim to increase our power generation capacity from 13,000 mw to 20,000 mw,” Mr Desai said.

The Galilee tenement has resources of 78 million tons of coal, which makes it the largest single tenement in Australia in terms of coal resources, he said adding the entire transaction has been financed from our own resources and banks.

“The purchase has received approval of the Foreign Investment Review Board (FIRB) and the indicative approval of the Queensland Government,” he said.

“We will be able to start mining from these mines in the next four years,” Mr Desai said.

“While multiple evacuation routes are available for the mined coal, Adani (through Mundra Port and SEZ Ltd) has recently been awarded preferred proponent status for the development of Dudgeon point terminal in Macay, Queensland which entitles Adani, the right (subject to technical and commercial feasibility) to develop coal terminal between 30-60 mmta capacity,” Mr Desai said.

“We will develop all the infrastructure required there,” he said.

Mr Desai, however, evaded the questions on what will be the total investment in Australia to set up the infrastructure by saying that it needs to be worked out.

Adani Power, a subsidiary of Adani Enterprises, is working on 4,620-MW power project at Mundra in Gujarat. It has also announced two other projects in the state.

Adani has lately focused on its Power Business and they hope to achieve generation capacity of more than 16,000 MW by the end of 2013. Their power projects at Mundra (4,620-MW), Tiroda (3,300-MW), Kawai (3,200-MW), Dahej (2,640-MW), Bhadreshwar (3,300-MW) and Chhindwara (3,200-MW) are moving as per schedule, sources in the company said.

Last month, AEL said that it is in detailed negotiations with a number of coal firms overseas for a possible acquisition.
The lure of gold prompts merger

By Edward Welsch

Two Canada-based gold mining companies have agreed to combine in a $7.1 billion deal that shows the continuing lure of the metal amid global economic uncertainty.

Kinross Gold Corp. of Toronto has agreed to acquire Red Back Mining Inc. of Vancouver in an all-stock deal that will give the company access to large new gold projects in West Africa.

The combined company could produce 3.9 million ounces of gold a year by the time the new projects in Ghana and Mauritania are fully operating in 2015, the companies said Monday, citing analysts' estimates. That would move Kinross up a notch to fifth place in the ranking of the world's largest gold producers, ahead of Gold Fields Ltd.

The deal comes at a time when investors have flocked to gold as a safe haven. Though prices are down from their record highs in June of above $1,250 an ounce, gold trades near $1,200 an ounce, up about 25% from a year ago.

"We think West Africa is a very high-growth gold district in the world today, and both Ghana and Mauritania have a significant gold endowment, so we are pleased to be in a new region with an experienced partner like Red Back," Kinross Chief Executive Tye Butt said in an interview.

Red Back's mine in Ghana is large, containing an estimated 10 million ounces of gold; its mine in Mauritania has 3.5 million ounces of reserves. Red Back's production will add 445,000 to 465,000 ounces to Kinross's production for 2010, bringing its total expected production to between 2.6 million and 2.7 million ounces this year.

Kinross already has a 9.3% stake in Red Back. Under the deal, Kinross will issue some 425 million shares and 25 million warrants to buy the rest of Red Bank. Current Red Back shareholders will hold approximately 37% of the combined company's stock.

The deal values Red Back at C$30.50 (US$29.66) a share, a 17% premium to Friday's closing price in Toronto. Canadian stock markets were closed Monday.

In after-hours trading Monday in New York, Kinross shares were down 3.9% at $15.69.

The two companies have been involved in negotiations for the past six months. The deal has been approved by the boards of both companies but is subject to shareholder and regulatory approval.

—wsj@livemint.com
Uptrend in aluminium prices positive for Hindalco Industries

Hindalco Industries Ltd’s stand-alone sales during the June quarter rose by 33% over the year-ago period, but fell by 4% compared with the March quarter.

Aluminium prices on the London Metal Exchange (LME) averaged $2,084 (Rs96,281) a tonne in the quarter, up by nearly 40% over a year ago, but down 4% sequentially. That is reflected in Hindalco’s results. Of late, aluminium prices have perked up, trading at around $2,200 a tonne, or nearly 20% up from its bottom in 2010.

During the June quarter, Hindalco’s operating profit margin fell by nearly 3 percentage points. But last year’s numbers included derivative-related accounting gains, excluding which its margin has actually increased.

On a sequential basis, its margin has risen by around 50 basis points and profit before tax remained flat. Hindalco has also been focusing on lowering costs through various efforts such as improving efficiency and using captive power and coal. One basis point is one-hundredth of a percentage point.

Hindalco’s aluminium business contributes around one-third of sales and a lion’s share of profit at around 80%. The copper business brings in a major portion of revenue, but accounts for just one-fifth of profits. Hindalco also operates a custom smelting operation, in which profits are not dependent on copper prices, but on treatment and refining charges. Market dynamics in the past few years have kept these charges depressed. For the current year, these fees have dropped by 20% under mid-year negotiations after having fallen by 40% in fiscal 2010.

During the quarter, the copper smelter was shut for 24 days, which also meant lower output. The division’s profits declined by 2.5% only on a sequential basis, chiefly due to better realizations on sale of by-products.

While the copper business will continue to be a challenge, Hindalco’s focus is on expanding its aluminium business, improving its product mix and lowering costs through creation of captive energy sources.

That will derisk its exposure to the copper business. In the June quarter, the aluminium division’s sales rose by 32% over the year-ago period, while profit rose by 21%. High power costs have affected margins. The rise in aluminium prices in the current quarter is a positive, but metal price behaviour has become unpredictable, affecting stock price movement, too.

