भरतपुर, धीलपुर की टॉप

आदेश के अनुसार बिना पत्तियाँ पत्ती, मालालेन (बाजुरा पट्टी), अलगाला जेला 115 रुपये प्रति टन, चुना पट्टी, 75 रुपये दर, 35 सौंदर्य व ज्ञान संचयन स्टंब, 350 रुपये टन, खंडकल बर्फ, 195 रुपये टन, मार्केट खंडवा 65 रुपये टन, चुना पट्टी का खंडवा, बैलासर, मिर्गोत, शेडेवर, ग़लियावास, 22 रुपये प्रति टन (भरतपुर), तथा यही धीलपुर में 17 रुपये टन, धानी-ठोकर 25 रुपये टन, तत्व-पिघली 10 रुपये टन, मोरा व इंदिचि 18 रुपये टन निर्देशित की गई है।

भरतपुर सहित कई जिलों में बढ़ी दरों के विरोध में, यानी, यह जिलों में अस्वीकृत रूप से संचालित होने वाली व्यवसायों को अनुमोदन देने की इच्छा में आदेश की गई है।

आदेश जिलाधिकारी है।

उदयपुर, धीलपुर व
Balco offers VRS to shed excess staff

R KRISHNA DAS
Raipur, 11 January

Vedanta-controlled Bharat Aluminium Company (Balco) Limited has started a voluntary retired scheme (VRS) to shed excess workforce. This is the fourth time that the Balco management announced VRS for its employees. The Public Sector Undertaking, in which London-based Vedanta has 51 per cent stake, was disinvested in February 2001. “Of all previous schemes, this one could be the best and offers a more lucrative cover,” Balco's chief of corporate communications R K Schewe told Business Standard.
Orissa mulls curbs on iron ore exports by private miners

BS REPORTER
Bhubaneswar, 11 January

Following in the footsteps of Karnataka, the Orissa government is considering a policy to curb iron ore and chrome ore exports by private miners.

The move comes on the heels of a similar restriction on iron ore and chrome ore exports by state-owned Orissa Mining Corporation (OMC).

For private miners, the state government plans to reserve 60 per cent of their iron ore and chrome ore produce for industrial units in Orissa, while the rest can be exported.

"The state government has decided to impose curbs on iron ore and chrome ore exports by private miners. We are thinking of coming out with a policy according to which private miners can export a maximum of 40 per cent of iron ore and chrome ore produce and reserve 60 per cent for local industrial units. The state government will soon write to the Centre in this regard," said Raghunath Mohanty, minister for industries and steel and mines.

The move is aimed at ensuring long-term raw material security for industries in the state.

Earlier this month, the state government had announced that 70 per cent of the iron ore produced by OMC will be made available for industries operating in the state. The company will be allowed to export the remaining 30 per cent.

The decision was taken at a high-level meeting where emphasis was laid on scaling up iron ore and chrome ore production of OMC. Accordingly, the corporation had been asked to come out with a 20-year Perspective Plan.

At present, the iron ore requirement of the state is around 20 million tonnes per annum and OMC meets 15-20 per cent of the demand. It may be noted that a three-member committee comprising the secretaries of the departments of steel & mines, industries and commerce & transport was constituted in November last year to look into the problems of the industries operating at the Kalinga Nagar Industrial Complex in Jajpur district.

The committee was constituted after Kalinga Nagar Industries Association complained of problems like inadequate availability of raw materials, high ore prices and high cost of transportation of ores. The association had pointed out that due to the prohibitive price of ore, the units had become commercially unviable.
INVESTMENT OPPORTUNITIES WORTH $20 BILLION

India’s economy has been growing steadily and is predicted to continue. MMMM 2011, recognised as the leading international marketplace for the industry in India, is now in its 8th edition and has grown consistently since its launch.


It is one of the most significant events in the Indian minerals, metals and materials market and will serve as an ideal B2B platform for entrepreneurs, CEO’s consultants, senior government officials, decision makers and trade delegations to congregate, brainstorm, showcase and forge meaningful business partnerships. The 2008 event saw 201 exhibitors, 14,768 visitors and business generation worth $267 million.

India, with rich natural resources, has made considerable strides in the development of the mining and metals industry. Minerals and metals occupy a prominent place for the role that they play in the industrialisation and development of the economy. The total value of mineral production is estimated at Rs 1,27,921 crore, which shows an increase of about 4.61 per cent over the previous year.

Being aware of the vast potential of the sector, the Indian Government has been consistent and pragmatic by inviting private investment and injecting funds, technology and managerial expertise. Foreign Direct Investment (FDI) in the mining sector for all non-atomic and non-fuel minerals have now been fully opened up to 100 per cent through automatic route including diamonds and precious stones.

India offers investment opportunities in excess of $ 20 billion over the next 3 years through development and expansion of ferrous and non-ferrous plants.

