HDFC Life eyes 2011 IPO

Legal changes to allow FDI to 49% key for pioneering insurer issue

BILL HURDLE

MUMBAI: HDFC Standard Life — now renamed HDFC Life — is planning to go public sometime next year to become the first Indian insurance company to list on the stock exchanges.

The company, a joint venture between mortgage lender HDFC and UK’s Standard Life, is waiting for an enabling legal change expected before that.

Deepak Parekh, HDFC’s chairman, told reporters on Tuesday at an event to mark its rebranding that an insurance bill which would allow Indian companies to enhance foreign stakes from the current 26% to 49% is expected to be passed early next year.

The demand for higher access to overseas insurance firms is one of the key demands of the US and figured in talks during President Barack Obama’s visit to India this week.

“The bill is pending in the parliament and discussions are in process. I am quite hopeful that sometime early next year it will come through,” said Parekh.

He said he was clear on listing the firm that has completed 10 years.

“We are making preparations for an IPO but we cannot go further unless the bill is passed by the parliament as foreign investors would be eligible to buy only if the cap is increased to 49%,” said Parekh.

Standard Life’s chairman,

Gerry Grimstone, said the bill would aid the “modernization” of India’s insurance laws.

The Securities and Exchange Board of India recently gave its go-ahead to public issues by insurance companies.

Parekh said the Insurance Regulatory and Development Authority (IRDA) will also soon come out with the IPO guidelines for insurance companies.

Parekh also told reporters that over the next six months HDFC will infuse ₹50 crore into HDFC Standard Life. It also plans to infuse ₹100 crore into the insurance company in the next fiscal year.

As the insurance sector has witnessed a number of regulatory changes over the past few months, the HDFC Chairman expressed his concern over the pace of the change.

“The changes are good for the industry in the longer run and the only concern was that the introduction of these changes was little too fast and it takes a lot of management time to move from existing system to a new system,” Parekh said.
₹4,000-cr Hindustan Copper FPO on Dec 6

Press Trust of India

NEW DELHI: Taking forward the government’s disinvestment drive, the ₹4,000-crore follow-on public offer (FPO) of state-run Hindustan Copper Ltd is likely to hit the market on December 6.

The offering will close for bidding on December 9, sources told PTI. Hindustan Copper Ltd filed draft prospectus with the Securities and Exchange Board of India in September for its proposed 20% share sale programme. In the 20% share sale, the government is selling 10% of its stake, while the company would issue fresh equity in the same proportion.

Hindustan Copper’s 0.41% stake is already with the public. The proposed FPO will see the government holding coming down to 81.45% from 99.59% at present. Shares of the company were trading at ₹441 on the Bombay Stock Exchange.
पीएमओ की सलाह भी मानने को राजी नहीं जयराम

रोशन/प्रसन्नबी

नई दिल्ली। प्रकाशित एवं का मंत्री जयराम रोशन ने प्रभारिणी कार्यालय की उस सलाह को मानने से मना कर दिया है जिस प्रकार पीएम ने माना था जिन्होंने कोई सलाह अभी तक नहीं दी है। प्रकाशित का पत्रिका के लिए यह आदेश दिया है कि जी पीएम की सलाह नहीं मानने का फौर्निश है।

जयराम रोशन ने कोई बालक अपने के लिए यही नहीं कहा था कि पीएम की जयराम रोशन को मानने की सलाह दी। प्रकाशित ने आदेश का आदेश की बात नहीं की। प्रकाशित का आदेश दिया है कि जी पीएम की सलाह नहीं मानने का फौर्निश है।

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Govt addresses concerns on profit sharing in draft mining Bill

BY REPORTER
New Delhi, 9 November

D
ays before the contro-
versial new mining leg-
islation is introduced in
Parliament for approval, Mines
Minister B K Handique has
assured Indian industry that
concerns over profit sharing by
miners with tribals have been
addressed by the government.

While replying to a question
asked in the lower house of Par-
lament today, the minister list-
ed at least three issues raised
by the domestic industry over
the controversial proposal of a
mandatory 26 per cent profit
sharing with the local populace
in the Mines and Minerals
(Development and Regulation)
Bill, 2010.

The issues included consider-
ing profits earned only from
mining operations for compen-
sation and not those earned
from downstream activities, ad-
ministrative difficulties and dis-
parities that might arise due to
distribution of profits. “The gov-
ernment has considered these
concerns and suitably modified
the provisions in the draft Act,”
Handique said.

The original draft of the min-
ing Bill had proposed 26 per cent
profit sharing by miners in case
of individual lease holders and
grant of 26 per cent free equi-

ty in case of mining companies,
thereby granting ownership to
locals in mining projects. How-
ever, a 10-member Group of Min-
isters (GoM) headed by Finance
Minister Pranab Mukherjee, af-
after discussions spanning over
the past six months, has finally
decided in favour of the 26 per
cent profit-sharing clause.

“The holder of a mining lease
shall pay annually to the Dis-
trict Mineral Foundation an
amount equal to 26 per cent of
the profit (after deduction of
the tax paid) of the previous
year from mining-related op-
erations or a sum equivalent to
the royalty paid during the pre-
vious financial year, whichever
is more,” the finally revised draft
of the Bill states.

Primary reasons for the need
to put in place a profit-shar-
ing regime in the mining sector
are stiff resistance from locals
and the prevalence of Naxalism
in the mining belt. Companies
like Posco, Vedanta and Arcelor-
Mittal have been facing protests
against land acquisition in min-
eral-rich states like Jharkhand,
Chhattisgarh and Orissa.

While private sector mining
companies are opposing the 26
per cent profit-sharing provi-
sion, at least two state-owned
public sector undertakings
(PSUs) which are likely to an-
nounce their public offers short-

tly — Hindustan Copper Ltd
(HCL) and MOIL Ltd — have
listed the Bill as one of the in-
ternal risk factors mentioned
in their draft offer documents
filed with the Securities and Ex-
change Board of India.

“The MMDR Bill, 2010, has
been proposed, which will
amend the MMDR Act of 1957.
If approved in its current form,
the Bill may have a material
impact on our business and fi-

nancial conditions and future
acquisition of mines,” HCL has
said in its draft red herring
prospectus (DRHP). MOIL’s
DRHP too, states, “The MMDR
Bill 2010 has been proposed to
replace the MMDR Act, 1957,
which may adversely affect our
results of operations and fi-
nancial position.”

