Hindustan Copper net drops 17.4%

Hindustan Copper has recorded a net profit of ₹46.5 crore in the second quarter, a decline of 17.38 per cent. Sales turnover and profit before tax (PBT) stood at ₹296.6 crore and ₹67.7 crore, respectively. Compared to the corresponding quarter of the previous year, the turnover and PBT have decreased by 5.4 per cent and 19.68 per cent, respectively.
Aditya Birla group likely to bid for Australian coal firm

INDIAN conglomerate Aditya Birla group is understood to have started the process to bid for acquiring the Australian coal company New Hope valued at an estimated $5.2 billion.

Talks between the Aditya Birla group, which owns Hindalco Industries and UltraTech Cement, and New Hope have moved beyond initial stages, industry sources said.

They added that the $35 billion conglomerate was likely to appoint advisers in the next few days for the deal.

The Birla group is also mulling the options of raising funds on its own or form a joint venture for the acquisition, the sources added.

"We do not comment on market speculations," Aditya Birla Natural Resources managing director (MD) Tuhin Mukherjee said, when asked about it.

There could be some other Indian bidders for acquisition of New Hope, which had put itself up for bidding last month.

Speculation was rife that Tata Power, together with another group firm Tata Steel, may also bid for the Australian miner, which operates the New Acland mine in Queensland, as well as a port handling facility, with total coal production of about six million tonnes per annum (MTPA) of thermal coal.

This, however, could not be verified independently. PTI
China’s hunger fuelled illegal mining boom

New Mines Bill will ensure tighter regulation, profit sharing

Last year, India shipped several million tonnes of iron ore to China, every month. China’s growing appetites for raw materials has had a transformative impact on the world’s commodity markets. In India, its hunger for iron ore has made sulli- cations. Some of them, as the illegal mining scam in Hel- ley, Karnataka has suggest- ed, have gotten rich quick by taking advantage of soaring prices, lax regulation and the rights of local communities.

As the mining industry grew unchecked to cater to China’s demand, regulatory systems were left “over- stretched and at breaking point,” adulted Mines Secretary S. Vijay Kumar. In September, the Union Cabinet approved a landmark Mines and Minerals Development and Regulation (MMDR) Bill, which mandates greater profit-sharing to benefit project-affected communities and tighter reg- ulation.

In an interview with Ananth Krishnam during a visit to China for the first time last week, Mr. Vijay Kumar argued that the bill would clamp down on illegal mining and would also bring in the much-needed investment and exploration. He also spoke about the dramatic impact China’s growth has had on In- dia’s mining industry.

The new mining bill will put in place a tighter regulatory framework to clamp down on illegal mining. But does the Ministry of Mines have the capacity to enforce rules and the law on the ground, considering that Karnataka has illustrated, how widespread and entrenched the problem of illegal mining is?

You are absolutely right in that the current regime of mining is belied by regulations which have not been able to keep pace with the expansion of mining as well as the need of China.

Production increased rapidly between 2000 and 2005, but the regulatory capacity did not increase. Therefore, the regulatory systems are overstretched and at breaking point.

In a country where there are such laws, if there is nobody to do anything, the business of illegal mining and those who are doing exploration, and so on, would not happen. The other would be a mining tribunal.

The mining tribunal, unlike a regulatory authority, would be quasi-judicial, where only people who are aggrieved by a decision would be able to go. In some ways, it is like a court, but it is a spe- cialized court meant only for mining related matters, so it is within the ministry as a quasi-judicial authority. It is not a court of appeal.

And that is how that tribalism was developed. As we go forward and our own capacity to use iron ore increases, because the new steel policy that is on the anvil is likely to pro- ject production of around 300 million tonnes per year by 2030, obviously our export surplus will de- pend to that extent. What we really need to do is to find ways of ensuring that we add value to our minerals. In val- ued-added form, we could then enter into an export relationship.

We would be quite happy with that. We don’t think it is proper to compare taxation regimes of the two countries [India and China]. It is only in addition to the finished product that you can compare, or in relation to the export prices. In case of iron ore, certainly whatever the tax rate may be, the fact remains that it is still quite remunerative and profitable for miners to export iron ore. The fact that the tax rate may be, or that is the level of the tax rate, or has been imposed on both and fines, but that is the level of the tax rate which is more to mop up surplus. We believe it is possible for an intelligent miner to still make a lot of money.

What interest have you had from China during your visit here this week, either directly investing or in co-operating on exploration projects and sharing technology?