Hindalco’s shares rose by 0.64% on Tuesday, and have been rising in recent weeks in step with the LME aluminium price movement. The bigger event is its consolidated results, which will reflect the performance of its overseas subsidiary Novelis Inc.

Its performance is not dependent on LME, except for a lag effect on its contracts, but on demand for products such as cans and from the automobile industry. If it shows a continued improvement in offtake in the June quarter, it will give a boost to the stock.

Ravi Ananthanarayan
No hike in lending rates in near term: Mistry

By Latha Venkatesh & Anuj Singh
CNBC-TV18

MINT, Delhi
Wednesday, 4th August 2010, Page: 15

Housing Development Finance Corp. Ltd (HDFC) is unlikely to hike lending rates in the near term as it does not expect its cost of funds to go up, vice chairman and chief executive officer Keki Mistry said in an interview. He also spoke about the company’s growing disbursements and the prospects of monetizing its listed and unlisted assets. Edited excerpts:

A number of banks have raised lending and deposit rates recently. Are you planning to follow suit?
We have always said that our lending rates are a function of our cost of funds. At this moment, we are not seeing any significant increase in the cost of funds, as far as the loans that we are giving today are concerned.

INTERVIEW

Normally, what we do is we raise money at one point in time... as long as that money is there, it is at a certain rate and, therefore, that rate does not warrant an increase in the lending rates. So you are not likely to see any increase in lending rates, at least in the immediate present. Then we will have to wait and see, and if the cost of funding does increase, then at that stage we will look at our lending rates.

How will that affect your margins in the next one or two quarters?
We target spreads, so at the end of the day, the cost of funding and the lending rates are all interlinked. Our spreads as of this June quarter stood at 2.34%, so we are earning at 2.34% spread.
Historically, our spreads have been in the range, the lowest, in the last 10 years, has been 2.15% and the highest has been 2.35%. So spreads remain in this fairly narrow band. Currently, at this moment, there is no plan to increase interest rates. But if cost of funding does increase beyond this level, at some stage, we will look at it.

Are you saying that currently you are not going to see an increase in the cost of your funds?
It has seen a marginal upward climb. See, you have to look at the kind of funding that we do. We don’t do funding to commercial paper, that was your question, we do long-term funding and our assets are long-term, our liabilities are long-term. So if you look at a 5-10 year funding, the yield curve has remained fairly stable.

What about credit growth? How have disbursements panned out in the past few months?
We have seen a phenomenal growth in disbursements. If you take the quarter January-March, I know it’s a little dated now, but individual loan approvals were higher by some 171% compared to the previous year. If you take this quarter, the one that ended in June, then individual loan approvals were higher by 56%, disbursements were higher by 62%. So we have seen very strong growth. We typically target a growth in approvals and disbursements of between 20% and 25%. So in the context of what we are targeting, these are huge numbers and huge growth. I can also tell you that the growth is coming from people who are buying a house because they need a place to stay in. It’s not investors or speculators.

Our average loan size in Q1 of this year has been Rs17.5 lakh, so it’s middle income housing. The average loan to value ratio at origination is 67%, so we are looking at financing a property which is typically in the Rs25-27 lakh range, which as you will see in a city like Bombay (Mumbai), especially in south or central Bombay, you will get nothing at that price.

You said you are currently not exploring any options to monetize. But do you expect to do so in the near future? Investors would want to know that, considering that we are now in a bull market.
We had not pitched in the idea, it was pitched in by the media, but you are talking of capitalizing the value of our subsidiaries. As far as subsidiaries are concerned, Standard Life is jointly owned by HDFC and Standard Life and we are having a board meeting next week and we will take a call on when we should do the issue.

But if your reference was to the non-core investments that we carry, if you look at our investments, we have both listed and unlisted investments.
In listed, we have HDFC Bank, Gruh Finance, which are either subsidiaries or associate companies. And then we have a whole lot of other non-core listed investments where there is a value which you can determine through the stock market valuations. The unrealized profits or the unrealized gains on our listed investments as of 30 June was to the tune of Rs16,775 crore. That is on listed investments.
Then we also have unlisted investments. In unlisted investments, people give value to life insurance, asset management, general insurance, because people value these businesses, but there is a lot of non-core unlisted investments that we carry. So at some point of time, we have to create value for these unlisted investments also, that’s what we are working towards. But there is no immediate plan to do anything.

cnbctv18@livemint.com
Ban on iron ore exports faces protest in K'taka

Kestur Vasuki ▲ Bangalore

Trade bodies have criticised the State Government’s decision to ban iron ore exports from 10 minor ports, saying the move was unconstitutional and anti-industry. Apart from some mine owners from Bellary, the Federation of Indian Mineral Industries (FIMI) too questioned the ban.

FIMI general secretary RK Sharma said, “The Karnataka Government has no right to trample on the fundamental right of a citizen guaranteed under Article 19 of the Constitution to practise any profession or to carry on any occupation, trade or business. The July 28 notification to withhold permits to move iron ore for export from the leasehold areas was unconstitutional and illegal. The reaction of the Government brings out its helplessness and its ability to curb illegal mining of iron ore in the State.

According to Sharma, the ban will have a direct consequence on the economy and about 5,000 people directly employed in mining operations will be jobless. He said it would hit about 50,000 people engaged in ancillary works.

Dubbing the ban orders illogical, FIMI director David Pichamuthu told reporters in Bangalore on Tuesday that the organisation would go to court if the State Government did not withdraw it immediately. “We will first prevail upon the Government to rescind the orders by explaining the deleterious impact they are having on the industry, investments, business and employment. If the Government does not respond, we will have no alternative but approach the courts,” Pichamuthu said.