Tatas, which run the private
sector giant Tata Steel, had re-
cently stated that the govern-
ment should not charge the
profit shared as separate tax,
as social obligation forms a
part of the operating cost of
the company. In a recent let-
ter to the finance minister, Fed-
eration of Indian Chamber
of Commerce and Industry Sec-
retary General Amit Mitra, too,
cautions against mining proj-
jects becoming unviable in case
the proposal was implement-
ed, as it would put “very heavy
financial burden on mining
companies”.

After it is introduced in the
winter session of Parliament,
the Bill is likely to go to the
standing committee for further
deliberations.
HCL to hit markets on Dec. 6

TAKING FORWARD the government’s disinvestment drive, the ₹4,000-crore follow-on public offer (FPO) of state-run Hindustan Copper Ltd is likely to hit the market on December 6. The offering will close for bidding on December 9, sources said. Hindustan Copper Ltd (HCL) filed its draft prospectus with the Securities and Exchange Board of India in September for its proposed 20 per cent share sale programme. The government is selling 10 per cent of its stake, while the company would issue fresh equity in the same proportion. Shares of the firm were trading at ₹441 on the BSE, up 0.07 per cent from previous close.
Hindalco shines at ₹434 cr

THE ADITYA Birla Group flagship firm Hindalco on Tuesday posted a 26 per cent rise in its profit to ₹434 crore for the quarter ended September 30, over the year-ago period on account of higher metal prices. The company had a net profit of ₹344 crore in the year-ago period. The leading aluminium and copper producer said the firm benefited from higher aluminium prices on the London Metal Exchange and better by-product realisation in its copper business. "Hindalco's performance for the second-quarter has been better than the same quarter last year as the company has benefited from higher aluminium LME and better by-product realisation in its copper business," the firm said.
Govt formulates plan for GSI upgrade

The government on Tuesday said it had formulated a plan to modernise the Geological Survey of India (GSI) to bring the mining technologies on a par with international standards besides undertaking a slew of other measures. This would help GSI in maximum exploration based on scientific mining methods in line with the National Mineral Policy, 2008, Mines Minister B K Handique told the Lok Sabha.
Hindalco Q2 profit rises 26 pc to Rs 433.8 cr

MUMBAI: Hindalco Industries, an Aditya Birla Group company, on Tuesday announced a growth of 26 per cent in net profit at Rs 433.81 crore for the second quarter ended September 30, 2010, against Rs 344.05 crore in the corresponding period last year. The company's net sales during the quarter stood at Rs 5,802.76 crore, up 18.66 per cent as compared to Rs 4,890.41 crore in Q2 FY 2010. “Net sales and operating revenue during the quarter were driven by better product/geographic mix and improved realisation,” Hindalco said.
Hindalco net profit jumps 26 per cent

Hindalco Industries, an Aditya Birla Group company, today said its second-quarter net profit rose 26 per cent to ₹433.81 crore from ₹344.05 crore in the year-ago period. Revenues during the three months to September were up by 19 per cent at ₹5,860 crore.

The company attributed the rise in revenues to ‘sharp’ increase in sales. “The company benefited from higher aluminium London Metal Exchange (LME) and better by-product realisation in its copper business,” Hindalco said.

Despite lower metal volumes due to power outage at its Hirakud smelter, Hindalco said it was able to post handsome growth because of better product and geographic mix, and improved realisation.

“The results for the quarter could have been better but for the cost escalations and plummeting copper TcRe (Treatment charges Refining charges). Additionally, the disruption of production at the Hirakud smelter and voluntary retirement scheme pay-out at Kalwa Foil Plant (₹22 crore) have a bearing on the profit before interest, tax, depreciation and amortisation,” the company said. Revenues from the aluminium business rose 19 per cent to ₹1,911 crore, compared to ₹1,649 crore a year earlier. “Strong upward aluminium prices on the LME, coupled with an improved product-mix on account of higher sales of value-added products were the growth drivers for aluminium business.”

An appreciating rupee and lower sales volume affected the company’s performance. Production at the Hirakud smelter has been affected since July due to heavy rains and lightning. The company has restarted production at the site in a phased manner. “Full start-up and stabilisation is expected in early fourth quarter,” it said. The company believes that going forward, aluminium prices will continue to remain firm. “Global demand is expected to be good in the third quarter of this financial year as well. Indian industry enjoyed a good year-on-year growth of eight per cent in the second quarter and this is expected to continue.”
Hind Copper FPO to open on Dec 6

Taking forward the government's disinvestment drive, the ₹4,000-crore follow-on public offering (FPO) of Hindustan Copper Ltd is likely to hit the market on December 6. The FPO will close on December 9.

Hindustan Copper filed a draft prospectus with the Securities & Exchange Board of India (Sebi) in September for its proposed 20 per cent share sale. In the 20 per cent share sale, the Centre is selling 10 per cent of its stake and the firm would issue fresh equity in the same proportion.
Hindalco Q2 net up 26% at ₹434 crore

Mumbai: Hindalco Industries, an Aditya Birla Group company announced a 26% year-on-year growth in its net profit for the quarter ended June-September, which stood at ₹434 crore up from ₹344 crore in the same quarter last year.

The company reported a 13% rise in its revenues for the quarter over the corresponding period last year as it rose to ₹5,860 crore.

The company said that the growth in revenues were driven by, “better product/geographic mix and improved realisation, despite lower metal volumes,” said Hindalco in its statement.

Hindalco shares price rose by 0.6% to close at ₹217 per share. The company said the metal volumes were impacted due to power outage at the Hirakud smelter, which, in turn affected production.

The company said it benefitted from higher aluminium LME and better by-product realisation in its copper business.
Essar preferred bidder

NEW DELHI, 9 NOV: Essar Group today said it had been shortlisted as the “preferred bidder” for a 60 per cent stake in Zimbabwe state-owned steel company Zisco. “Essar Africa Holdings Limited (EAHL)... has received official notification from the Government of Zimbabwe (GOZ) for its selection as the preferred bidder for revival of Zimbabwe Iron and Steel Company (Zisco) by way of purchase of GOZ’s 60 per cent equity interest,” the company said in a statement. pti
रिकॉर्ड ऊँचाईपर सोना-चांदी

ई दिल्ली। सोने-चांदी में निवेश
कर कमाई करने यात्राओं के लिए,
अच्छी खबर, बड़ी शादी-वाह के
लिए सोना खरीदने वालों के लिए,
पूरी खबर। दोनों बहुमूल्य भारतीय ने
मंगलवार को जिती का फिर रिकॉर्ड
किया। मंगलवार को सोने का भाव
650 रुपये बढ़कर 20,750 रुपये
प्रति दस ग्राम और चांदी 3,000
रुपये उछलकर 42,000 रुपये पर
बढ़ गया। इन दिनों में मजबूती के रूप
के बीच स्टाफिस्ट्स और जीजरियां
को भारी मांग ने सोने-चांदी को वह
ई ऊँचाई पर। लघुहारी सोना
के बीच शादी-वाह के मंगलवार का
कार्यक्रम शुरू होने से सोने-चांदी के
भाव में जिती असरकार रहने की
संभावना है। मौलन कहते हैं कि 18
दिन पहले चांदी 35,550 रुपये थी।
इस प्रकार, इसमें 6,150 रुपये
फिरने का उछलान आ पहुँचा।

विद्युत कांग्रेस पर
Govt tweaks new mining Bill to address industry woes

PTI

NEW DELHI

The government on Tuesday said it has tweaked provisions in the proposed new mining Bill for mandatory 26% profit-sharing by companies with project-affected persons to address industry concerns.