We said we were very happy. RELIL has now come here to launch sales of mining equipment.

This is a great opportunity and we see this as part of a larger framework of co-operation in mining and mining technology.
Govt to be cautious on mining lease

NEW DELHI, DHNS: With the Indian Council of Forestry Research and Education (ICFRE) highlighting the negative impact on environment due to excess iron ore mining in Bellary district, Chief Minister D V Sadananda Gowda on Monday said the Government would consider all the issues before taking any steps regarding mining lease permission in future.

Speaking to reporters here he said in view of employment generation and supply of iron ore to existing steel plants in the district, the State government had earlier decided to grant fresh mining lease to some of the companies. "While recommending any fresh lease, the State government will keep all environmental issues in mind", he added. The ICFRE report had cautioned that granting of fresh mining leases would lead to further destruction of environment and forest wealth in ore rich areas.
State gives green signal for uranium mining at Gogi

Controversial project of UCIL crosses a major hurdle

Srinivas Srinookkar

GULBARGA: Even as concerns of health and environmental hazards remain unsettled, the State government has given its much-awaited approval for the project proposal - uranium ore mining and processing plant - of the Uranium Corporation of India Limited (UCIL) at Gogi and other villages in Shahapur taluk of Yadgir district, about 80 km from here.

With this, the controversial project has crossed a major hurdle although it is required to obtain the all-important environmental clearances from the State and Central agencies.

The State accorded the 'in-principle approval' at the recent State High-Level Clearance Committee meeting to the Central undertaking for carrying out mining and processing operations at Gogi, Saidapur, Diggi, Umarodddi Khanaapur and Shahapur villages of Shahapur taluk.

- The UCIL has proposed to invest Rs 550 crore, generating employment to only 361 persons. The State has also decided to extend infrastructure facilities like land, water and power, besides incentives and concessions as envisaged in the industrial policy of the State.

- The company is permitted to acquire 306.40 acres of land under Section 109 of the Karnataka Land Reforms Act in the said villages while obtaining permission from the Shahapur Town Planning Authority. The UCIL will require 1.08 MLD (million litres a day) of water for its activities and the same will be made available from River Bhima.

- The project proponent will have to file a separate application to the Water Resource Department for water allocation. It will require 8100 KVA of power, which will have to be serviced by the Gulbarga Electricity Supply Company.

- The State government has put forth certain conditions, which are general in nature and applicable to all other project proposals. They include securing Consent For Establishment from the Karnataka State Pollution Control Board and environmental clearance from the Union Ministry of Environment and Forests. The UCIL has been asked to prepare a plan for development of human resources required for the project, train local people and provide employment.

“

The company should take all measures with regard to environment, well being of the persons living in and around the project. The local people should be educated and informed about the project, safety measures adopted and the steps taken by the company to avoid any environmental hazards,” an order issued by the Commerce and Industries Secretariat said.

The UCIL has plans to extract 150 tonnes of uranium per year in the form of sodium diuranate (SDU) salt for about 15 years. The uranium ore reserves of Gogi are approximately 3077 tonnes. Uranium mining lease is spread over 39.13 ha of Gogi while the site of processing is spread over 102.23 ha under Saidapur, Diggi, and Umarodddi.

It will produce 1.5 lakh tonnes of uranium ore, which will be processed to extract 150 tonnes of SDU per year. The uranium extracted as crude salt will be trucked to the Nuclear Fuel Complex at Hyderabad for further processing. The mineable reserves of uranium ore are adequate for 15 years with a rated capacity of 500 tonnes a day.

Gogi deposits are the latest in the series being exploited by the UCIL as it has already engaged in uranium mining and processing at Jaduguda, Bhatin, Narwapahar, Tumudih, Banduhurang and Bagiata, all in the East Singhbhum district of Jharkhand.

DH News Service
Report calls for punishing errant Bellary miners

NEW DELHI: Painting a grim picture of the large-scale environmental degradation in Bellary district due to rampant iron ore mining, a study report submitted to the Supreme Court has recommended imposition of fine and stringent punitive action against erring mining firms.

The macro-level environmental impact assessment report for the district was prepared at the behest of the Supreme Court by the Indian Council of Forestry Research and Education, an institution under the Union Ministry of Environment and Forests.

“In Bellary district, severe and significant damage has been caused to the environment by small lease holders, and the damage has been compounded by blatant illegal and unscientific mining operations. Environmental safeguards and stipulated conditions have been flouted in the greed to mine greater areas and earn more profits,” the report said.

