Hindalco net profit jumps 11% 

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.
‘Compensate even if mines not profitable’

New Delhi: The mines ministry is planning to make it mandatory for companies to compensate people for their land with the amount of royalty they pay to states, even if the mines are non-functional or running losses.

As per the proposed legislation, miners will have to share 26% profits of their projects with those whose land is acquired. However, to further safeguard the interest of the displaced, the government is now trying to ensure that they get returns in case mines make losses or are not operational.

“The mines ministry has proposed that the displaced be compensated, with amount equivalent to the annual royalty paid by the miners to state governments, even if the projects are non-operational or making losses,” a government official said. “This will be in addition to the proposed clause that makes it mandatory for firms to share profits and give symbolic free equity to affected persons,” he said. The royalty paid by mining companies to state governments like Orissa, Jharkhand and Karnataka runs into crores of rupees. PTI
रेड्डी बंधुओं ने अवैध खनन के मुद्दे पर संघ को दी सफाई

रेड्डी बंधुओं ने अवैध खनन के मुद्दे पर संघ को दी सफाई। बंगलूर, 4 अगस्त (भाषा)। विपक्ष और अपनी पार्टी के भी कुछ लोगों के निमित्त पर आए, रेड्डी ने जरूरत के रूप में रेड्डी ने बुधवार को संसद के स्वर्णस्मृति सुंदर रेड्डी पर लगाए गए अवैध खनन के आरोपों पर अपना समर्थन किया। रेड्डी ने बताया कि रेड्डी ने यहां संघ के नेता जयप्रेष और युवक सेना के पंत को और बिक्षा। रेड्डी व जानता दल संकुल को अपने संघ में आए और उनके बैठे व मंचों के बाकी रेड्डी और वो श्रीमुंशु के नेता बाबू अवैध खनन के आरोपों पर अपना समर्थन किया।

रेड्डी के मुझफिक विवाद के निमित्त पर आए, रेड्डी और और श्रीमुंशु के भाषा की भाषा के बाद जयप्रेष और युवक सेना के पंत को और रेड्डी ने यहां संघ के नेता जयप्रेष और युवक सेना के पंत को और बिक्षा। रेड्डी व जानता दल संकुल को अपने संघ में आए और उनके बैठे व मंचों के बाकी रेड्डी और वो श्रीमुंशु के नेता बाबू अवैध खनन के आरोपों पर अपना समर्थन किया।

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Culvert blown up in Orissa

BHUBANESWAR: Suspected Maoists on Wednesday blew up a culvert and attacked iron ore mines of the Steel Authority of India Limited in Orissa’s Sundargarh district. Roukela SP Dipesh Patnaik said, "The culvert did not collapse immediately, however, it was rendered unusable."

ENS
Naxals spring another ambush in Dantewada

Police say men safe, rebels hurt

EXPRESS NEWS SERVICE
RAIPUR, AUGUST 4

NAXALITES on Wednesday ambushed personnel of the Chhattisgarh police, Special Task Force and Koya Commandos in the forests of Gumiyupal in Dantewada district. After a fierce gunbattle, police claimed their personnel were safe and had inflicted casualties on the rebel side.

“Among the dead and missing are 50 officers who were returning to their base camp. We had sent reinforcements to the encounter spot,” said IGP (Bastar range) T J Longkumer. “Our men retaliated and came out of the ambush. At least four-five Naxalites might have been killed in the encounter. We will be able to get more details only after our men return to the base.”

A team of 100 security personnel, comprising men from the Dantewada district police, STF and Koya Commandos (local tribal youth who were Special Police Officers and later absorbed into the regular force) had left Kirandul police station in the morning for a routine search operation.

Initial reports said they were ambushed by the Naxalites in the forests of Gumiyupal, about 8 km from Kirandul, leading to a fierce encounter. There was speculation that 75 personnel were “missing” after the ambush since police claimed that there had been no contact with them. However, in the area rain was pouring down making it difficult for reinforcements to reach the area. With the weather being bad, helicopters could not take off.

But by evening, Additional Director General of Police (Anti-Naxal Operations) Ram Niwas confirmed that all security personnel were safe and were returning to their base camp. “It is taking time as adequate precautions are being taken...to avoid the possibility of any attack”, he said.