A Congress legislator and a leading miner from Bellary, Santhosh Lad said he would move the court against the order. He said, “We will go to court against the State Government order. It is unconstitutional and illegal. It doesn’t come under the purview of the State Government. This order has affected legal mining also.”
कल्याणकारी योजनाओं का लाभ आदिवासी, दलित और मुस्लिम महिलाओं को मिले: नवो

नई दिल्ली, 3 अगस्त (जनता)।
आदिवासी, दलित और मुस्लिम महिलाओं से जुड़े कल्याणकारी योजनाओं को बनाने समय इन महिलाओं को भी शामिल करने की मांग उठी है। नेहरू एडवर्ड्स फर्ड कूमन्स (नाबो) के बैनर तले बुधवार से एक सुमित्रण शुरू हो रहा है। इसमें देश के सभी राज्यों से महिलाओं की सहभागिता भाग लेगी। सामाजिक सुरक्षा और सर्वाधिकार अधिकारी की मांग को लेकर होने वाले तीन दिनों के इस सम्मेलन में मानव अधिकार से जुड़े मसलों पर चर्चा होगी। यह आमदारी महिलाओं की अध्ययन द्वारा समन्वय, महासचिव जस्तमुंड इंटी, लेखा जार्ज ने दी। वे एक प्रेस कॉन्फ्रेंस में बोल रही थीं।

इस मैक्स पर वहां जार्जकुण्ड, छोटीसागर, उत्तर पूर्वी राज्य, चीन सीमा पर कार्यवार महिला प्रतिक्रियाओं में अपने विचार रखे और देश के हालात पर सरकार पर ध्यान दिखाए। इससे पहले वही रूप है जब आदिवासी किसी का यह सम्मेलन चार्ज अगस्त से छह अगस्त तक यहां के कार्टूनपुर बनवले हैं। इसमें वोल्टा आयोग की सदस्य दा गेपुर हैमिट, कानून मंत्री जीर्ण मोहल, सांसद रामचंद्र पाप्सावन समन्वय के निति निरीक्षण से जुड़े रहनेताओं की सहभागिता बताई जाएगी।

उत्तरपूर्वी राज्यों की कार्यकारी व नाबो की महासचिव जस्तमुंड इंटी ने कहा कि समय रहते जल -जल्दी जलमग्निक भी मुख्य मार्गों में पहुंचने की आवश्यकता है। यह इसान है जिस पर नहीं रहने वाले वाले हैं। इससे है कि इस समय को धर्म बनाकर वापस जानें। उन्होंने कहा कि अग्नाशय प्रेस को भी सुनेंगे, यह तभी चर्चा में आना है जब चीन अपना दबदबा कार्य करता है। इससे यह अक्षर का संग्रह करता है कि खाली में लगी बहुतसौदी कंपनियों को चल रही बहुत और लाभ की ओर से प्रेरित प्रारंभिक कमान ने जार्जकुण्ड और देश में वित्तीय विभिन्न प्रकार बनाया जाएगा। ज्ञान कर्तव्यक्ति पर रहे दलित, आदिवासी और अन्य मुस्लिम महिलाओं की निम्नलिखित है। देश चाहे सब पर जरूर निर्मल न्यूज़ लेकिन देशी अर्थव्यवस्था में महापूर्व भूमिका निभाए वाले विनायक, जार्जकुण्ड जैसे राज्य जो किसी पहले पंचवार्षिक योजनाओं के रूप में ही है। जबकि 11वीं पंचवार्षिक योजना का समय कम होने की नहीं है। इससे है कि निर्मल (विशेष आधारित क्षेत्र) की उपाद सर से निर्मल होगा।
Inventory fall perks up copper

Reuters
London, Aug, 3

Copper prices fell on Thursday as investors sold into a rally that took prices to three-month highs, taking note also that the trend of falling inventories is ebbing.

Sentiment remained upbeat overall, however, with further gains expected in the medium term given underlying optimism in the broader financial markets and improved macro-economic data.

Benchmark copper for three-month's delivery on the London Metal Exchange traded at $7,393 a tonne at 09:42 GMT from a close on Monday at a three-month high of $7,510.

"Considering the massive price increase of recent days it's not surprising to see some profit taking," said Ms Eugen Weinberg, analyst at Commerzbank.

LME zinc was particularly active, with volume on LME's electronic trading platform exceeding 7,000 lots by mid-morning European trade, and prices down more than 2 per cent at $2,072 a tonne versus $2,122. Aluminium was at $2,207, while lead was at $2,200, having earlier hit a $2,233, its highest since late April. Tin was at $19,650 from $19,880, and nickel was at $21,700 from $21,850.
Gold firm on China’s move to ease trade curbs

Reuters
London, Aug. 3
Gold rose in Europe on Tuesday as physical consumers like jewellers took advantage of lower prices to buy into the precious metal, and as China announced moves to allow greater freedom in its gold trade.

Spot gold was bid at $1,188.15 an ounce at 11:18 GMT, against $1,181.25 late in New York on Monday. US gold futures for August delivery rose $5.40 to $1,193.80 an ounce.

China’s central bank said in a statement it will allow its banks to import and export more gold as part of a programme to push forward the development of the country’s market in the precious metal. Holdings of gold-backed exchange-traded funds broadly declined in July, with the largest, New York’s SPDR Gold Trust, seeing the biggest monthly outflow in a year.

Among other precious metals, silver was at $18.39 against $18.34, platinum at $1,587.05 an ounce versus $1,592.25 and palladium at $509.60 versus $509.70.