“To mitigate the damage, it is necessary now to take stringent punitive actions. The defaulting mine owners should be asked to pay for the damage caused to the environment by unscientific mining,” the report suggested.

SC rap, Page 7
Study asks SC to punish errant Bellary miners

SC rap, from Page 1

Mining had led to an increase in the number of road accidents due to density of vehicles in the district, and mining-related diseases like acute diarrhoea and respiratory ailments contributed to 42 per cent of the total health-related problems in Bellary, Hospet and Sandur taluks, the report revealed.

Unregulated mining has had a negative impact on the floral and faunal biodiversity, agriculture and ambient air, along with adverse impacts on human health and well-being. The district has 39 rare endangered species of fauna and nine of flora, besides being rich in medicinally important plant species (109 in Hospet and Sandur blocks, 54 in Bellary block), it said.

Mining operations have caused both habitat fragmentation and degradation along with invasions of exotic weed species. The reduction/loss in habitat contiguity due to mining is affecting the movement of small faunal species, particularly ground dwelling (amphibians and reptiles) and arboreal (birds, squirrels, lizards and tree frogs) fauna.

Continuing deposition of salt and acid mine drainage due to run-off from mines, has a bad impact on the diversity and abundance of birds, fish, aquatic mammals, particularly the marsh crocodile and Indian flapshell turtle. Further loss of vegetation cover, habitat degradation and proliferation of weeds will hit butterfly species which provide vital ecosystem services, the report said.

DH News Service
India Inc’s share of exports to overall sales is rising, says FICCI

Our Bureau

New Delhi, Nov. 8

The corporate sector is becoming increasingly export-oriented, with the share of export to overall sales rising for almost all the sectors, says a study by Federation of Indian Chambers of Commerce and Industry (FICCI).

“Among the sectors showing a jump in the share of export to overall sales ratio are non-metallic mineral products (22.6 per cent to 26.1 per cent), metal and metal products (10.8 per cent to 13.4 per cent), automobiles (4.2 per cent to 9.9 per cent) and electronics (4.5 per cent to 9.7 per cent). The overall jump is from 5.9 per cent in 2000-01 to 18.6 per cent in 2010-11,” the report says.

The FICCI report, however, cautions that export growth may be tapering. “Export growth in the first half of the current fiscal is 53 per cent, and the monthly export growth has moderated significantly in September 2011 to 36.4 per cent from 82 per cent in July 2011,” it says.

While the rising of share of exports is a sign of growing competitiveness of Indian companies, increasing global integration also means being exposed to global downswings.

According to a FICCI research study, the slowdown in advanced economies had minimal impact on India’s export growth, owing mostly to the diversification in the developing markets. For example, according to the latest data, exports to OECD countries in 2010-11 accounted for 33.3 per cent of our exports (37.4 per cent in 2008-09). According to the latest International Monetary Fund report on the world economy, real gross domestic product in Asian economies is projected to expand at 6.6 per cent in 2012, up from 6.2 per cent in 2011.
Copper up on demand, supply concern

Bloomberg
Nov. 8
Copper rose in London as shrinking stockpiles of the metal signalled steady demand and a lingering strike at an Indonesian mine reinforced concern about supply.
Copper for three-month delivery climbed 0.6 per cent to $7,875 a tonne by 9:53 a.m. on the LME, advancing for a first session in three. Copper for December delivery rose 0.8 per cent to $3,565 a pound on the COMEX in New York.
Total LME inventories declined 0.7 per cent to 412,325 tonnes, the lowest level since Feb. 23, daily exchange figures showed. They're down 16 per cent from this year's peak on June 10. Asian copper stocks have dropped 16 per cent in November, up from a sixth monthly retreat, after plunging 34 per cent in October.

CANCELLED WARRANTS
Orders to draw the metal from LME stocks, or cancelled warrants, fell 4.7 per cent to 38,175 tonnes. They have slid 37 per cent in three sessions after jumping 29 per cent on Nov. 3.
Aluminium for three-month delivery on the LME gained 0.7 per cent to $2,185.50 a tonne and lead rose 0.9 per cent to $2,027.25 a tonne. Zinc advanced 0.9 per cent to $1,969 a tonne, nickel climbed 0.2 per cent to $18,730 a tonne and tin increased 0.3 per cent to $22,075 a tonne.