In the last four months, Naxalites have stepped up attacks against security personnel, particularly targeting the CRPF. Nearly 150 security personnel, most from CRPF, have been killed in different attacks in Dantewada, Narsaupur and Bijapur districts of Bastar region. This has even triggered a blame game between the CRFP and the state police. While the state police maintains that CRPF personnel were not killed because of their own fumbles and by not following standard operating procedures, the CRPF has blamed the state police for not coordinating. Union Home Secretary G K Pillai and Chief Minister Raman Singh have had to intervene to iron out the differences.
Maoists hit SAIL mines in retaliation

AGE CORRESPONDENT

Aug. 4: All activities at the Steel Authority of India’s Kalta iron ore mines in Sundergarh district came to a grinding halt on Wednesday after the Maoists threatened retaliatory actions in protest against arrest of six comrades by the police on Tuesday.

Around 2300 workers, including engineers, did not turn up for their duty fearing attack by the rebels. The police had arrested six ultras and seized two unexploded landmines.
Hindalco: Sweet timing

Better prices in aluminium business and expected growth in volumes are seen as strong positives for the company.

With aluminium prices recovering from recent lows, Hindalco is set to see volumes grow. The company may have just timed it all very well. Aluminium prices have rebounded from a low of $1,850 a tonne — a level that was below operating costs and led many smelters to shut shop. The prices are now around $2,200 a tonne.

The improving demand-supply balance and reducing inventory overhang have increased the estimated average London Metal Exchange price assumption to $2,300 a tonne, according to analysts at Ambit Capital. Volume growth and cost improvements should further boost profitability of subsidiary Novelis. In addition, analysts expect the business to deliver adjusted earnings before interest, tax, depreciation and amortisation (Ebitda) of $315 in the next financial year, compared to $306 in the March quarter.

Hindalco’s standalone net revenue at around Rs 5,146 crore in the June quarter was a mild surprise. But, its net earnings of Rs 534 crore were in line with estimates. Higher realisations in the copper business also helped. Hindalco is now well placed to benefit from the expansion of its aluminium capacities, which will nearly grow to double their current size in the next four years.

The first commissioning is expected at Hirakud in the second quarter of financial year 2011, where capacity is being increased to 161 kilo tonnes per annum (Kt/yr) in Phase-I and to 213 Kt/yr in Phase-II by 2012. These capacities would include modern production techniques that could reduce manufacturing costs, said analysts.

This is expected to lead to volume growth of around 26 per cent till 2013, believe analysts. With prices not looking to head south again and, in fact, firming up of late, the volume growth will be well-timed. The turnaround at Novelis will add to the positive sentiment.

The key at the moment is the outlook on aluminium prices. A fall of five per cent will lead to a four per cent decrease in the estimated Ebitda for FY12. On the other hand, a five per cent appreciation in the exchange rate will lead to a six per cent drop in FY12 Ebitda, say analysts.
खनन कंपनियों को मुनाफे में हिस्सेदारी से एतराज क्यों?

समय खनन कंपनियों के प्रभाव प्रमाणित किया जा रहा है, उससे यह आख्तुरु मुद्दे पौर करने में सफल है। पहला स्पष्ट है कि खनन कंपनियों के स्थान पर फिर से 26 पीसीसी हिस्सेदारी वाली कंपनी का मात्रा बढ़ा रही है। जल्द ही ये प्रक्रिया अन्य 26 पीसीसी हिस्सेदारी वाली कंपनियों के स्थान पर भी स्पष्ट होगी। इस प्रक्रिया से उन्हें राहत प्राप्त होगी क्योंकि ये कंपनियों के क्षेत्र बढ़ाए गए हैं।

लेखक कहा जा सकता है कि यह अगर कंपनियों के क्षेत्र में कमजोर हो जाता है तो अगर खनन कंपनियों के स्थान पर 26 पीसीसी हिस्सेदारी वाली कंपनियों का मात्रा बढ़ा रही है तो इससे ये राहत प्राप्त होगी। इसका नतिजा उनके सामने एक बड़ा बादल हो जाएगा। ये कंपनियों से उनके सामने ही आशंकाएं होंगी।

