Neyveli net profit up marginally

Neyveli Lignite Corporation Ltd has reported marginal increase in net profit during the quarter ended September 30 at ₹278 crore as compared to ₹273.7 crore a year ago. Company's total income rose to ₹1,158.8 crore from ₹1,063 crore, an increase of eight per cent.
Company's lignite mining revenue rose by 11 per cent to ₹921.16 crore from ₹828 crore, while power generation revenue went up six per cent to ₹1,078 crore from ₹1,014.4 crore.
AGENDA CORRESPONDENT
Mumbai, Nov. 9

Concerned over industry’s apprehensions on Land Acquisition Bill and MMDR (Mines and Minerals Development and Regulation) Bill, FICCI, on Wednesday emphasised the need for revisiting several provisions of the proposed bills before the winter session of Parliament.

“There are number of concerns over these two Bills and there is an apprehension that if both these bills are passed in their current forms it would further exacerbate the industrial development in the country,” said Mr Harsh Marwada, president, FICCI.

According to FICCI, the restriction on multi-crop land, application of R&R (Rehabilitation & Resettlement) provisions on retrospective basis and the burdensome R&R provision among others will make it impossible to acquire land for the industry.

It is estimated that this clause will effectively render about 55 million hectares, or 40 per cent of arable land beyond the scope of acquisition. FICCI feels that the matter should be left to the states to evaluate the need for usage of multi-crop land for the states balanced economic development.”
Steel units in Bengal seek iron ore supply resumption from Joda

Santanu Sanyal
Kolkata, Nov. 9

The mini steel plants in West Bengal have sought immediate intervention of the State government for an early resumption of the supply of iron ore from the mines located in Joda area in Orissa.

The supply to the plants has remained suspended for over three weeks now following an order issued by the Deputy Director (Mines), Joda, Government of Orissa. The order prohibits transportation of the ore from Joda mines to consuming units outside the State.

“We sincerely want the West Bengal government to take up the matter with the Orissa government and has accordingly sought an appointment with the West Bengal Industry Minister, Mr Partha Chatterjee,” a spokesman for West Bengal Iron & Steel Manufacturers Welfare Association told Business Line. “Meanwhile, we have sent a note to him explaining our plight and seeking his help.”

The Joda DDM’s order, he felt, was arbitrary as the consuming units located outside Orissa were not given a chance to present their views before the restriction was clamped.

There are about 60 mini steel plants in West Bengal, consuming an estimated one lakh tonnes of ore daily and employing about 20,000 people directly and another 30,000 or so indirectly.

‘UNCERTAIN FUTURE’
They face an uncertain future, more so because the entire ore consumed by these units comes from the mines at Joda. Right now the units are operating below capacity. “We’re somehow managing with low-grade ore from Jharkhand but this could not continue for long,” the spokesman observed.

The association representatives met the Steel Secretary of Orissa about 10 days ago and received assurance of an early resumption of supply.

“We’ve submitted documents as required but nothing has happened so far,” the spokesman added.
PRICE RISE

India likely to raise coal tax issue with Australia, Indonesia

BY RUCHIRA SINGH & UTPAL BHASKAR

NEW DELHI

India may raise with Australia and Indonesia the issue of policy changes that has made coal imports expensive for Indian companies that own mines in the two countries.

Rising demand at home prompted Indian and Chinese companies to invest in the coal sector in Australia and Indonesia, causing prices of thermal and metallurgical coal to rise and leading governments there to seek a greater share of revenue.

While Indonesia has implemented price benchmarking to capture higher royalty and income taxes, which are pegged to the price of coal, Australia “has imposed a Minerals Resource Rent Tax (MRRT)—a tax on profits generated from the exploitation of non-renewable resources, levied on 30% of so-called super profits accruing from the mining of iron ore and coal in Australia.

These interventions will affect the financial viability of imported coal-based power projects such as Tata Power Ltd’s Mundra project and Reliance Power Ltd’s Krishnapatnam project—both of 4,000MW each—because their fuel costs are set to overshoot expectations.

Both these firms have acquired coal mines in Indonesia to fuel their projects. While work has stopped on the Krishnapatnam project, Tata Power has been lobbying the Union power ministry in pursuit of a higher tariff. It will also increase the cost of coal procurements for Indian power and steel companies.