“The government has considered these concerns and suitably modified the provisions in the draft Act,” mines minister B.K. Handique told the Lok Sabha in a written reply. However, he did not provide details on the exact modifications.

In the draft mines and minerals development and regulation Act, it was proposed that “26% of profits after tax would be required to be distributed by the mining lease holders to the persons affected by mining-related operations and in case of mining companies, through grant of 26% free equity to the affected persons.”

Among concerns voiced by the industry were that “the profits… taken for the purpose of sharing with local population should pertain to mining operations and not to profits earned from downstream value addition activities,” Handique wrote in the reply.

The industry is also of the view that direct distribution of profits to the affected persons may lead to disparities due to varying population densities, the nature of minerals and the efficiency of mining operations, he told the Lok Sabha.
एलएमई में कॉपर 27 माह के रिकॉर्ड स्तर पर
Hindalco’s stand-alone performance slips on lower aluminium output

Hindalco Industries Ltd’s stand-alone net profit in the September quarter was below expectation at ₹434 crore compared with consensus estimates of about ₹500 crore. Although this represents a 26% growth year-on-year (y-o-y), net profit is down by 16% compared with the June quarter.

Hindalco’s larger business is its copper division, which contributes to nearly two-thirds of revenue. This business has been underperforming for a long time, affected by lower treatment and refining charges (Tc/Rc), on which custom smelting operations, such as Hindalco’s, depend upon.

In the September quarter, its copper business revenue rose by 16% on higher product realizations, but profit slipped on lower Tc/Rc rates, higher power costs and an appreciating rupee.

But Hindalco’s copper segment profit rose by 4% compared with the June quarter, perhaps due to better efficiencies and higher price realizations of by-products.

The aluminium business disappointed, which again was not altogether a surprise. Its aluminium smelter’s production has been hit since July, due to rains. Its primary aluminium production was down by 12% y-o-y.

Hindalco focused on its product mix to ensure a higher proportion of value-added products. Average London Metal Exchange aluminium prices during the quarter were up by about 15%, compensating for the lower output.

Despite a stronger rupee affecting realizations, Hindalco's aluminium segment profit rose by 64% y-o-y, but was down by 23% on a sequential basis.

Overall, Hindalco’s operating profit margins fell by about 50 basis points year-on-year.

Overall, Hindalco’s operating profit margins fell by about 50 basis points y-o-y and by about 4 percentage points on a sequential basis. One basis point is one-hundredth of a percentage point.

Key factors were higher material consumption—chiefly due to a higher proportion of traded goods—and a ₹22 crore hit due to a voluntary retirement scheme payout. Though operating profit rose y-o-y by just 15%, lower interest costs and higher other income chipped in to boost net profit growth.

Hindalco’s smelter operation is expected to stabilize in the March quarter. The December quarter will also see its copper business lose volumes due to production stoppage at one smelter.

Thus, the current quarter too will see output suffer. That is unfortunate, especially for the aluminium business, as price realizations are moving up, and in the current quarter so far, are already up by 13% over the September quarter.

Hindalco said that spot Tc/Rc charges have been rising, leading to hopes that long-term contracts may be negotiated at higher rates, ending a long period of falling realizations. Better Tc/Rc rates, normalization of production and addition to output of the company’s expansion projects are near- to medium-term events to look out for.

The rupee continues to be strong, which will be a concern as realizations are linked to international prices. But Hindalco’s consolidated performance depends more on its subsidiary, Novelis Inc., which is expected to report its results on 10 November.

Any negative sentiment caused by Hindalco’s stand-alone results could be offset by a better-than-expected showing from Novelis, which is benefiting from strong demand for rolled aluminium products and rising conversion charges.
मैंगनीज और करेगी 768 करोड़ का निवेश

अपने आईडीईओ से पहले पीएसएस कंपनी मैंगनीज और हिंदेहाइमिया कार्बन (मोहला) ने निजी योजनाओं पर 768 करोड़ रुपये निवेश करने की घोषणा की है। कंपनी ने मैंगनीज उत्पादन का वर्ष 2015-16 तक 15 लाख टन प्राप्त करने का लक्ष्य रखा है। कंपनी के जी.एन. सिंह ने कहा कि ये मैंगनीज का उत्पादन बढ़ाने के लिए 768 करोड़ रुपये का निवेश करने की घोषणा की।

इस समय कंपनी का कुल उत्पादन 11 लाख टन प्रतिवर्ष है। इसके अलावा कंपनी का पीएसएस कंपनियों से और राजस्थान डाउट कंपनियों निम्न लिस्टेड के साथ 600 करोड़ रुपये का संयुक्त उपक्रम भी है, जिससे मैंगनीज का कुल उत्पादन 30 लाख टन प्रतिवर्ष होगा।

योजना

मैंगनीज उपक्रम का वर्ष 2015-16 तक 15 लाख टन प्राप्त करने का लक्ष्य

मैंगनीज और हिंदेहाइमिया कार्बन (मोहला) ने कहा कि ये कंपनियों के निर्माण के लिए जुटाने की योजना की।

सिंह ने कहा कि ये कंपनियों के निर्माण के लिए जुटाने की योजना की।

योजना का कार्यक्रम 26 नवंबर को सुरु होंगे।

सिंह ने कहा कि ये कंपनियों के निर्माण के लिए जुटाने की योजना की।
सोना-चांदी आसमान पर, ज्वेरी निर्यात घटने की आशाका

अमेरिका, हांगकांग
और खाड़ी देशों
के आयातकों ने 
आयात सोने पहले
की तुलना में 
कम कर कर 
भार है।

रूपये के 
मुकाबले डॉलर
कमजोर होने से 
निर्यातकों के 
मुनाफे की 
माजिन भी कम 
हो गया है।