खनन कंपनियों के क्षेत्र में कंपनियों के क्षेत्र बढ़ाए गए हैं। इस प्रक्रिया से उनका सामने होने वाला एक महत्वपूर्ण बदलाव हुआ है कि खनन से हासिल मुनाफा स्थानीय लोगों को नहीं पहुंचा है। उन्हें ये विश्वास और अनुभव के ही विकास हुआ है। इन नियमों पर खनन होता है, तो इन दोनों की स्थानीय लोगों को राहत मिलेगी। इसलिए कंपनियों के कारण आवश्यक कर लिये जाने के बाद उनका नतिजा ठीक हो जाएगा।

खनन कंपनियों के कारण आवश्यक कर लिये जाने के बाद उनका नतिजा ठीक हो जाएगा।

उद्धेश्यों में नियमपत्रक, इंडस्ट्री के दुरुस्ती से संदर्भ आसन्न ग्रंथी नहीं है। इसका कारण वह कितने स्थानीय लोगों को आत्मविश्वास आत्मसत्यिता प्रदान करता है। इस लोगों को आत्मविश्वास और नमक के अलावा कुछ भी नहीं उठाना पड़ता।

नियमपत्रक की जरूरत उन्हें सम कुछ सुधार कराती है। लेकिन वोल्टाम्टर के कानून से उनके हालात में सरस्तर निवस्था नहीं जा रही है और इसलिए उनके नोटिफिकेशन के आधार पर दी गई है।

उन्होंने खनन के कारण आवश्यक कर लिये जाने के बाद उनका नतिजा ठीक हो जाएगा।
रेडी बस्तूओं ने खगन मुद्दे पर आईएएसएस को दी सफाई
राज्य के बराबर देना
पड़ेगा भूस्वर अधिग्रहण
का मुआवजा

नई खबर! खान मंजूलव भूस्वरियों
की सुरक्षा को ध्यान में रखते हुए उन्हें
हर हाल में अधिग्रहण भूस्वर का
मुआवजा हिस्से जाने की जासूसी कर
रहा है। मंजूलव का मानना है कि खान
कार्य करने से रोक देना ही अस्थायी
कंपनी को प्रभावित हो रहा है जो
भूस्वर के मुआवजे मिलने पर चाहते
हैं।

पाला के निष्ठूल में
या फिर खान भूस्वर परीक्षण करने के साथ
भी उनकी सुरक्षा के लिए देने को
दी जाने वाली राशि के बाद का
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गया है। खान मंजूलव के एक विलेन
सदस्यों और अधिकारियों ने कहा कि लागत में
राज्य के बराबर देना का नियम किया
गया है और अधिकारियों को राशि की देने के
लिए राशि के बाद का मुआवजा
देना होगा। सही, आसान और
कानूनी नीति के अनुसार खान कंपनियों
को राशि की देने के बाद का मुआवजे
देना होगा।
Ban on iron ore exports

Miners threaten to move court

SHUBHDEEP CHOWDHURY
Tribune News Service

BANGALORE, AUGUST 4
The Federation of Indian Mineral Industries (FIMI) yesterday threatened to go to the court if the Karnataka government did not withdraw its order of July 28 banning iron ore exports from the minor ports under the jurisdiction of the state government.

“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,” FIMI secretary-general R.K. Sharma said.

Taking strong exception to the state government’s purported step to curb illegal mining in the state, Sharma, in a letter to Karnataka Chief Minister B.S. Yeddyurappa, said the July 28 notification to withhold permits to move iron ore for export from the lease hold areas was also unconstitutional and illegal.

“The knee-jerk reaction of the state government brings out its helplessness and its inability to curb illegal mining of iron ore in the state,” Sharma said. Dubbing the twin ban orders irrational, FIMI director David Pichamuthu said the organisation would go to the court if the state government did not withdraw the orders with immediate effect.