Bullion rate
Mumbai: Silver spot (999 fineness): Rs 29,585; standard gold (99.5 purity): Rs 17,900; purc gold (99.9 purity): Rs 18,000.
Chennai: Bar silver (a kg): Rs 29,750; retail silver (a gm): Rs 31.85; standard gold: Rs 17,915; retail ornament gold (22 carat): Rs 1,666.
Kolkata: Silver ready: Rs 29,150; Gold ready: Rs 18,165.
Mining division pulls down Gulf Oil sales, profit in Q1

Gulf Oil

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Our Bureau
Hyderabad, Aug 3

Mining and infrastructure division of Gulf Oil Corporation Ltd has clipped both the sales income and profitability of the company for the first quarter ended June 30, 2010.

It registered a significant drop in net profit for the first quarter ended June 30, at Rs 9.31 crore against Rs 20.96 crore for the corresponding quarter last year. Its revenue was also lower at Rs 232.57 crore (Rs 239.35 crore).

This was due to lower levels of operation and delays in statutory clearances of projects and commencement costs associated with a new contract at Uranium Corporation of India Ltd.

While the lubricants division registered higher revenues of Rs 140 crore (Rs 131 crore), the explosives division closed with 5 per cent higher revenues of Rs 71 crore. However, the mining and infrastructure division pulled sales volumes down. As against sales of Rs 54 crore in Q1 last year, it was down to Rs 38 crore in Q1 this fiscal.
Volkswagen sells 2,597 cars in July

Mumbai, Aug. 3

Volkswagen India clocked 2,597 units in July. The company said that it sold 301 units of the Beetle in India during the January-July period. The sale of the Polo, which started in March, crossed 6,600 units so far. The company had unveiled the premium sedan Vento in July and will commercially launch the car in the last quarter of the calendar year. The company said that the sale of its sedan the Passat doubled during the January-July period. Volkswagen sold 67 units of its SUV Touareg in the last seven months. — Our Bureau
Hindalco Industries Q1 net profit up 11% at Rs 534 cr

Ties up Rs 4,900-cr debt for Utkal project through consortium of 28 banks

Our Bureau
Mumbai, Aug 3
Hindalco Industries has reported a 11 per cent rise in net profit at Rs 534 crore for the first quarter ended June 30, against Rs 481 crore logged in the same period last year.

Net sales rose 33 per cent to Rs 5,178 crore (Rs 3,897 crore) largely due to higher production, a better product mix and improved realisation.

Mr Debu Bhattacharya, Managing Director, said the company cushioned the adverse impact of spiralling costs, due to higher input prices, by asset sweating and concentrating on value-added products.

Hindalco achieved financial closure for the 1.5-million-tonne alumina refinery at Rayagada district in Orissa by tying up Rs 4,906-crore debt through a consortium of 28 banks.

The Rs 7,000-crore project being undertaken by Utkal Alumina International, a wholly-owned arm of Hindalco, will meet the alumina requirement of the Mahan and Aditya smelters now under construction.

The Utkal project is expected to commence production in the second quarter of FY '12.

The company has initiated talks with leading banks to raise Rs 8,000-9,000 crore for the Mahan project, coming up with a smelter capacity of 359,000 tonnes an annum, and the 900-MW captive power plant at Bargwan in Madhya Pradesh. "Banks were willing to lend up to Rs 1,800 crore against our requirement of Rs 4,906 crore for Utkal. Given the response, raising funds for the Mahan project will not be difficult. We have lined up investments of Rs 25,000 crore in various projects and each will be planned on 70:30 debt, equity ratio," said Mr Sunirmal Talukdar, Chief Financial Officer.

The company has cash reserves of Rs 5,000 crore and debt of Rs 11,800 crore with the first repayment schedule in FY '12, he said. At present, it has a debt, equity ratio of 34:66 against the targeted 50:50. "We have a lot of headroom to raise debt," said Mr Talukdar.

RISING COST
On rising energy costs, Mr Bhattacharya said coal prices in the June quarter were up 10 per cent, furnace oil 30 per cent, naptha 20 per cent and LNG 15 per cent. The aluminim business contributed to Rs 1,867 crore with a 21 per cent growth in EBIT of Rs 552 crore. Higher volumes combined with better product mix and better London Metal Exchange prices contributed to growth.

Revenue from the copper business was up 34 per cent at Rs 3,314 crore. Lower TcRe (treatment and refining charges), higher energy cost and rupee appreciation hit margins. The company has undertaken a planned shutdown of smelters for 24 days in April. The Hindalco scrip was up 0.64 per cent at Rs 165 on Tuesday.
The New Indian Express, Chennai
Tuesday, 3rd August 2010, Page: 8

Regulatory system to curb illegal mining soon

U Anand Kumar | ENS
New Delhi, August 2

The Centre on Monday said an effective regulatory system would be put in place soon to tackle illegal mining in the country.

Replying to queries on illegal mining in Andhra Pradesh, Karnataka and Orissa during the Question Hour in Rajya Sabha, Minister for Environment and Forests Jairam Ramesh said, “The existing regulatory system is not effective enough to tackle illegal mining.”

“A GoM has been set up and two meetings have been held. The report of the GoM is being finalised. One of the terms of reference of the GoM is to see how to put in place an effective regulatory system, both at the Central-level and at the state-level to deal with illegal mining.”

To a query, Ramesh replied that Karnataka Chief Minister had assured him of strict action against those involved in illegal mining. He said that he had written a letter to Karnataka Chief Minister to deal with the issue.

Ramesh pointed out that his Ministry has kept under suspension four projects, including three power projects in Andhra Pradesh, as they violated Forest Conservation Act.

The minister said his ministry has sent a four-member expert group to study Vedanta group’s alleged environmental violation in Orissa.
GoM studying illegal mining

DC CORRESPONDENT

Aug. 2: The Centre has informed the Parliament that a group of ministers, among others, is looking at regulatory deficiencies regarding illegal mining in the country.