जॉस एड ज्वेरी 
एस्टेट्स ग्रुप के 
कार्यालय (जीजे-पीएसी) के 
ब्रांचम्यूनी जीन ने बताया कि 
सोने और चांदी के दम फिरों राशि पर होने के कारण 
अमेरिका, हांगकांग और खाड़ी देशों के आयातकों ने 
आयात सोने पहले की तुलना में कम कर दिया है। रूपये के 
मुकाबले डॉलर कमजोर होने से निर्यातकों का 
मुनाफा भी कम हो गया है। ऐसे में ज्वेरी निर्यात में 
माजा के हिसाब से यह कम हो गया है।

अनुसार अप्रैल से सितंबर 2010 के पैमाना पासे 
1,889.33 करोड़ डॉलर का ज्वेरी निर्यात हुआ 
जबकि खिलाला साल की सफल अवधि में 1,295.47 
करोड़ डॉलर का निर्यात हुआ था। 
सितंबर में 406.18 
करोड़ डॉलर का निर्यात हुआ है। 
अभी एस्टेट्स मे 
पार्टनर्स ने बताया कि पार्श्व यह निर्यात 
कारण का 
हिसाब से ज्वेरी के निर्यात में कमी 
आ गई है। उन्होंने कहा कि अमेरिका और यूरोप की 
अवज्ञस्त एस्टेट्स का सफल 
होने से विश्वसनीय 
सौम्य-चांदी में निश्चित को प्रभावित 
कर देता है। इसके 
अंतरराष्ट्रीय बाजार में इसकी कीमतें फिराक बढ़ा 
हुई है।
Hindalco consolidated net rises 26%

BY ABHISHEK SHANKER & MADELEINE PEARSON

Hindalco Industries Ltd, India’s largest aluminium maker, on Tuesday reported a 26% increase in its consolidated net profit for the quarter ended 30 September as higher base metal prices outweighed rising raw material costs and a disruption in production.

Group net income, including that of US unit Novelis Inc., rose to ₹434 crore during the quarter from ₹344 crore a year earlier, the company said in a statement to the National Stock Exchange. Sales at the Mumbai-based company, which also produces copper, rose 19% to ₹5,860 crore.

The average London Metal Exchange price of aluminium, a lightweight metal used to build aircraft, cars and power plants, gained 15% in the quarter from a year earlier, while copper prices rose 24%. Input costs, mainly electricity expenses, surged as coal prices rose 31% to an average $94 (around ₹4,174) a tonne in the quarter, according to researcher McCloskey Group Ltd.

The results for the quarter could have been better but for the cost escalations, and plummeting copper refining charges, Hindalco said in the statement. Profit before interest, tax, depreciation and amortization was also eroded by the disruption of output at its Hirakud smelter, the company said.

Global demand for aluminium, which grew 14% in the quarter, may remain good in the current quarter, the company said.

Copper consumption worldwide is expected to grow 8% this calendar year and spot refining fees for the metal have seen a sharp jump in the last couple of months, according to the statement.

Production at Hirakud, in Orissa, was hampered by inclement weather in July. Output may decline by 20,000 tonnes, or 13%, in the year ending 31 March, the company had said on 20 July.

The Hirakud smelter is expected to fully start and stabilize output by early next year, the company said. Repairs at the Dahej copper plant are expected to be completed this month, it said.

Hindalco shares added 0.56% to ₹231.70. The stock has risen 43% this year, compared with a 19% gain in the benchmark Sensex of the Bombay Stock Exchange. The earnings were announced after the market closed.
IMME 2010
KOLKATA, 9 NOV. The International Mining and Machinery Exhibition – to be held during 10-13 November at Salt Lake Stadium – will have participants from 22 countries. Australia will be the partner country for the third time. West Bengal will be the partner state. AMW, manufacturers of heavy commercial vehicles, is the principal sponsor at the IMME, India’s largest exhibition for the mining and related industries.
Investing Rs 768 cr to ramp up output: MOIL

NEW DELHI: Ahead of its initial public offer later this month, state-owned Manganese Ore India Ltd on Tuesday said it is undertaking a Rs 768 crore expansion programme to ramp up manganese output to 1.5 million tonne per annum by 2015-16. “We are investing Rs 768 crore to augment our production,” MOIL Chairman K J Singh said.
Govt formulates plan for GSI modernisation

NEW DELHI: The government the Tuesday said it has formulated a plan to modernise the Geological Survey of India to bring the mining technologies at par with international standards besides undertaking a slew of other measures. "GSI is planning an extensive programme of modernisation ... on the advice of the parliamentary standing committee and as per guidelines laid down by an expert panel on modernisation of GSI," mines minister BK Handique said.
Final draft of State Mining Policy soon

By Our Reporter

SHILLONG: The Government will soon be ready with the final draft of the State Mining Policy. "Only one round of meetings with various stakeholders remains before finalisation of the matter," Deputy Chief Minister in-charge Mining and Geology Bindo M Lanong told The Shillong Times on Sunday.

The State Government wants a "people mining policy" in place, the Minister asserted. The final draft will incorporate all views and suggestions put forth by various stakeholders, such as political parties, social organisations, etc.

"Meanwhile, official sources aver the Government wants to tap the State's rich and varied mineral resources — in addition to addressing urgent needs such as protection of the environment, mining activities, feasibility of Foreign Direct Investment (FDI), as well as ventures under the Public-Private Partnership (PPP) mode."

"The aim of this draft mining policy is to ensure optimum utilisation of available mineral resources, development of vast mineral potential, generation of revenue for socio-economic development, upliftment of the State economy and enhancement of employment opportunities," the sources added.
The Financial Express, Delhi
Wednesday, 10th November 2010, Page: 2

FROM MINE TO WIND TURBINE
THE RARE EARTH CYCLE

Rare earth elements have become essential components for building smartphones, wind turbines and electric cars. Before manufacturers can use the material extracted from the ground, it must go through a complex and expensive process.

Ren Limin, a worker at the Jinyuan Company’s smelting workshop, watches over pots containing the rare earth metal Lanthanum before he pours it into a mould near the town of Damao, located in China’s Inner Mongolia Autonomous Region.

“There is a reason why the rare earths are called rare. They’re not called rare because they’re truly rare. They’re called rare because it’s very difficult to isolate these elements individually and it takes a lot of skill to do that,” said Constantine Karayannopoulos, chief executive of Neo Material Technologies, a Toronto-based rare earth refining specialist.