He also questioned the powers of the state in issuing the twin notifications and said a major mineral like iron ore and its exports came under the jurisdiction of the federal government.
NEW DELHI, 4 AUG: The mines ministry is planning to make it mandatory for companies to compensate people for their land by paying an amount equal to the royalty they pay to states, even if the mines are non-functional or running losses. As per the proposed legislation, miners will have to share 26 per cent profits of their projects with those whose land is acquired. #PIT
Copper drifts lower in LME trade

Reuters

London, Aug. 4

Copper drifted lower on Wednesday as poor US data in the previous session stoked concerns about the strength of the economic recovery, which prompted investors to cash in profits from a recent rally.

Copper for three month's delivery on the London Metal Exchange fell to $7,407 a tonne by 09:02 GMT from $7,425 a tonne on Tuesday.

LME copper is expected to fall to $7,200 per tonne as a five-wave cycle has been completed at the Monday high of $7,500, according to Mr. Wang Tao, a Reuters market analyst.

Aluminium stocks rose by 1,225 tonnes to 4.4 million tonnes. The three-month price was at $2,203.75 a tonne, barely changed from Tuesday's $2,204 a tonne.

Steel-making ingredient nickel was at $21,575 a tonne from $21,690, while battery material lead traded at $2,202 from $2,220. Zinc gained to $2,081 a tonne from $2,085, and tin was unchanged at $19,850.
Setback in gold temporary, says mining co Barrick founder

Yellow metal will continue to rise for years

Reuters
Tivat, Montenegro, Aug 4
The recent slide in the price of gold is temporary and the precious metal will continue to rise for years, the founder of the world's largest gold miner Barrick Gold Corp has said.

ECONOMIC UNCERTAINTY
Mr Peter Munk, 82, Barrick's Chairman, said in an interview that economic uncertainty and investor wariness about other asset classes, particularly currencies, would continue to support gold, which hit record highs in June.

"I expect the trend to continue because I think once people have lost confidence in their currency, once people have lost big money in equities and in bonds and traditional vehicles, their confidence in gold, especially having seen gold rise year in and year out for a decade, is reinforced," he told Reuters.

Gold hit a record $1,264.90 an ounce in June as investors flocked to it as a hedge against the sovereign debt turmoil in countries such as Greece and Portugal. It has since fallen and traded around the $1,190 level on Monday.

"A temporary setback is normal in all trading situations and is not going to change that," Mr Munk said, but added later: "I am categorically not a gold bug."

Barrick, started in 1983, has interests in 26 operating mines. Mr Munk declined to detail any pending acquisitions, but added: "It is economically very prudent to add on to the land holdings, for example, of a perspective area."

FINDS DIFFICULT
Despite the US government's assessments that there is vast gold and other mineral potential in Afghanistan, Mr Munk said that was not a region Barrick was interested in exploring.

"Gold finds are becoming more and more difficult right now," Mr Munk said.

"What most large companies do now is they look for mixed metal mines, where gold is a part of other metals and other minerals...I think that is the future growth area for large gold producers."

Mr Munk said past hedging made it possible for Barrick to grow by creating a steady cash flow.

He said his experience in the 1950s and 60s with Clairtone, a high-end Canadian stereo company that ultimately failed, helped explain his cautious approach as he built up Barrick.

"I learned more in that year of failure than I did in 50 years," he said.
Hindalco arm ties up Rs 4,906-crore debt

Leading aluminium producer Hindalco said its subsidiary Utkal Alumina has tied up Rs 4,906 crore debt from a group of banks for its refinery project in Orissa. “Hindalco has successfully achieved the financial closure of UAIL with the signing of a common loan agreement of Rs 4,906 crore on July 28, 2010. This constitutes the entire debt requirement of the project.”
Naidu demands ban on iron ore exports

HYDERABAD, Aug 2 -
TDP chief N Chandrababu Naidu has demanded that Andhra Pradesh Government immediately ban export of iron ore from the State, and also release a White Paper on iron ore “illegally exported” from here in last six years.

“Karnataka has banned export of iron ore from that State and estimated that 30 million tonnes of it was exported in the last few years. AP has more iron ore reserves than Karnataka and hence the quantity of ore exported illegally from the state could be much higher... Hence it should be banned,” Chandrababu told reporters at TDP headquarters here today.