Replying to supplementary questions during Question Hour in Rajya Sabha on the issue, environment minister Mr. Jairam Ramesh, said, “The honest truth is that we do not have an effective regulatory system to deal with illegal mining.”

A GoM is among other things looking at regulatory deficiencies in dealing with illegal mining, he said.

Mr Ramesh also informed the House that his ministry is investigating alleged violation of forest laws by Vedanta Co and Korean steel maker Posco in Orissa. He said a four-member expert group is currently in Odisha looking at all cases of alleged violation by Vedanta Co.

On the issue of illegal mining in Karnataka, the minister said he had written to the Chief Minister, Mr. B.S. Yeddyurappa, on July 3 pointing out “gross violation (of the Forest Conservation Act) by private iron ore mining companies” in the forest area of Sandur near Bellary.

“The chief minister has promised to take action against illegal mining,” he said, adding that the Forest Conservation Act of 1980 does not empower his ministry to take action.
Steps to curb illegal mining soon: Ramesh

NEW DELHI, DHNS: Union Minister for Environment and Forests Jairam Ramesh said on Monday that the Centre would soon come up with an "effective mechanism" to curb illegal mining in the country.

Responding to questions in the Rajya Sabha on illegal mining in Karnataka, Orissa and Andhra Pradesh, the minister said he would ask the state governments to set up similar mechanism to prevent illegal mining.

On the alleged illegal mining of iron ore in Obulapuram on the Andhra Pradesh-Karnataka border, the minister said the Survey of India had undertaken a study of the disputed territory. "Based on the survey, if there is any violation of the Forest Conservation Act, we will take action," the minister said.

"Today, honestly, the truth is that regulatory system is not effective enough to stop illegal mining in the country," he said. A group of ministers is looking into the regulatory deficiencies in dealing with illegal mining.

In a letter addressed to Yeddyurappa on July 3, Ramesh had pointed out "gross violation of the Forest Conservation Act by private iron ore mining companies" in the forest area of Sandur near Bellary.
Adani to buy mining assets in Australia for Rs 4,200 cr

Adani Enterprises is likely to buy Australian firm Linc Energy's coal assets in Queensland for about Rs 4,200 crore and an official announcement is expected tomorrow.

The coal deposits have estimated reserves of 1 billion tonnes and would cost the Indian firm an estimated one billion Australian dollars (Rs 4,200 crore), a source in-the-know of the development said, adding that an announcement of the same could be made today. "Adani needs imported coal to fuel its coal-based power projects," the source said, adding that as part of the deal, the domestic diversified entity will also develop a port in Australia to ship the coal to India.

Meanwhile, in a filing to the Australian Stock Exchange, Linc Energy said it "remains in detailed negotiations with a number of parties in relation to the sale of its non-core Queensland coal tenements. We confirm that Adani Enterprises is one of those parties." The Australian firm added that the talks are at "very well advanced (stage), no concluded contract terms have been agreed with any party." Adani Power, a subsidiary of Adani Enterprises, is working on a 4,820-MW power project at Mundra in Gujarat. It has also announced two other projects in the state.

"The group will set up another power project near Mundra with a capacity of 3300 MW and has proposed a 2,840 MW project at Dahod, in Gujarat. The imported coal will help run the facilities," the source added.
NMDC net zooms 94pc to Rs 1,504cr

NEW DELHI: The state-owned miner NMDC posted 94.3% jump in its net profit to Rs 1,504.04 crore for the quarter to June on account of improved sales. "The main driver of our first quarter profitability is a 20% rise in overall sales and the moderate increase in our long-term iron ore prices," NMDC chairman and managing director Rana Som told PTI. The company had a net profit of Rs 737.5 crore in the year-ago quarter. "If the trend continues, NMDC can achieve record profit and turnover in the current fiscal," Som added. The country's largest iron ore producer clocked total sales of Rs 490.60 crore in the reporting quarter as against Rs 334.92 crore in the year-ago period. Som said "cooperation from the Railways" helped the company evacuate more iron ore from the mines in Chhattisgarh. The miner's domestic sales went up by 20% in the period, he added.
Hindalco net up 11% on higher volumes

Mumbai, Aug 3: Hindalco Industries, an Aditya Birla Group company, on Tuesday reported a growth of 11% in standalone net profit at Rs 534 crore for the first quarter ended June 30, 2010, against Rs 481 crore in the corresponding quarter last year. The company’s net sales during the quarter stood at Rs 5,178 crore, up 33% as compared to Rs 3,987 crore in Q1 FY 2010.

“Growth in net sales was driven by higher volumes, better product/geographic mix and improved realisation,” Debu Bhattacharya, managing director of Hindalco said.

According to the company, its low cost advantage, arising from integration and captive coal for own power generation for Hirakud smelter, cushioned the adverse impact of spiralling cost escalation of crude and crude derivatives. Hindalco’s profit before tax during the first quarter was also higher by 12% to Rs 673 crore from Rs 600 crore last year. Of the total revenues of Rs 5,178 crore, aluminium business contributed Rs 1,867 crore with an EBIT of Rs 552 crore.

Shares of Hindalco on Tuesday were up marginally by 0.64% to close at Rs 165.40 on the BSE.

Meanwhile, Hindalco also said it achieved financial closure for its Utkal project in Orissa for which it has raised debt of Rs 4,306 crore on July 30. Hindalco’s wholly-owned subsidiary, Utkal Alumina International Ltd (UAIL) will set up an alumina refinery in Orissa with an annual capacity of 1.5 million tonne. The company has sought loan from a consortium of 28 banks for the project. The syndication is led by IDBI Bank with SBI Caps and the Royal Bank of Scotland NV as joint arrangers and book runners.
Hindalco net profit up 11 per cent

Special Correspondent 🇮🇳

MUMBAI: Aditya Birla group company Hindalco Industries on Tuesday reported a 11 per cent jump in net profit at Rs 534 crore in the first quarter of current fiscal against Rs 481 crore in the same quarter in the previous year. The company’s revenues moved up smartly by 33 per cent to Rs 5,178 crore (Rs 3,897 crore) and the operating profit was up 8 per cent at Rs 901 crore (Rs 833 crore).