“We shall try to initiate talks with Australia and Indonesia,” coal minister Sriprakash Jaiswal said. “The Indian government will most certainly take up this issue,” he said. “We have also raised it and will request MEA (ministry of external affairs) also to take it up. But we need to know with some authority that this has been done for sure. We need an authentic letter and then we will tell the MEA that due to this there will be a big impact on coal imports so kindly look into it and ask for some relaxation so that imports are not impacted.”

India is dependant on coal for power generation. Of the country’s installed power generation capacity of 182,345MW, 54.7% is coal-based; much of the targeted addition of 100,000 MW during the 12th Plan (2012-17) is also coal-based. It takes around 5,000 tonnes of coal to generate 1MW of power every day for a year.

Questions emailed to an MEA spokesperson on Tuesday remained unanswered until press time. While a Reliance Power spokesperson declined comment, a Tata Power spokesperson did not respond to emailed queries till press time on Wednesday.

India is confronting its worst coal shortage. Power firms consume 78% of the total domestic production of coal. The size of the market for imported coal that goes into power generation in India is around 50 mt a year, and is expected to double by 2012 as more thermal power projects come up.

“Resource nationalism is on the rise,” said Dinesh Dhir, director of consulting, energy and resources, and mining, at Deloitte Touche Tohmatsu India Pvt. Ltd.

“It seems unlikely that the trend will be reversed since local project-affected population in host countries demand more and more and there is always a sense that foreign countries are benefiting from the natural resources of host countries that never seem to get enough,” he added. “Government-to-government relationships in the pursuit of favourable treatment to Indian power generation or steel firms may have limited success.”

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Europe Boosts Gold But Metal’s Future is in Asia

Safe-haven demand seen behind rally but ultimate drivers would be India & China

Global Guru

CLYDE RUSSELL

Reuters

The merry-go-round of sovereign debt crisis, resolution and renewed crisis in Europe has boosted the price of gold, but the future for the yellow metal still lies firmly in Asia.

After plunging about 16% three weeks after it hit a record high of $1,920.30 an ounce in early September, gold has climbed almost 12% to trade just below $1,800 now. While it may be too much of a stretch to say the precious metal has been following every twist and turn of the European saga, it does appear that gains and retreats since the late September low have been related to the news headlines.

This is backed by an increase in gold held by the vehicles favoured by investors, namely exchange traded funds and futures.

Holdings in the SPDR Gold Trust, the world’s largest gold ETF, have risen by almost 30 tonnes since October 10 to 1,255.7 tonnes, a gain of 2.25%.

Open interest and net long positions in gold futures and options have also been ratcheting up in recent weeks, according to the US Commodity Futures Trading Commission. Net longs rose to 148,279 contracts in the week to November 4, a gain of 9.4% over the prior week, while open interest jumped 14.6% to almost 810,000 contracts. While both of these are well off the year’s peaks seen in August, as gold was heading to its record high, they have been on an upward trend since the second week of October.

So, taken together this tells us that it’s likely some of gold’s recent gains have been made on the back of safe haven demand given Europe’s ongoing woes. But ultimately the main driver of gold’s outlook is the demand from consumers in China and India, and there may be positive news on this front as well. China’s gold imports from Hong Kong jumped 30% in September from the prior month to a record 57 tonnes. China doesn’t publish gold trade data, so it’s impossible to know for sure that Chinese demand is surging, as the Hong Kong figures may suggest.

It’s also not certain what share of China’s gold imports come from Hong Kong, but it may be around 40%, based on some numbers revealed last year by the Shanghai Gold Exchange.

The World Gold Council will likely release its third-quarter gold demand report next week, and then the picture will become clearer. What we do know is that almost 65% of gold demand in the second quarter was for jewellery, bars and coins, while only 5.8% was for ETFs, according to council data. We also know that India and China accounted for 55% of total world demand of jewellery, bars and coins, and that their buying has been rising rapidly, with increases of 38% and 28% respectively from the year earlier periods. The partial data from Hong Kong suggests that Chinese demand may well have held up in the third quarter, and if the same can be said for India, it should show up in a robust reading for world gold demand in the third quarter. For the gold bulls to get excited, it would probably take a rise in total gold demand to above 1,000 tonnes in the third quarter.