While the Congress in Karnataka is fighting against the “mining mafia” and illegal export of mineral wealth, the state government is rolling out a red carpet and encouraging plundering of national wealth by certain elements, he alleged.

Karnataka Chief Minister BS Yeddyurappa is taking decisions against his own ministers’ interests vis-à-vis iron ore export. But the AP government is unduly favouring them and allowing export of iron ore illegally. As many as 2,000 trucks of iron ore is being exported through the Krishnapatnam port daily. The Congress government here is in a deep slumber,” the TDP chief said.

The government should prove its sincerity and release a white paper on the iron ore exports from the State in the last six years, he demanded.

Referring to iron ore mining in Bayyaram and two other mandals in Khamman district, the Leader of Opposition said the government sought to hand over rich mineral spread over 1.40 lakh acres to the son-in-law of former Chief Minister YS Rajasekhara Reddy though requisite environmental and forest clearances were not granted for mining activity. -- PTI
Reining in Maoists to woo mining investors

Govt must attract $7 billion by 2013 to develop additional 100 mt of coal and 50 mt of iron ore to meet estimated demand

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NEW DELHI

The growing Maoist violence is worrying investors, forcing authorities to fight back aggressively in hopes of luring up to $7 billion in funds needed to boost coal and iron ore output vital for growth.

Maoist violence killed 426 people in the period from January to July, up nearly three times from a year ago, the South Asia Terrorism Portal shows, highlighting the danger of mining in the mineral-rich eastern and central states and the challenge to the country's ability to maintain law and order.

The Maoist rebels say they are fighting for the rights of the poor and disenfranchised, and find support among millions of tribal and lower caste people, who accuse the state and big firms of neglect and exploitation in regions rich in minerals.

"If this issue is resolved, first of all logistics will improve significantly because trying to transport material has become a big problem," said Prasad Baj, senior vice-president at Edelweiss Securities in Mumbai. "Mining operations and production will also improve."

Analysts say India must attract $7 billion (Rs 32,316 crore) in funds by 2013 to develop an additional 100 million tonnes of coal and 50 million tonnes of iron ore to meet estimated demand and maintain economic growth of more than 6% over the last two years.

India has reserves of 267 billion tonnes of coal and about 25 billion tonnes of iron ore. But investors can only be won over by a concerted effort to crush the Maoist threat and speed reform, the government's twin aims in pursuing a law more than 50 years old that regulates the mining industry.

The changes would affect domestic metal and mining firms such as Sesa Goa, Sterlite Industries, Tata Steel and the Steel Authority of India, and global giants Rio Tinto and BHP Billiton.

Several federal ministries are weighing the new bill's proposals for companies to share more than a quarter of their profit or equity with locals, for foreign investor participation in joint ventures and wide federal powers to tackle lawlessness.

The legal overhaul is part of government moves to expand social programmes for the poor, simultaneously pleasing its core supporters among voters, blocking flows of new recruits to the Maoists and balancing modern lifestyles against traditional ways.

Several government panels will debate the bill, revising it, and perhaps watering down the 26% profit-sharing figure, before it goes to parliament early next year prior to becoming law, analysts say.

Containing the Maoists, who were spawned by a peasant revolt in eastern India in 1967, is one of the biggest challenges the government faces and there is no guarantee fresh investments in mining will pay off, many analysts and industry figures agree.

"The eradication of Maoists may take at least two years," said Baj, adding that the well-armed groups were entrenched in forested and hilly terrain, enjoyed the support of locals, and had gained strength over many years.

The security forces fanned out against the rebels in March in their biggest deployment in post-independence history, but the army is not being used for fear of alienating locals, leaving ill-trained police forces to fight a guerrilla war.

The government also plans to set up a unified command to coordinate the security offensive against the Maoists and spend more than Rs 950 crore to build roads and bridges in strife-torn areas.

But the payoff for the government could be a while in coming.

"Who will go to these areas to work? There is no development, no law and order," said S. B. S. Chauhan, an advisor at the Federation of Indian Mineral Industries (FIMI) in New Delhi, which groups 400 metal and mining firms.