The higher sales were driven by higher volumes, better product/geographic mix and improved realisation. Additionally its low cost advantage, arising from integration and captive coal for own power generation for the Hirakud smelter, cushioned the adverse impact of spiralling cost escalations of crude as well as purchased coal for Benukoot and plummeting copper concentrate. The company also benefited from higher aluminium LME and better by-product realisation in its copper business.

The aluminium business contributed Rs 1,867 crore to total revenues while copper revenues were up 34 per cent at Rs 3,514 crore. Operations of the Hirakud aluminium smelter were affected in July by heavy rains and consequently, production is expected to be lower by around 20,000 tonnes this year.

**Brownfield projects**
The Hirakud smelter expansion from 1.55 lakh tonnes to 1.61 lakh tonnes is scheduled for completion by the second quarter of 2010-11 while further expansion to 2.13 lakh tonnes along with 100 MW power plant will be completed in the fourth quarter of 2011-12. It will be subsequently expanded to 3.60 lakh tonnes with a corresponding increase in back-up captive power to 967.5 MW. The Hirakud flat rolled products project is slated for completion in the second quarter of 2011-12 while the Belgium special alumina project is to be ramped up to 3.16 lakh tonnes from 1.38 lakh tonnes.

**Greenfield ventures**
In greenfield projects, the company is setting up a 3.6 lakh tonne aluminium smelter capacity plant at Mahan in Madhya Pradesh with a 900 MW captive power plant. The first metal from the smelter is expected by the second quarter of 2011-12.

A replica of this project is coming up at Sonahatu, Jharkhand, and the first metal is expected in the first quarter of 2013-14.

The 3.6 lakh tonnes Aditya aluminium project along with a 900 MW captive power plant is coming up in Orissa. The first metal from the smelter is expected by the third quarter of 2011-12. The 1.5 million tonnes Aditya alumina refinery project with a 90 MW co-gen plant in Orissa is a replica of Utkal Alumina refinery. The refinery would be mechanically complete by the first quarter of 2013-14.
Goa makes ‘no objection’ mandatory for vessels exporting ore

Prakash Kamat
Panaji, Aug 3

The Goa Government has made no-objection certificate (NOC) from the State Department of Mining mandatory for the port authorities to release export vessels.

The Chief Minister, Mr Digambar Kamat, who holds the Mines portfolio, told the Assembly last week that the Department has taken steps to curb the evasion of royalty.

The Government took the step as some mining operators were found to be increasingly evading the duty after a rise in the levy from August last fiscal.

With ad-valorem duty based on efficacy of the ore coming into effect, the State's royalty collections have shot up from Rs 36 crore a year a couple of years ago to Rs 286 crore in 2009 and Rs 260 crore in the first four months of the current year, the Director of Mines, Mr Arvind Loliyekar, told Business Line here on Tuesday.

He said that the steps taken by the State Government to strengthen the modalities of recovering evaded royalty by some exporters, after tallying production figures and export figures, should not be misconstrued as a ban on iron ore exports.

Goa had last year exported nearly 45 million tonnes of iron ore. Around one-fourth of this comes from neighbouring Karnataka. Goa's problem, therefore, is not of "illegal mining per se", but of mismatch of exports and ore production vis-à-vis royalty collection, says Mr Loliyekar.

On this count, he said that the Department has selected geologists to tally the balance sheets submitted by the exporters for production or sourcing of iron ore for duty payment with the figures of GMODEA and the major and the minor ports.

The Captain of Ports (CoP) has been issued directions to allow a vessel carrying ore to set sail only on submission of a no-objection certificate from the Department of Mines on duty payment vis-à-vis the ore being exported from Panaji minor port.

Similarly, the Chief Secretary of the State has written to the chairman of Mormugao Port Trust to insist on the NOC from ore exporters using the port.

The Chief Minister had clarified in the State Assembly that the Government has approached the Ministry of Shipping with a request to grant permission to intervene in such a situation.

The Kamat Government has often taken the mat by the Opposition in the Assembly, pointing out that there are huge disparities in royalties earned on ore exported and ore extracted between 2007 and 2009. The Opposition Leader, Mr Manohar Parrikar, put the mismatch at around 8 million tonnes.

*More on the Web:
www.businessline.in/webextras*
Gold up on India, China buys

LONDON. Gold firmed on Tuesday as consumers took advantage of lower prices to buy into the metal and as China announced moves to allow greater freedom in its gold trade, but a lack of investment kept a lid on gains. Spot gold was bid at $1,185.80 an ounce at 1801 GMT, against $1,181.25 late in New York on Monday. Earlier it rose as high as $1,188.75. U.S. gold futures for December delivery climbed $3.80 to $1,189.20 an ounce. China's central bank said in a statement it will allow its banks to import and export more gold as part of a programme to push forward the development of the country's market in the precious metal. Broader physical demand for gold has risen, particularly in Asia, as prices fell. Traders in India, the world's biggest gold consumer, are buying ahead of festivals as the stronger rupee made the metal cheaper for local buyers. "Prices below $1,180 are attractive for Indian buyers," said one Mumbai-based dealer. Buying by Chinese jewellers and investors also pushed up premiums for gold bars to their highest in nearly two years on Tuesday.
Copper drops after 5-day rally