Buyers Aplenty

16% Drop in prices 3 weeks after it hit a high of $1,920.30 an ounce in early September

12% Recovery in prices in the recent weeks to trade just below $1,800 now

9.4% Rise in net longs to 148,279 contracts in the week to November 4 over the prior week

14.6% Jump in open interest during the period to almost 810,000 contracts

38% Increase in gold demand in India during second quarter

28% Increase in gold demand in China during second quarter
Hind Copper deals for IVRCL, Shriram

IVRCL Infrastructures bags the biggest chunk of ₹1,176.12 crore out of the total ₹1,712.80 crore mine contracts of the PSU major

Sumit Moitra @ KOLKATA

Hindustan Copper Ltd on Tuesday awarded mine development contracts aggregating ₹1,712.80 crore to a host of companies, including IVRCL Infrastructures & Projects Ltd, Shriram EPC and Maheswari Mining Pvt Ltd.

A consortium led by IVRCL Infrastructures, which is proposed to get merged with its listed parent company IVRCL Ltd, has bagged the biggest contract of the lot—development of the Malanjkhand Underground mine project for ₹1,716.12 crore.

Shriram EPC’s consortium has won the Surda mine contract for ₹206.34 crore.

Maheswari Mining has got mandates to develop two mines: Chapri-Sidheswar for ₹256.50 crore and Kendadith Mine for ₹73.84 crore.

“The Letters of Intent have been issued to successful bidders today and the work is expected to commence in the last quarter of current financial year,” Hindustan Copper said in a release after the second-quarter results of the company.

Apart from Malanjkhand, IVRCL Infrastructures had bid for Surda mine and also for the Kendadith and Chapri-Sidheswar projects. Shriram EPC was the second-lowest bidder for Malanjkhand and also in Kendadith and Chapri-Sidheswar projects.

So far, Maheswari Mining has cornered most of Hindustan Copper’s contracts. The relatively unknown entity, which in July won the contract for expansion of Khetri mine in Rajasthan in consortium with Wenzhou Construction Group of China, bagged two projects on Tuesday.

Hindustan Copper, India’s biggest and only integrated copper miner, had earlier floated tenders for engineering, procurement and construction contracts for expansion of Khetri, Surda, Malanjkhand and Chapri-Sidheswar mines and re-opening of the Rakha and Kendadith mines.

“The mine expansion plan is on track and major projects will go on-stream in the coming months,” the company said in the release. Hindustan Copper on Tuesday reported a 20% year-on-year drop in its profit before tax to ₹67.67 crore, while sales are down marginally by 5.4% to ₹296.64 crore.

“The financial performance was impacted due to high accumulated inventory of copper concentrate which could not be converted as refined copper due to an unscheduled shutdown of Ghasil plant and a delay in finalisation of toll-smelting contract. The issues have since been resolved and will reflect in improved sales earnings during the remaining period of the current financial year,” the release said.
FICCI urges Govt to review land acquisition Bill

Our Bureau
Mumbai, Nov. 9

The FICCI President, Mr Harsh Mariwala, emphasised on the need for reviewing several provisions of Land Acquisition and MMDR Bill 2011 on Wednesday.

“There is a need to relook at two important bills namely Land Acquisition, Rehabilitation & Resettlement (R&R) and MMDR Bill 2011 which are likely to be placed in the winter session of Parliament. There are number of concerns over these two bills and there is an apprehension that if both these bills are passed in their current forms it would affect industrial development in the country,” said Mr Mariwala.

The industrial outlook is indeed grim and the two bills have also seriously dented investors’ confidence, noted FICCI.

The restriction on multi-crop land and application of R&R provisions would make it difficult to acquire land for the industry.

COAL MINING

Referring to coal mining sector in India, Mr Mariwala said that there is a need to introduce commercial mining in coal sector through competitive bidding which would ensure that India’s productivity of coal increases which would reduce the demand-supply mismatch.

Mr Mariwala also suggested some other reforms which the government needs to take forward to support the overall growth process. They are – to liberalise the FDI policy further, to address inflation by tackling supply and distribution constraints in the food economy, to introduce GST from April 2012, to mobilise greater funding for infrastructure sector and to undertake procedural reforms.