Slow development of new mines could see coal imports swell nearly 47% over the next two years and iron ore supplies fall short of big steel capacities on the drawing board. India imported about 68 million tonnes of coal in the year to March 2010, on top of output of 591 million tonnes. Analysts expect coal imports to exceed 100 million by March 2012.

Iron ore production of 226 million tonnes in the year to March 2010 sufficed for domestic use and exports, but more high-grade ores are needed for major steel capacity growth, to the tune of 120 million tonnes, by March 2012.

Annual output at the largest iron ore miner, NMDC Ltd, fell nearly 16% in the year to March 2010 after Maoists cut a slurry pipeline in Chhattisgarh, the worst hit by the revolt. Reuters
Hindalco ties up debt for Utkal Alumina project

Shubhashish MUMBAI

Hindalco Industries has achieved financial closure for its Utkal Alumina project, chief financial officer Sunirmal Talukdar said.

The company tied up debt of Rs 4,906 crore, Talukdar said, adding that 28 banks have financed the loan, led by SBI Caps, IDBI Bank and Royal Bank of Scotland.

Hindalco is building a 1.5 million tonne per annum (mtpa) alumina refinery in Rayagada district of Orissa and the produce will feed the alumina requirements of the Mahan and Aditya smelters in Madhya Pradesh and Orissa, respectively. The project is being undertaken by Utkal Alumina International Ltd, a 100% subsidiary of Hindalco.

Talukdar said, “We are taking up our projects with a debt-to-equity ratio of 7:3 and the equity part of the project has already been tied up.”

Hindalco said around 82% of the project cost has already been committed and production should begin by September next year.

The company is also building a 359 ktpa aluminium smelter in Baragwan, Madhya Pradesh and a 359 ktpa aluminium smelter is Orissa.

Debu Bhattacharya, managing director, Hindalco said, “We are working on the financial closures for the two projects and are trying to achieve them as soon as possible.”

Meanwhile, Hindalco announced its second quarter results, posting a net profit of Rs 534 crore as against Rs 481 crore in the second quarter last year. Net sales for the second quarter jumped 33% at Rs 5,178 crore on year:

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New bill to curb illegal mining, boost locals share
MINISTRY PREPARES FRESH DRAFT FOR GOM REVIEW

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, a top 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. However, the equity sharing proviso was opposed fiercely by the industry, especially chamber FICCI.

“We are working very hard to finalise a fresh draft of Mines and Mineral Development and Regulation Act, 2005 (MMDRA) to be placed before the GoM shortly. It would be our priority to introduce the Bill in the current session of Parliament,” Mines Secretary Subramanyan Vijay Kumar told PTI.

The new mining legislation to replace the existing MMDR Act, 1957, will incorporate all the views of the GoM including decision to share 26% of the net profit by mining companies for local community, a senior official said.

The GoM, headed by Finance Minister Pranab Mukherjee, constituted in June to examine the Bill met twice on July 20 and July 30 and took a decision that 26% of the net profit of the mining company will go towards the local community which will include every affected person including landowners and people residing in the area, the official added.

Besides the GoM was of the view that instead of 26 % free equity in mining ventures to persons, whose land is to be acquired by corporates, they would be given some shares in a symbolic measure to have a say in the management and decision, the official said.

Investment of a few lakh crores of rupees has been delayed because of resistance by land owners to part with their assets. Companies like ArcelorMittal, Posco have been facing protests against land acquisition in Orissa, Jharkhand etc. — PTI
Higher prices push Hindalco Q1 net up 11% to Rs 534 cr

NEW DELHI: The Aditya Birla Group flagship firm Hindalco posted an 11.20% 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 USD 1,600 a tonne on the London Metal Exchange in June 2010 and had touched a high of around USD 2,400 a tonne in April 2010. Hindalco said metal prices on the LME ended in the first quarter at 1,900 a tonne. Similarly, copper prices, which ended the first quarter at around USD 6,700 a tonne, had touched USD 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% 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.