LONDON: Copper fell in New York and London for the first time in five days as some investors sold the metal to lock in gains from a rally to a three-month high. Prices on Monday climbed to the highest intraday level since April 30 as the Stoxx Europe 600 Index of equities surged to a three-month high, increasing confidence in the global economic recovery. European shares dropped on Tuesday, and futures indicated that the US Standard & Poor's 500 Index will slip when trading begins in New York. "Copper is taking a breather after an impressive rally in the past week as risk sentiment improves," Andrey Kryuchenkov, an analyst at VTB Capital in London, said in an e-mail on Tuesday.
Fresh draft of new mining bill for group of ministers

NEW DELHI: The mines ministry is in the process of preparing a fresh draft of a new mining Act that would provide for 26% profit sharing by miners with the local community and setting up of a regulator to check illegal mining. The revised draft would be sent to a group of ministers and upon approval will be introduced in Parliament, possibly during the ongoing monsoon session, which will conclude later this month, an official said here. In the earlier bill, the provision was made for companies to either share 26% equity or profits with the locals and tribals.
Hindalco Q1 net rises 11% 

New Delhi: The Aditya Birla Group flagship firm Hindalco on Tuesday posted an 11.30% rise in its profit to Rs 534.4 crore for the quarter to June mainly on account of higher metal prices. The leading aluminium and copper producer said the company benefited from higher aluminium prices on the London Metal Exchange and better by-product realisation in its copper business.

The company had a net profit of Rs 480.5 crore in the year-ago period. The company clocked net sales of Rs 5,178.2 crore for the reporting quarter over Rs 3,866.9 crore a year ago. Global demand is expected to continue to be good in Q2 on
Industry does not want any quota in jobs

New Delhi: The government is moving towards making it mandatory for mining companies to share 26% of their profits with local communities, even as industry chambers have vehemently opposed any job quota based on caste in the private sector.

A fresh draft of the Mines and Minerals (Development & Regulation) Amendment Bill 2008 circulated with the agenda for August 10 consultation with states also seeks comments on creating a development authority for mining areas. The mining laws are being amended to implement bidding system for coal acreages.

Industry is opposed to both job reservation and profit-sharing. Functionaries in leading chambers, Ficci and CII, instead prefer measures and initiatives to train and develop skills in local communities. They said industry was open to adopting training institutes and ITIs in districts with substantial population of disadvantaged class of people. A senior official in the commerce ministry’s DIPP last week wrote to the main business chambers, suggesting the government may soon implement 5% job quota for SC/ST candidates in select areas.

Commerce minister Anand Sharma on Monday held a round of discussion with officials and industry representatives on the issue.
Iron ore output up a tad at 218 mt in FY10

NEW DELHI: The country produced 218 million tonnes (MT) of iron ore in the last fiscal as against the output of 215 MT in 2008-09, the mines ministry informed Parliament on Tuesday. Mines minister B K Handique said the suspension of rail service in Maoist-affected areas of Orissa, Jharkhand, Chhattisgarh has led to an estimated loading loss to Railways of 1.67 MT of iron ore in April-June period. "The estimated loading loss of iron ore to railways due to Naxalite bandh was 5.16 million tonnes during 2009-10," Handique added.
Higher volumes push Hindalco
Q1 net up 11% at ₹534 crore

HINDALCO Industries, the flagship company of the Aditya Birla group, on Tuesday said its fiscal first quarter net profit grew 11% driven by higher volumes in the April-June period. The profit totalled ₹534 crore, against ₹481 crore last year.

Net sales for the company rose 33% to ₹5,178 crore for the same period. Of the total revenue, the aluminium business contributed ₹1,867 crore, mainly due to higher prices on LME.  

"There is continued growth in the sector (metals) now, but the rate of growth has moderated. With the sovereign debt crisis in the Europe and fears of a slowdown in China, growth will not be as fast as we had seen before," said managing director Debu Bhattacharya.

Aluminium sales rose on the back of higher volume, better product mix and higher LME prices, compared to the previous year, the company said in a statement. Revenue from the copper business rose 34% to ₹3314 crore, again due to higher copper prices.
After Indonesia, the Adanis are now exploring Australia for coal mines. Adani Enterprise Limited (AEL), the flagship company of the diversified ₹30,000-crore strong Adani Group and country's largest coal importer, has acquired mining rights for Queensland-based asset for $435 million excluding the royalty. The deal, effected between AEL's Australian subsidiary Adani Mining Pty Limited and Australia's Linc Energy for 100% interest in Galilee coal tenement will include royalty payments for a 20-year period.

The Galilee tenement is estimated to have coal resources to the tune of 7.8 billion tonne, which makes it the largest single tenement in Australia in terms of coal resource. Experts believe that AEL will shell out about A$3 billion including royalty of A$2 per tonne of coal at the end of 20 years. It is estimated that the Australian mine will produce 90 million tonne per annum at its peak production level in next four to five years.

The Adani Group wants to leverage on its integrated model of coal mining, logistics and power generation. In his speech at last AEL AGM, Adani group chairman Gautam Adani had stated that company's vision by year 2020 was to operationalise generation capacity of 20,000 MW, 200 million tonne of coal mining, 50 million tonne of coal trading and build the largest integrated agri business. It may be mentioned here that AEL imported 29 million tonne of coal on Indian shores in 2009-10 and aims for 35 million tonne for the current fiscal. In three to four years, India would need 200 million tonnes of imported coal by 2015 for its various operations compared to the current levels of 60 million tonnes. "Adanis account for about two-thirds of the total coal trade, and to retain such a market share, the group needs to have ownership of at least 50% of the coal that is brought in," says Rajeev Phanse, director at Singhi Advisors, a Mumbai-based boutique investment bank that advised the Adanis on the deal.