India’s recently announced new “Steel Policy” has set its goals at 110 million tonnes of steel production by 2020 while making the country a top 5 world producer and a top 5 market for steel and non-ferrous metals.

With massive investments in infrastructure, construction, power, telecom, automobiles, manufacturing, nuclear energy etc., the demand for steel, non ferrous metals, nuclear materials and emerging nano materials etc., is likely to see quantum jump growths in the coming years. And the forthcoming Conference will deliberate on the current and future demand, supply, production capacities, foreign trade, raw material constraints, infrastructural bottlenecks, R&D, Sustainable Development, new materials and technologies etc., in the areas of metals, minerals and materials engineering.

India’s four Maharatnas of the country’s Central Public Sector Enterprises, SAIL has five integrated steel plants, three special plants, and one subsidiary in different parts of the country. Tata Steel in the world’s 10th largest steel manufacturer. It operates in more than 20 countries and has a commercial presence in over 50.

The company was established in Jamshedpur, India, in 1907. In the past few years, Tata Steel has invested in Corus (UK, renamed Tata Steel Europe), Millennium Steel (renamed Tata Steel Thailand) and NatSteel Holdings (Singapore). It has the capacity to produce over 30 million tonnes of crude steel every year.

Nalco is Asia’s largest integrated aluminium complex, encompassing bauxite mining, alumina refining, aluminium smelting and casting, power generation, rail and port operations. Commissioned during 1985-87, Nalco has emerged to be a star performer in production, export of alumina and aluminium, and more significantly, in propelling a self-sustained growth.

Essar Steel has a current capacity of 8.6 million tonnes per annum. It has aggressive expansion plans in India, as well as Asia and the Americas, wherein it aims to achieve a capacity of 14 million tonnes by 2011-12.

Jindal Steel & Power Limited is a leading player in Steel, Power, Mining, Coal to Liquid, Oil & Gas and Infrastructure, consistently tapping new opportunities by increasing production capacity, diversifying investments, and leveraging its core capabilities to venture into new businesses. JSPL’s investment commitments in steel, power, oil & gas and mining have touched more than $ 30 billion today.

ArcelorMittal is the world’s leading steel company, with operations in more than 60 countries. ArcelorMittal is the leader in all major global steel markets, including automotive, construction, household appliances and packaging, with leading R&D and technology, as well as sizeable captive supplies of raw materials and outstanding distribution networks.
Indian metal industry braces for the new decade

International Trade and Exhbitions Events (ITEE) Pvt Ltd is proud to present the 8th edition of Minerals, Metals, Metallurgy and Materials (MMMM) at Pragati Maidan, New Delhi, from 11 to 14 February, 2011. ITEE is part of the ITE Group plc, UK, one of the world’s leading organizers of trade exhibitions and conferences, with over 30 years of expertise in developing and organizing specialized exhibitions and conferences in different parts of the world.

MMMM is jointly organized with the Indian Institute of Metals (IIM) Delhi Chapter, which will be concurrently organizing a major International Conference on the theme: “Indian Metals Industry—Shaping the Next Decade.” The event has been supported by several Government Ministries, professional and media organizations. With strong international and domestic participation and a diversified display of equipment, materials, technologies and products, the event promises to offer unprecedented opportunities for trade, investment and technical collaboration at a time when India is fast emerging as an Asian hub for the integrated metallurgy sector. Aggressive marketing over several months is expected to ensure a very high quality as well as exceptional number of business visitors from around the world.

ITEE considers MMMM to be one of its flagship events. A team of dynamic and highly experienced leaders in the exhibition industry headed by Ambassador K V Rajan (Retd), former Secretary, Ministry of External Affairs, General Manager-India, Tulika Sen and Exhibition Director Gagan Sahni are engaged in translating into reality a vision: to contribute to India’s economic rise through a focussed use of the exhibition medium in order to maximize business opportunities.
WEIGHED DOWN BY HIGH VALUATIONS

Hindustan Copper stock to be under pressure, despite improving performance on high copper prices

JITENDRA NARAYAN GUPTA

At a time when copper prices are ruling high and the financial performance of Hindustan Copper is improving, it's surprising to see the stock price move down. The stock has also been under performing in the broader markets. It has halved from the high of 7010 in January.

In fact, there can be more surprises on the bourses for Hindustan Copper, the integrated copper producer, plans a follow-on public offer (FPO). Experts believe despite its improving prospects, there is room for the company's share price to correct further as the current valuations remain high even as copper prices have gained 27 per cent over the last year and continue to rule firm.

High on low float
Hindustan Copper, in which the government holds a 99.50 per cent stake and only 0.50 per cent is public, has benefited from the lower free float in the market by way of relatively higher valuations. "Generally, the real discovery of prices only happens when there is enough float and liquidity in the market," says Ambareesh Baliga, vice-president, Kirby Stock Broking.