Here is a step-by-step description of the process, followed by a list of valuable rare earths and their current prices:

1. The first step is to mine the ore, usually a carbonatite or monazite, that contains the rare earths. Depending on the grade, it could take anywhere from 6 to 86 tonnes of ore to produce a single tonne of rare earth mineral.
2. Next the material goes to a chemical plant for separation. This step, called “cracking,” usually involves using acid or heat. The product that comes out is a rare earth concentrate, containing all 17 rare earths mixed together. Cracking can also result in byproducts like tantalum, zirconium or radioactive thorium.
3. Rare earth concentrate must then go to another facility where it is separated into individual rare earths that are refined into oxides. Separation is done by atomic weight, starting with cerium, the most abundant rare earth. To get valuable dysprosium, for example, the less valuable rare earths that come before it on the periodic table must first be separated out. To get terbium, it takes more than 40 days of processing.
4. Next the rare earths are treated through a process, called benefication, that produces high-value oxides, metal or magnetic powders. These products are made to the specifications of each manufacturer. An oxide made to the specifications of one customer might not suit another’s needs.
5. Finally, the rare earths are put into the end product, whether it is a permanent magnet for a wind turbine, or a high-efficiency light bulb.

**Valuable Rare Earths and Their Current Prices**

**Neodymium** - A light rare earth that is the main ingredient in permanent magnets, used in car motors, wind turbines, smartphones and other technology applications. It is also used in speakers, earphones, hard drives and ceramics. While neodymium is more readily available than heavy rare earths, analysts forecast a tight supply well into the future.

**Current price: $80 a kg.**

**Praseodymium** - Another light rare earth that is used in permanent magnets, strengthening metals, glass coloring and ceramics.

**Current price: $76 a kg.**

**Dysprosium** - A heavy rare earth that is used in permanent magnets, lasers and nuclear reactors.

**Current price: $396 a kg.**

**Terbium** - A heavy rare earth used in fluorescent lights, fuel cells, permanent magnets and LCD screens.

**Current price: $615 a kg.**

**Europium** - A heavy rare earth used primarily in LCD screens.

**Current price: $965 a kg.**

*Reuters*
Gold could help set foreign exchange rates, WB chief

Gold should also be employed as an international reference point of market expectations about inflation, deflation and future currency values. It would help to rebuild the confidence of financial markets and the general public in the global monetary system after the financial crisis.

Robert Zoellick, World Bank president

French officials said Zoellick's idea mirrored initiatives President Nicolas Sarkozy had aimed to promote during France's 12-months in the G20 from next week. Beijing's central bank chief has suggested an alternative monetary system based on using the International Monetary Fund's Special Drawing Rights, a notional unit of value based on a basket of major currencies, instead of the dollar as the global reserve currency.

Zoellick was a senior official in the US Treasury at the time of the 1989 Plaza and 1997 Louvre Accords on rebalancing currencies among major industrialised nations. He noted that that phase of currency coordination helped launch the Uruguay Round of world trade liberalisation negotiations.

While his opinion piece in the Financial Times did not represent either US or World Bank policy, it may reflect a greater openness in Washington than in the last two decades to some form of international currency cooperation.

The dollar is losing its relevance especially with the emergence of Asian economies, so a more neutral benchmark may be required. Gold, amid all the recent uncertainty, is proving its worth, said ANZ's senior commodity analyst Mark Pervan.

Zoellick said a new monetary system would take time to develop and it should be part of a package approach including possible changes in IMF rules to review point of mark to current account policies, and linking IMF monetary assessments to World Trade Organisation obligations.

Reuters
Hind Copper’s Rs 4k-cr FPO likely from Dec 6

Taking forward the government’s disinvestment drive, the Rs 4,000-crore follow-on public offer (FPO) of state-run Hindustan Copper (HCL) is likely to hit the market on December 6. The offering will close for bidding on December 9, sources said. HCL filed its draft prospectus with the Sebi in September for its proposed 20% share sale programme.
Hind Copper’s Rs 4k-cr FPO likely from Dec 6

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Lack of consensus on Bills to heat up Winter Session

New Delhi, Nov 9: A quick perusal of the list of government business for this Winter Session of Parliament promises a stormy time ahead for the government. Of the 50 Bills listed for introduction or consideration and passing several Bills, like the Land Acquisition Bill and the MMRD Bill, have not yet had any political consensus built around it, with some loyalies of the government like the Trinamool Congress opposing them. The Land Acquisition Bill has become a political imperative for the ruling party after several agitations by farmers for just recompense to land acquired for large industrial projects have begun to hurt it politically. However, the Trinamool Congress has several objections to the current form of the Bill including changing the proportion in which land is to be acquired by both the government and private parties.

The MMDR Bill seeks to share profits in mines and mining activity with tribal and other outstes to up to 25%. This is again controversial among mining companies and even some civil rights groups which feel that tribals should not be made to carry the liabilities of the companies, and should be given a range of options to choose in terms of recompense.

The Bill that seeks to replace the over 50 years old Companies Act is also listed for clearing, after its vetting by the parliamentary standing committee. The idea is to introduce a new regime for responsible self-regulation of companies along with greater disclosures in line with changes in the way business is conducted globally. The proposed law envisages supplanting government’s control over internal corporate decisions with shareholder control. Also, new structures like one person company are proposed and transition from one form to another is to be made easier.

The Bill to set up a regulator for the biotech industry will also be introduced in this session. It aims at streamlining the regulatory process for medical and agri-biotech products where multiple agencies are involved.

The Enemy Property Bill, which saw acrimonious scenes in the Lok Sabha during the Monsoon Session between the Congress and the Samajwadi Party, will be withdrawn after a decision to do so by the Union Cabinet.
Hindalco Q2 profit rises 26% to Rs 433.81 crore

Sales rise 18.7% on better product & geographic mix

Mumbai, Nov 9: Hindalco Industries, an Aditya Birla Group company, on Tuesday announced a growth of 26% in net profit at Rs 433.81 crore for the second quarter ended September 30, 2010, against Rs 344.05 crore in the corresponding period last year. The company’s net sales during the quarter stood at Rs 5,802.76 crore, up 10.66% as compared to Rs 4,990.41 crore in Q2 FY 2010. “Net sales and operating revenue during the quarter were driven by better product/geographic mix and improved realisation. Metal volumes were, however, impacted due to power outage at the Hirakud smelter, affecting production,” Hindalco said in a statement.

Shares of Hindalco were marginally up by 0.56% to close at Rs 231.70 on the Bombay Stock Exchange.