AEL CFO Devang Desai told ET that the Australian mine venture would be funded through existing lines of credit and internal accruals. "We are expecting the coal to be imported through proposed terminal at Duggeon Point in Australia where our group company Mundra Port and SEZ Limited (MPSEZ) has emerged as preferred proponent for commissioning coal terminal of between 30 - 60 mmta capacity. Our group's power arm Adani Power Limited (APL) is setting up 13,000 MW of coal based power generation capacity and the acquisition of Australian mine will enable us to expand our plans for generation capacity further," he said adding that APL has already tied up for coal for its 13,000 MW of proposed capacity.

According to Mr Phanse, the Adanis looked at 15 options before zeroing in on Linc. These include better quality coal, existing infrastructure and availability of large capsize vessels which brought down the freight cost significantly. If the freight cost $23 per tonne to ship from Queensland to the Gujarat coast, it came down to about $16 on the capsize vessels which typically carry large quantities of about 200,000 tonnes.

Among other initiatives, MPSEZ is eyeing to acquire Port of Brisbane in Australia. It is learnt that the group is ramping up its mining activities in India and overseas. AEL is scouting for opportunities in coal mining, port and power sectors in South Africa where Mr Adani recently met its president Jacob Zuma. It is also evaluating coal-mining prospects in Indonesia where it is producing 6 million tonne of coal a year and ramping up to 10 million tonne soon. In India, AEL enjoys mining rights for 70 million tonne a year of coal at Parsa East and Kente Basan Coal Blocks and Machhakatta Coal Block.

Last week, AEL concluded its QIP successfully and mopped up ₹4,000 crore to fund its mining activities. The accrual from the QIP proceeds would be largely used for the development of Indian mines.
HC reserves verdict on Reddys' petition

THE KARNATAKA HIGH Court on Tuesday reserved its judgement on a petition challenging Governor H R Bhardwaj orders referring the matter of disqualification of three Karnataka ministers, having mining business, to the Election Commission. After hearing the petitioner and the prosecution, Justice Mohan Shantanagouder reserved his verdict. On July 12, the high court had ordered issue of notices to the Election Commission, state government and complainant, Congress MLC from Bellary K C Kondaiah, on a petition challenging Bhardwaj's orders referring the matter of disqualification of three ministers from the assembly to the poll panel. The petition was filed by the three ministers — Janardhana Reddy, Karunakara Reddy and B Sreeramulu. Mr Kondaiah had in a petition sought disqualification of the Reddy brothers and their business associate and health minister B Sreeramulu alleging that as ministers, there was a conflict of interest with their having mining business in Karnataka and AP.
Adani buys coal mines in Oz for ₹12,221 crore

Ahmedabad: It is what is being described as the largest acquisition by an Indian company in Australia, Adani group flagship company, Adani Enterprise (AEL), on Tuesday, acquired the coal mines of Australia’s Linc Energy in a cash and royalty deal worth A$2.6 billion (Rs 12,220.6 crore).

The purchase deal is worth A$200 million (Rs 2,100 crore) and includes a royalty payment of A$2 per tonne of coal mined for 20 years. Linc said it can produce up to 60 million tonnes per year once the mine was fully operational. Simply put, Adani would pay A$2.4 billion in royalties alone over a period of 20 years.

It’s also being viewed by analysts as a major boost to the Rs 27,800-crore Adani group’s expanding energy business. AEL’s Australian subsidiary, Adani Mining Pty Ltd, inked the licence agreement for the Galilee coal tenement in Queensland, the largest in Australia, with resources of 7.8 billion tonnes of coal.

The Adani group now plans to invest about A$6 billion to create infrastructure—ports, railway and development of mines—Down Under over the next five years. “This acquisition will help the company achieve self-reliance in fuel supplies for our power generation business,” Gautam Adani, chairman of Adani group told TOI.

Coal from the Galilee basin would support the rapid expansion of the power business of Adani Power in India as well as the expansion of AEL’s coal business. It may be pointed out that the Adani group is the largest importer of thermal coal in India.

The coal mine deal would considerably boost the company’s plans to increase its power generation capacity from 13,000 MW to 20,000 MW by 2020. The entire transaction has been financed from the company’s own resources and banks, said a company executive. “We will be able to start mining from these mines in the next four years,” Devang Desai, CFO of AEL, told reporters here.

Analysts say the company is fast emerging as the only power generating company in the country that has a strong chain of vertical integration—from mining to ports and shipping to power generation and transmission. It’s a win-win situation for the company. “This acquisition means more business for Adani-run ports and shipping companies besides cheap fuel for its power plants,” said V K Sharma of HDFC Securities.

“A recent research report by Australia’s Macquarie Bank says Adani is the only power generating company with a complete vertical chain. This will give the company long-term sustainable returns,” a senior Adani official said.
Centre to form Mineral Regulation Authority

BANGALORE: With the illegal mining issue in the spotlight, the Centre on Saturday said it is planning to set up an authority to check the menace.

A Group of Ministers discussed at a meeting in Delhi yesterday outlines of the proposed Mineral Regulation Authority and the powers to be vested with it to deal with illegal mining, Union Law Minister M Veerappa Moily said.

"We have discussed it. There are lot of issues to be looked into," he told reporters, refusing to commit himself to a timeframe to introduce a bill in Parliament for establishing the authority.

Moily slammed the Karnataka government for not checking illegal mining and illegal exports of minerals, saying "it is unfortunate though the Centre has given all the powers to states, it has not been exercised".

"They have failed to prevent illegal mining and regulate mining activity," he said.

Meanwhile, stepping up its attack, Congress demanded resignation of Chief Minister B S Yeddyurappa for his government's "failure" to check illegal mining and illegal export of iron ore in the state. (PTI)