Currently, the market is valuing the company at 817.36 crores. And, if the cash to the tune of 177.3 crores (as on March 31, 2010) in the company's books is deducted, this debt-free company is valued at 149 times its operating profits (EBITDA) and 25 times its sales based on the 2008-09 figures. Even on the price to earnings (P/E) and book value (P/BV) basis, at 80 times and 25 times, respectively (based on 2008-09 figures), the stock is trading at a huge premium compared to its listed mining peers like NMDC, Coal India and Moil.

The year 2009-10 was not good for the company with subdued sales realisations and lower output vis-a-vis the previous year. Hence, this may not reflect a perfectly accurate picture. However, even if we assume that the company is able to yield higher realisations in its key revenue contributor, namely wire rods, in 2010-11 and thereafter, given the high copper prices, the stock is expected to be well over 80 times.

What's a realistic level?
Hindustan Copper filed its draft prospectus in September-end and is awaiting approval. Since current valuations appear high, at which the issue may find difficult to sail through smoothly, most market participants expect the FPO pricing to be significantly lower from the current levels.

While the final pricing has not been announced, there are some indications. Consider this: The company wants to use the proceeds to invest in 7,052 crores for expansion, for which it will issue 95.5 million fresh shares. In addition, a similar number of shares will be in the form of an offer for sale from the government. This together translates into an FPO price of 138 million shares or 7,052 crores 

EXPENSIVE VALUATIONS

<table>
<thead>
<tr>
<th>Company</th>
<th>PE</th>
<th>M-cap/Sales</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindustan Copper</td>
<td>50.1</td>
<td>23.8</td>
<td>153.1</td>
</tr>
<tr>
<td>Moil</td>
<td>10.3</td>
<td>5.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Coal India</td>
<td>17.4</td>
<td>3.7</td>
<td>9.8</td>
</tr>
<tr>
<td>NMDC</td>
<td>15.9</td>
<td>9.6</td>
<td>9.2</td>
</tr>
<tr>
<td>Average*</td>
<td>14.5</td>
<td>6.2</td>
<td>8.4</td>
</tr>
</tbody>
</table>

All numbers are FY11 estimates. Hindustan Copper figures are based on annualised financials for FY10-11 except EBITDA, which is based on FY10 numbers.

* Average is for Moil, NMDC and Coal India

Source: Capitaline, Analyst reports

ALIGNING WITH EXPECTATIONS?

LME Copper price • Sensex • Hindustan Copper

Rahul 100
130
115
105
95
85
Nov 1, 2010
Source: Reuters

The way forward
Hindustan Copper is a vertically integrated copper producing company as it manufactures copper from the stage of mining to beneficiation, smelting, refining and casting of refined copper and sale of saleable products. The company has total reserves of 411.30 million tonnes (proved reserves of 187.95 million tonnes) and is estimated to command over two-third of the country's copper ore reserves.

At the current rate of production, which is just 3.2 million tonnes, the reserves could last a little over 128 years. However, these estimates could change, given the company's plans to increase its production capacity to 12.41 million tonnes by the end of the financial year 2017, leading to a higher sales volume and profits in the coming years.

However, these are fairly long-term plans. For now, the per tonne metal inflow, which clocked revenue and a net profit of 1.37 crores and 75 crores, respectively, in 2009-10, could end 2010-11 with a significant rise in its net profit – it reported 582.4 crores in the first half. Nevertheless, considering its near-term prospects, the current valuations are not justifiable.
GOLD EMIs CAN COST YOU DEAR

Although the process is simple, the interest charged can reduce your gains

Masoom Gupte

With gold prices rising consistently for the past one year, it may not be easy to buy the yellow metal in one go. Although your family jeweller may be offering options such as a gold saving scheme, you cannot fall back on these for investment purposes. And, this is where non-banking finance companies (NBFCs) are stepping in.

Muthoot Finance and Manappuram Finance are offering schemes under which you can purchase 24-carat gold coins or biscuits on instalments. “Such a scheme is the best way to purchase gold — if you cannot afford to pay a huge sum at one go — for both investment and consumption purposes,” says Ankur Chauhan, head-marketing, Muthoot Finance. Banks and jewellers, however, do not offer similar schemes. You must pay them the entire amount upfront. Banks charge 10-15 per cent more than jewellers.

The process of buying gold on instalments from NBFCs is simple: Decide the quantity you wish to buy (the most commonly offered grammage being 2, 5, 10, 20 and 50), pay 10-20 per cent of the total cost upfront, and pay the remaining in instalments over 12-24 months. But there is an interest element. You will be charged an interest rate of 10.5 per cent annually. For instance, a 50-gram gold biscuit from Muthoot Finance would cost ₹1,12,842 as on January 11, inclusive of taxes (VAT and service tax).