Hindalco’s revenues from the aluminium business during the quarter grew 16% year-on-year (y-o-y) to Rs 1,649 crore due to rise in aluminium prices on the LME. However, the appreciating rupee and lower sales volume due to Hirakud smelter outage impacted the company’s performance.

Revenues from the copper business were also higher by 21% y-o-y at Rs 3,961 crore on account of higher copper prices on the LME. The company’s PATDA grew 17% y-o-y at Rs 780 crore benefitting from higher aluminium LME and better by-product realisation in the copper business. Profit before tax was higher by 28% at Rs 558.95 crore against Rs 434.30 crore in Q2FY10.

The company’s production at Hirakud smelter has been affected since early July due to power outage caused by heavy rains and lightning. “Full start-up and stabilisation is expected in early Q4,” Hindalco said. Global aluminium demand in Q2 FY11 reflected a growth of 14% y-o-y and the company expects the demand to be good globally in Q3 FY11 as well. Meanwhile, the company on Monday also informed the BSE about breakdown of a cooling tower of sulphuric acid plant-3 of copper plant at Dahej (Gujarat) resulting in disruption of production.

Hindalco Industries stands to lose 8,000 tonnes of copper cathode production after this breakdown.

“Indian aluminium industry enjoyed a good yoy growth of 8% in Q2 and this is expected to continue. Moreover, the outlook for major copper consuming sectors in India including power, building and construction continues to be optimistic, although competition from other materials and scrap may be more intense at the current elevated LME level,” the company said.
industry’s concerns in draft Mines Act addressed

Government has addressed industry’s concerns on modalities of sharing profit from mining operations with affected persons and suitably modified the provisions in draft Mines Act, mines minister BK Handique said on Tuesday. Industry had raised reservations on 26% profit sharing clause in the proposed mining law, mode of profit sharing and problems in identifying affected persons under existing mining leases. “Government has considered these concerns and suitably modified the provisions in the draft Act,” he said.
वेदान्ता रिसर्चज के खिलाफ ऑनलाइन ने तेज किया अपना अभियान

वेदान्ता रिसर्चज के खिलाफ ऑनलाइन ने तेज किया अपना अभियान। इसे "उदय" नाम दिया गया है। इस अभियान के दौरान ऑनलाइन ने वेदान्ता रिसर्चज के खिलाफ आरोप लगाए हैं।

वेदान्ता रिसर्चज ने इस अभियान की तारीख नहीं दी है। इस अभियान का लक्ष्य उनकी रिपुल्सिविटी को बढ़ाना है। ऑनलाइन ने वेदान्ता रिसर्चज के खिलाफ आरोपों लगाए हैं।

वेदान्ता रिसर्चज के प्रमुख नेता कुमार कुमार त्रिवेदी ने अभियान की तारीख नहीं दी है। इस अभियान का लक्ष्य उनकी रिपुल्सिविटी को बढ़ाना है।
Hindalco Q2 net rises 26% on value-added product sales

Our Bureau

Mumbai, Nov. 9

Hindalco Industries, an Aditya Birla Group company, has recorded 26 per cent rise in net profit at Rs 434 crore (Rs 344 crore) during the second quarter of this fiscal largely due to better realisation and improved value-added product sales.

Revenues in the quarter increased 19 per cent to Rs 5,860 crore (Rs 4,915 crore).

Income from aluminium business grew 16 per cent to Rs 1,911 crore (Rs 1,649 crore) despite lower sales volume due to Hirakud smelter outage. Revenues from copper were up 21 per cent to Rs 3,951 crore (Rs 3,268 crore) on the back of sharp increase in value added products.

Copper cathode production was up five per cent at 94,104 tonnes and CCR (copper cold rolled) production rose 41 per cent to 43,274 tonnes.

However, copper business was not significantly impacted by changes in LME prices as it is a custom smelting operation with offset hedging programme. Profit before interest and taxes was lower at Rs 129 crore from Rs 217 crore due to lower TcRc (treatment and refining charges), higher energy costs and appreciating rupee, despite better efficiencies and improved mix, the company said.

Production at Hirakud smelter has been affected since early July due to pot outage caused by heavy rains and lightning. Pot start-up and stabilisation is expected in early Q4 while efforts are being made to contain the impact of the loss, it said. The company has a comprehensive insurance policy which covers property damage and business interruptions.

The company has accepted the applications of all workmen of its Kalwa Foil plant in response to a voluntary retirement scheme. The cost to the company on this front is estimated at Rs 22 crore.

The project to set up flat rolled products by transferring key equipment from the Novelis Plant at Rotherstone in UK to Hirakud is expected to be completed by Q2 FY'12. It will produce cans for domestic and international markets.

Dismantling of machines at Rotherstone is complete and has been received at Visakhapatnam Port. About 700 people are working at the site on civil and structural jobs, the company said.

Hindalco shares on the BSE were up 0.56 per cent at Rs 252 on Tuesday.
Govt allays mining firms' fears on profit-sharing

Our Bureau

New Delhi, Nov. 9

Mining entities would have to share 26 per cent of their profits earned from mining operations with the affected local population in a mining area, as part of a new legislation.

However, their net earnings from other downstream operations such as manufacturing of metals would not be impacted.

The Government proposes to make it mandatory for mining firms to share 26 per cent of their profits with the locals.

INDUSTRY CONCERN

Expressing concern on the Government's move, the industry had said that profits that should be taken for the purpose of sharing with the local population should pertain to mining operations and not to profits earned from downstream value addition activities.

Replying to a query in Lok Sabha on Tuesday, the Mines Minister, Mr B.K. Handique, said "the Government had considered the industry's concern on the issue and suitably modified the provisions in the draft Mines and Minerals Development and Regulation Act."

DRAFT BILL

The draft Bill is currently under consideration of the Group of Minister led by the Finance Minister, Mr Pranab Mukherjee.

The MMRD Bill 2010 is likely to be introduced in the current session of Parliament.

The Government has also considered industry's concerns on the likely administrative difficulties in identifying the affected persons in existing mining lease areas and distributing the profits directly to them.

Further, the industry had also stated that the direct distribution of profits to affected persons may lead to disparities due to the varying population densities, nature of mineral and efficiency of mining operations.
Australia keen to ‘mine’ opportunity in India

42 Australian firms participating in mining, machinery exhibition

Our Bureau
Kolkata, Nov 9

Australia is looking forward to a long-term economic relationship with India, according to Ms Justine Elliot, Member of Parliament, and Australia's Parliamentary Secretary for Trade.