Elaborating on the company’s outlook, it said, "outlook for the coming quarters would 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. — PTI
Colombia looks for Indian investments

Our Bureau
Kolkata, Aug 4

Business process outsourcing (BPO), information technology, biofuel, hospitality, packing and agro chemical would be some of the key areas where Colombia would look for Indian investments, according to a senior official from the Embassy of Colombia.

“We have vast resources of coking coal and we are inviting Indian companies to invest in our country. We are also open to investment in mines either by way of mergers, acquisition, or joint venture with Indian companies.

“This apart, BPO, IT, biofuel, hospitality, packing and agro chemical will be the key areas of focus,” said Mr Alejandro Pelaez, First Secretary (Commercial), Embassy of Colombia.

Colombia would look at importing machinery and tools for its food processing, mining and agri-business segments from India, Mr Pelaez said, while talking at an interactive session on India-Colombia bi-lateral trade organised by the Merchants’ Chamber of Commerce here on Wednesday.

The Kalyani Group was scouting for a coking coal mine in Colombia, he said.

“They are looking for a coking coal mine in the Andean region; they are conducting a research on the available reserves in various locations,” he added.

The bilateral trade between the two countries grew by about 109 per cent at $813 million in 2009-10, against $388 million during 2008-09. India’s main exports to Colombia were motorcycles, auto parts, organic chemicals, pharmaceuticals and threads and cotton textiles.

Colombia’s exports to India jumped to $449 million in 2009-10, from $17 million in 2008-09. Oil, coal, sugar, candies, wood, furniture, petrochemicals, iron and nickel were the key products of export from Colombia into India, according to Mr. Juan Alfredo Pinto Savedra, Colombian Ambassador.
Work in Odisha mines halted after Maoist threat

PNS Rourkela

Work in the Kalta mines came to a halt after a group of 60 Maoists stormed into Jheripani village in Koida police station on Tuesday night, and asked the villagers to stop work and mining operation there.

While the security personnel engaged in the mines reportedly fled away from the scene, shopowners in the local market downed shutters. The police suspected that the Maoists' action was in retaliation to the arrest of six ultras belonging to Jheripani village on Tuesday.

After an hour-long stay in the village the Maoists disappeared into the nearby forests adjoining Jharkhand, sources said. Meanwhile suspected Maoists blew up a road culvert close to the railway tracks in Bisra area of Sundargarh district on Wednesday, briefly disrupting train services on the Mumbai-Howrah route.

“A road culvert at Mahinani in Bisra police station area, about 30 km from here, was blown up by the ultras using a landmine,” said Bhopal Superintendent of Police Dileep Patnaik. No one was hurt in the incident which triggered panic in the locality, police said. As the culvert was close to the railway tracks, the station manager and other staff of nearby Bhalulata station thought it was an attack on the railway lines and alerted the police.

While other railway stations were asked to regulate the trains slated to begin operations at 5 am after night halt, teams from RPF and GRP, State police and bomb disposal squad were engaged to check rail lines in the area, the police said. A thorough inspection of the tracks showed there was neither any damage to the lines nor any explosive device planted, they said, adding train services resumed after the security personnel gave clearance.
Adani Power to benefit from parent’s coal asset purchase

Results show satisfactory financial performance

W.V.S. Santosh Kumar
BL Research Bureau

It was an eventful week for Adani Power.

The company announced synchronising of its third 330 MW unit on July 29. The company’s parent (Adani Enterprises) acquired Linc Energy’s Galilee coal tenements, which may help Adani Power secure additional coal supplies.

The company also posted good financial performance despite some operational glitches.

CURRENT OPERATIONS

Adani Power is operating 990 MW of power projects, of which 660 MW has been operational for the entire quarter. There is no comparable previous quarter as Adani Power’s projects went online in the second half of FY10. It has generated 1,153 million units (MU) with average realisation of Rs 3.26 a unit.

What is encouraging about APL’s performance is that the company continued to maintain a good blended tariff (mix of sales through merchant and power purchase agreements), thanks mainly to average short-term tariffs of Rs 6.75 a unit according to the management.

This is higher than the average tariff for short term in May 2010 (Rs 6.2 a unit) published by the CERC.

While the realisations are strong, plant load factor (PLF) disappointed this time around.