On the Manufacturing Policy, Mr Mariwala said that Government needs to speed up the implementation of the policy as it “envisages achieving an ambitious target of 25 per cent share of manufacturing in India’s GDP from the current 15 per cent.”
Copper declines on Europe debt crisis

Bloomberg
Nov. 9
Copper fell for a fourth day in New York, extending this month’s decline, as surging Italian bond yields stoked concern about Europe’s sovereign-debt crisis.

We’re not trading the fundamentals of copper any more, Mr Nick Riley, head of London Metal Exchange sales at Marex Spectron Group, one of 11 companies on the LME floor, said. We’re trading the fundamentals of Europe at the moment.

Copper for December delivery slid 1.6 per cent to $3.4775 a pound by 7:38 a.m. on the COMEX in New York. Prices are down 4.3 per cent in November. Copper for three-month delivery fell 1.3 per cent to $7,609 a tonne on the LME.

All of the six main metals traded on the LME declined, led by zinc.

The market is in glass half empty mode, Mr David Thurtell, head of metals research at Citigroup Inc. in Singapore, said by e-mail. LCH.Clearnet’s announcement just raises the problems in dealing with and resolving this whole sovereign-debt issue, he said.

Aluminium for three-month delivery on the LME declined 0.4 per cent to $2,131 a tonne and lead slid 1.3 per cent to $1,894 a tonne. Nickel slipped 0.3 per cent to $18,300 a tonne, tin dropped 0.9 per cent to $22,000 a tonne and zinc fell 2.1 per cent to $1,957.75 a tonne.
Whistleblower points to mining scandal in Madhya Pradesh

The officer also alleged a nexus between forest department officials and illegal miners.

"I have come to know about the report and asked the officers to send the report to me. I would be in a position to comment on the same only after looking into it," said state forest minister Sartaj Singh.

Sharma had visited the area to verify one Goralal Tamrakar's charges about illegal mining. The complaint was referred to him by his senior, Dave.

The report, a copy of which is available with HT said: "Brazen mining was going on to extract stone and stone slabs. I saw tractors and trucks carrying stones."

Sharma did not inform the local officials at Satna and Rewa about his visit. He visited the areas as a businessman along with the complainant. Whenever they reached near an illegal mine, the labourers working there would run away and come only after being called out and assured that they were businessmen. The officer saw many trucks and tractors without registration numbers engaged in the illegal mining.

He said he found about 12 illegal mines at Khantala, Sakhauha, Maharajpur and Kudhi alone.

He said local people told him that PWD minister Nagendra Singh's nephew Baba Raja's work had been going on in the Nagod forest range.

The divisional forest officer (DFO), a certain Gaud, had caught Baba Raja's tractor loaded with firewood but it was released later. According to the complainant, Gaud told him, "When the sub-divisional officer (SDO) himself is involved what I can do."

The report further said, "SDO, Satna HS Mishra is the most corrupt when it comes to illegal mining. He spares all after taking money. This way, he has earned more than Rs 1 crore. He has got a good rapport with local ministers Rajendra Shukla and Nagendra Singh.”

SDO Mishra, however, told HT, "Sharma has written a one-sided report speaking only to the complainant and the local people."

Rajendra Shukla, said, "I don't remember who this Mishra is. We are taking strict action against illegal mining."

PWD minister Nagendra Singh said, "It is on record that I held a meeting with authorities in Satna and asked them to take steps to check illegal mining in the area. I am not involved in any mining or illegal mining. If anybody is misusing my name I am not responsible. The authorities are free to take action against anybody."
हिंदुस्तान कॉपर को 46.46 करोड़ का मुआफा

मुंबई: सार्वजनिक केंद्र की प्रमुख तात्विक उपाध्यक्ष कंपनी हिंदुस्तान कॉपर लिमिटेड का सुदृढ़ लाभ मोटा लेना वर्ष को पूर्वसूची सिमात्रों में 17.35 प्रतिशत बढ़कर 46.46 करोड़ रुपए हो गया है। जो कि लेन के इसी अनुसार में गह अधिकार 56.21 करोड़ रुपए शास्त्री था। कंपनी ने व्यवस्था कि वित्त वर्ष 2011-12 की 30 सितंबर को समाप्त दूसरी सिमात्र में उसे 285.42 करोड़ रुपए की कुल अर्थ हुई।