"In the past five years, the growth of bilateral trade has been around 25-26 per cent annually, with India emerging the third largest export market for Australia, and it is the fastest growing relationship for Australia worldwide," Ms Elliot, who was on her maiden visit to India, told newsmen here on Tuesday. She was briefing on her country's participation in the International Mining & Machinery Exhibition (IMME) 2010 being held here from November 10 to 13.

"With India poised for 8.5 per cent GDP growth, we are hopeful of scaling newer heights in our relationship".

As she informed, 42 Australian companies were participating in IMME 2010. "For us, it is a very important event, with Australian companies keen to participate in India's mining projects by offering technology as well as mining equipment," she observed.

"The Australian participation could be in coal, iron ore or copper mines. We're also interested in clean energy projects. There is a good deal of opportunity for developing the relationship in future." 

SOME HURDLES
Ms Elliot, however, drew attention to a few hurdles. For example, present Indian Government rules allow contract mining by foreign companies. While some Australian companies were participating in contract mining for captive use (e.g. Hindustan Copper's copper mine in Jharkhand), most others were keen to have commercial rights.

"This regulatory issue needs to be addressed," she said, adding that the matter had been taken up with the Union Government. Problems relating to land acquisition and environment issues, of course, also affected the Indian companies.

Mr Peter Linford, Senior Trade & Investment Commissioner, South Asia, Australia Trade Commission, said Australia preferred growth of two-way relationship — Indian investments in Australia should grow side by side with Australian investments in India.

Several India companies, such as Tata, Reliance, Aditya Birla Group, Bhusar Steel, Gujarat NRE, Adani Group, Jindals, were already in Australia.

>>More on the Web: www.businessline.in/webextras
Hindalco Q2 net up 26% at ₹434 crore

Mumbai: AV Birla Group company Hindalco Industries has reported a 26% rise in net profit at Rs 434 crore in the quarter ended September 30, 2010, as compared to Rs 344 crore in the corresponding quarter last fiscal. Driven by better product and geographic mix and improved realization, despite lower metal volumes, net sales grew 19% to Rs 5,804 crore from Rs 4,915 crore.

Strong aluminium prices on the London Metals Exchange, coupled with an improved product mix on account of higher sales of value-added products were the growth drivers for aluminium business. The company also benefited from better by-product realization in its copper business. However, the metal volumes were impacted due to power outage at the Hirakud smelter.
Copper at 28-month high on Chinese car sales

MOSCOW: Copper rose for a fourth day in London, reaching a 28-month high as auto sales climbed in China, the world’s largest consumer of the metal. Chinese passenger-car sales gained at the fastest pace in six months in October as government incentives for fuel-efficient models boosted buying in the biggest auto market. Figures due Wednesday may show the nation’s trade surplus increased in October, according to economists.

“Strong Chinese passenger-car sales numbers appear to have helped the base-metal complex overnight,” said David Thurtell, an analyst at Citigroup in London. “Tonight’s Chinese trade data is the next major signpost.” Copper for delivery in three months climbed $1.32, or 1.5%, to $8,792 a metric tonne on the London Metal Exchange. The contract touched $8,801, the highest level since July 3, 2008.
Gold price hits new record

Amanda Cooper
LONDON

Gold hit record highs for a fourth day in a row on Tuesday, as fresh concern over the debt burdens of several euro zone member countries prompted safe-haven buying, while palladium rallied for a fifth day. Silver touched $28.90 an ounce, the highest since March 1980, palladium saw $732.50 an ounce, its highest since April 2001. Platinum hit $1,795.50, its highest since July 2008.

Spot gold hit $1,422.30 a Troy ounce and was bid at $1,419.50 an ounce at 1540 GMT from $1,409.09 late in New York on Monday. US gold futures also hit a record $1,422.10 an ounce.

"European investors are worried about the euro, real rates are very low and set to stay low for a long time, so the opportunity cost of investing in gold is tiny," said Citi analyst David Thurtell. "Lots of good reasons to buy it and not many to sell it," he added.

The premium investors demand to hold Irish and Portuguese government debt shot to record highs, driven by concern about funding and potential default, which in turn pushed the euro down against the yen and tempered its gains versus the US dollar. "It just seems that ... with worries about peripheral European countries like Ireland, there's a little bit of a safe-haven factor there," Thurtell said. Gold priced in euros has rallied by over 7% in the last five trading days, rising to its highest since late June this year.

"We have a combination: inflation fears, currency market uncertainty, fears about the financial strength of some countries," said Alexander Zumpfe of Heraeus Metals. Zumpfe said remarks by World Bank President Robert Zoellick that leading economies should consider readopting a modified gold standard had also helped reignite interest in the precious metal. Worries about price pressures were reinforced last week by the US Federal Reserve, which announced further monetary policy easing to help boost economic growth in the world's largest economy, the United States.

News that the Fed would buy back $600 billion of US government bonds initially weakened the dollar and propelled commodity prices higher, particularly gold, which has gained nearly 30 percent this year so far. Investor demand, which had slackened recently, picked up, as reflected by the first inflow into the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, since October 13.

Also on the radar is this week's G20 summit. Officials from Germany, Brazil, China and South Africa are among those expressing concern that the Fed's policy could weaken the dollar and drive up commodity prices. If the G20 fails to defuse global tensions, it may heighten investor concerns that policymakers are drifting further apart, leaving the world economy vulnerable.

"There is a lot of uncertainty ahead of the G20 meeting. If there are no surprises we may see a correction afterwards," said David Wilson, analyst at Societe Generale.

"Gold is using any excuse to go higher." Traders think the target to this rally is $1,475 an ounce. "Beyond that $1,500 is only a short ride," one trader said, adding high seasonal physical demand was another factor behind the rise in precious metal prices. Palladium rose by almost 3% on the day to $726.22 an ounce, marking its fifth consecutive daily rally and putting it on track for a ninth weekly increase.

Palladium has risen by almost 80% so far this year, fuelled by demand from investors who are keen to tap into the metal's exposure to China, where it is used in the country's booming gasoline-powered auto sector in autocatalysts.

Spot silver was bid at $28.77 an ounce from $27.69 late in New York on Monday and palladium was at $725.50 from $705.22. Platinum was bid at $1,789.00 an ounce compared with $1,771.50 late in New York on Monday.
Kolar Gold Fields: Glitter at the end of the tunnel

Jayanta Mallick
Kolkata, Nov 9

The Union Government is understood to be considering exploitation of Kolar Gold Fields' residual yellow metal-bearing ore reserves. When operations were stopped at KGF almost a decade ago on the heap of losses, it was producing the rate of gold 3 gm a tonne of ore and had a 3,800-strong workforce.