Adani Power’s PLF stood at 80.8 per cent for the quarter, against an average 93 per cent till March 31, 2010. Consensus estimates of sales too were based on a 90 per cent PLF.

The company attributes this to abnormal weather and maintenance. The PLF may go back to normalcy, allowing the company to sell higher volumes in the merchant market.

The operating profit margin of the company was healthy at 60 per cent and improved from 58 per cent sequentially. Higher margins per unit are indicative of operating leverage as variable (fuel) costs remained in the same range.

The other income component continued to fall as the company has utilised a majority of the IPO proceeds.

COAL ASSET ACQUISITION

The coal asset acquisition by the parent company also augurs well given the ambitious capacity additions planned for Adani Power.

With Australian coal having high calorific value as compared with Indonesian coal (which Adani Power is currently using), higher power output can be realised for the same levels of coal consumed. The efficiency may improve as majority of the future capacity additions by Adani Power run on super-critical technology which have better heat rate.

At a gross calorific value of 5,000 Kcal/kg and average heat rate of super-critical technology, the 60-million-tonne-per-annum (mtpa) coal expected to be mined from the Australian mines would support in excess of 21,000 MW of power generation.

Adani Enterprises plans to develop a 30-60 mtpa coal terminal in Queensland to transport coal from these mines.

OUTLOOK

With the addition of a third unit of 330 MW at Mundra and the PLF set to improve for the other plants, the coming quarter would continue to see strong growth. However, the 990-MW of sub-critical projects which, as per IPO document, were expected to come by February 2010 may only be fully commissioned by September 2010, suggesting a slippage in the schedule.

The company plans to have a capacity of 1,980 MW by the end of this fiscal.
Mining Bill proposes to give more to affected people

Our Bureau

The government has proposed to further strengthen regulations concerning people affected by mining projects in the new draft Mining Bill being finalised by the mines ministry for approval of Parliament. Mining companies would now be asked to not only share a portion of their profit and offer free shares to those who have lost land to projects but also compensate such people with the amount of royalty they pay to states.

This payment is proposed to be made mandatory even for mining operations which are non-functional or running losses.

"The mines ministry has proposed that project affected people should also be compensated with amount equivalent to the annual royalty paid by the miners to state governments. As royalty is a substantial contribution to states, the compensation would help in improving the condition of project affected families and reduce their opposition to projects," said an official of mining ministry who did not wish to be identified.

As per an earlier proposal, the government intended to offer 26% equity in mining companies to project affected persons. It has now been decided that companies will have to share 26% profits of their projects with those whose land is acquired and also offer one free share to each member of a family of land losers. The proposal on additional compensation equivalent to royalty has also been added now.

The proposal of the mines ministry will now be vetted by a Group of Minister (GoM) headed by finance minister Pranab Mukherjee. The GoM had asked the ministry to rework the draft mining legislation and give it "more teeth" before it is put up for Parliamentary approval.

"The GoM may meet once again next week, before the Bill is sent to cabinet for its approval," said the official.

The equity sharing provision in the draft was earlier opposed fiercely by the industry. The government decided to change the provision after this in the interest of the mining industry.

The new bill seeks to expedite grant of mineral concessions in an expeditious and transparent manner, besides attracting investments in the sector. Investment worth lakhs of crores of rupees has been delayed because of land owners' resistance to part with their assets.
Gold breaks above $1,200/oz

Reuters
London, Aug 4

Gold prices broke above $1,200 an ounce in Europe on Wednesday, reaching their highest level in over two weeks. Spot gold was last at $1,200.45 an ounce at 12:55 GMT, up from $1,185.35. US gold futures for December delivery rose $9.60 to $1,197.10.

Platinum was at $1,883.45 an ounce and palladium at $497.48. Silver was at $18.52 an ounce against $18.42.

**Bullion rate**

**Mumbai:** Silver spot (.999 fineness): Rs 29,725; standard gold (99.5 purity): Rs 18,030; pure gold (99.9 purity): Rs 18,125.

**Chennai:** Bar silver (a kg): Rs 30,090, retail silver (a gm): Rs 22.20; standard gold: Rs 18,115; retail ornament gold (22 carat): Rs 1,685.
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