Towards the end of last millennium, successive managements of the public sector Bharat Gold Mines Ltd (BGML), the owner of the centuries-old mines, had pointed out terminal depletion of high grade ore and consequent increase in the cost of production — unmatched by realisations — as the principal reasons for KGF's gradual drift to unviability.

Now, on the back of gold prices reaching record highs, the economics of mining may permit a renewal, experts suggest. If operations recommence, it would, perhaps, mark the last of renewals for KGF in its long mining history.

HISTORY
The tradition of mining gold started as early as the first millennium B.C. Mr S. Ranganathan, Department of Metallurgy, Indian Institute of Sci-

Important KGF mines
- The Mysore Gold Mine
- Champion Reef Mine
- Goragem Mine
- Nund cryo Mine
- Tank Block Mine
- Balaghat Mine
- Gold Fields of Mysore
- Coronarne Mine
- Oriental Mine
- Nine Reefs Mine
- Road Block Mine
- Mysore Reefs Gold Mines Cay
- Gifford Shaft (the deepest shaft)

firm, John Taylor & Sons, in 1880 started systematic mining of gold.

In its recent history encompassing two centuries, the Kolar Gold Mines changed ownership several times. The mines were handed over to the Central Government by the Mysore Government in 1972 and became a public sector undertaking. By 1992, accumulated losses were over Rs 502 crore, and its case was brought before the Board for Industrial and Financial Reconstruction (BIFR). The unions put their own revival package before the BIFR in January 2000.

A turning point came on April 16, 2001, when the Karnataka High Court quashed the closure order issued by the Ministry of Labour under Section 25 (O) of the Industrial Disputes Act, 1947. The winding-up order issued by the BIFR was also quashed by the court, and it directed the BIFR to consider revival proposals. But litigations went on. In the last few years, the Union Government worked out an asset sale plan through global tender, which also allowed participation of former workers' body.

The High Court, however, ordered modifications in the tender document, which the Government opposed through BGML and filed a review petition.

REVIVAL PROPOSALS
The BIFR appointed Industrial Credit and Investment Corporation of India (ICICI), now defunct, as the company's operating agency. In July 1997, ICICI recommended a rehabilitation package which envisaged an infusion of fresh capital of Rs 200 crore, which the Central Government rejected.

Several proposals for the running of mines were made to the Government, the BIFR and the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). The unions put their own revival package before the BIFR in January 2000.

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The High Court, however, ordered modifications in the tender document, which the Government opposed through BGML and filed a review petition.

Finally, the High Court this year asked the Union Government to reconsider resumption of operations to extract the residual deposits at KGF.

The gold lodes of Kolar Gold Fields lie in a narrow band of rocks of Dharwar Series, in which the country's only operating mine at Hutt also fails.
China to miss mining & machinery expo

Our Bureau
Kolkata, Nov. 9

The 10th edition of the International Mining and Machinery Exhibition (IMME) will be inaugurated in Kolkata tomorrow. Dubbed as the second largest industrial exhibition, after Auto Expo, hosted in the country by the Confederation of Indian Industry – this year’s IMME will have wide overseas participation sans China, arguably one of the largest miners in the world.

“The Chinese mining sector could not turn up at IMME, 2010, due to their preoccupation with the China Mining Congress and Expo, to be held at Tianjin beginning next week,” Mr Madan Mohanka, Chairman, CII mining and construction division, told media persons here today.

Mr Rajive Kaul, past president of the apex chamber and the chairman of the CII trade fair council, however, assures that IMME was successful in attracting a record number of 230 overseas participants from 22 mining nations.

“IMME is getting better and bigger in every edition. As against a total of 300 participants – including 180 foreign participants from 15 nations – in 2008, this year’s exhibition has attracted 450 participants, including 230 from 22 foreign nations,” Mr Kaul said.

The Rs 10-crore show will include two-day of mining conference alongside the exhibition over a 50,000 square metre area. Rare mineral rich Afghanistan is the partner country of this year’s IMME. Germany is the focus country.
UK cos at mining equipment expo

Kolkata, Nov. 9

Eight member companies of the Association of British Mining Equipment Companies are participating in the International Mining & Machinery Exhibition being held here from Wednesday, according to a British Deputy High Commission release. In addition, five companies from Northern Ireland are also participating in IMME 2010 to showcase one of the country's strongest sectors, materials handling and mineral processing equipment, the release added. – Our Bureau
Supply worries drive up copper to 27-month high

Reuters

London, Nov. 9
Copper hit its highest level since July 2008 on Tuesday, within touching distance of an all-time high, as falling inventories coupled with supply concerns offset a firmer dollar.

By 10.34 GMT, copper for three-month delivery on the London Metal Exchange traded at $8,808 a tonne from $8,660 at the close on Monday. Among other metals, aluminium traded at $2,449 versus $2,429.

Steel-making ingredient nickel traded at $24,450 from $24,125, while battery material lead was at $2,567.50 from $2,504. Zinc traded at $2,537.75 a tonne from $2,479 and tin was at $27,096 from $26,595.
Gold tops Rs 20,000/10 gm

Our Bureau
Mumbai, Nov. 9

Gold prices on the bullion market here toed global trend to hit the Rs 20,000-mark for 10 gm for ornament and pure gold.

Silver ruled over Rs 42,000 a kg. With prices in the international market for the yellow metal crossing $1,400 an ounce, pure gold soared to Rs 20,550 for 10 gm. Ornament gold (22-carat) ended at Rs 20,455. Silver ended at Rs 42,440 a kg.

Bloomberg reports:
Gold added $10.50, or 0.7 per cent, to $1,420.05 an ounce at 11:21 a.m. in London after reaching $1,422.35. The metal for December delivery was 1.2 per cent higher at $1,419.40 on the COMEX in New York.

Silver for immediate delivery reached $28.485 an ounce, the highest since March 1980, and was last up 2 per cent at $28.305. Prices are up 68 per cent this year.

Palladium was 2.8 per cent higher at $728.45 an ounce, after reaching $730.75.

Platinum added 0.7 per cent to $1,785.50 an ounce.

Bullion rate
Chennai: Bar silver (1 kg): Rs 41,895; retail silver (1 gm): Rs 44.80; standard gold: Rs 20,375; retail ornament gold (22 carat): Rs 1,895.
Hindalco Industries Ltd has halted production at its copper smelter plant in Dabuj, Gujarat, due to a breakdown of a cooling tower at Sulfuric Acid Plant-3. The company expects the repair of the cooling tower to be completed in a couple of weeks, after which normal production from Smelter-3 will commence. The disruption in operations is estimated to cause a loss of cathode production of around 8,000 tonnes.