After making a down payment of ₹11,750 (10 per cent of the cost), the remaining can be paid in equal monthly instalments (EMI) of ₹9,356 over 12 months. The gold is handed over to you after you complete the entire payment. The total amount paid through EMIs comes to ₹1,12,272. Add to it the initial down payment of ₹11,750 and the total cost comes to ₹1,24,022.

In comparison, a 50-gram gold biscuit bought from HDFC Bank would cost ₹1,19,832. Account holders and priority customers can expect a discount of around five per cent.

Although buying gold becomes simpler, the interest charged can reduce your gains. While NBFCs are enticing buyers with a price that will be fixed on the purchase date, a 10.5 per cent interest rate will reduce your gains.

If you can afford to pay the entire amount at one go, typically, your local jeweller will offer the best deal. A local jeweller would sell a 50-gram gold biscuit at ₹1,03,150, thereby saving you ₹2,872 (if purchased from an NBFC) and ₹4,190 (if purchased from a bank).

Of course, there may be concern about purity. A local jeweller may or may not give such a certificate. “The receipt given by jewellers is the only certification in most cases,” says Jitendra Jain, owner, Jugraj Kantilal & Co, a jeweller.

Selling, however, is an issue. Banks and NBFCs do not buy the gold back. At best, they give you a loan against it. The rate at which you sell the gold is jeweller-specific. But, selling it to a jeweller comes at a cost. If a 10-gram gold is priced at ₹20,000, a jeweller will give you ₹19,800, if he is satisfied with the quality.

On the other hand, bigger names such as Tanishq buy back gold at five per cent less than the selling rate for the day, but do not pay cash. You can redeem the same in exchange for jewellery.
CBI inspects Reddys’ mining sites

BELLARY, 11 JAN: A CBI team today inspected the sites where Obulapuram Mining Company, owned by the Reddy brothers – ministers and mining magnates, holds three licences and faces allegations of illegal mining. The team also inspected areas where another firm, Y Mahabaleshwarappa and Sons, holds a mining lease, official sources said. pti
COPPER SNAPS 5-DAY LOSING RUN

Copper prices rose one per cent on Tuesday, snapping a five-day losing streak on support from the long-term bullish views of investors, but a more than ample supply in the Chinese market, as well as a firm dollar, is likely to keep a cap on prices. Three-month copper on the London Metal Exchange gained one per cent to $9,419.50 a tonne by 0701 GMT, down from a peak of $9,754 hit on January 4. Shanghai's benchmark third-month copper futures contract closed up one per cent at 70,510 yuan ($10,624) a tonne.
<table>
<thead>
<tr>
<th>METALS ($/tonne)</th>
<th>International</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>2,466.00</td>
<td>2,855.88</td>
</tr>
<tr>
<td>Copper</td>
<td>9,384.00</td>
<td>10,449.41</td>
</tr>
<tr>
<td>Nickel</td>
<td>24,050.00</td>
<td>26,787.69</td>
</tr>
<tr>
<td>Lead</td>
<td>2,642.00</td>
<td>2,612.35</td>
</tr>
<tr>
<td>Tin</td>
<td>26,125.00</td>
<td>31,215.41</td>
</tr>
<tr>
<td>Zinc</td>
<td>2,367.50</td>
<td>2,944.43</td>
</tr>
<tr>
<td>Steel-HRC</td>
<td>655.00</td>
<td>874.52</td>
</tr>
<tr>
<td>Gold ($/ounce)</td>
<td>13,84.23*</td>
<td>1,400.58</td>
</tr>
<tr>
<td>Silver ($/ounce)</td>
<td>29.55*</td>
<td>31.39</td>
</tr>
<tr>
<td>CRUDE OIL ($/bbl)</td>
<td>95.65*</td>
<td>92.11</td>
</tr>
<tr>
<td>AGRI COMMODITIES ($/tonne)</td>
<td>Europe</td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>304.61</td>
<td>304.11</td>
</tr>
<tr>
<td>Maize</td>
<td>299.08*</td>
<td>235.12</td>
</tr>
<tr>
<td>Sugar</td>
<td>790.90*</td>
<td>655.56</td>
</tr>
<tr>
<td>Palm oil</td>
<td>1,240.00</td>
<td>1,351.41</td>
</tr>
<tr>
<td>Rubber</td>
<td>5,201.06*</td>
<td>4,795.48</td>
</tr>
<tr>
<td>Coffee Robusta</td>
<td>2,092.00*</td>
<td>1,638.35</td>
</tr>
</tbody>
</table>

Conversion rates: 1) 1 ounce = 31.1032316 gm
2) 1 US dollar = ₹45.17

* As on Jan 11, 1800 hrs IST

Notes:
1) International metal prices are LME spot prices and domestic metal are Mumbai local spot prices, except for steel.
2) International crude oil is Brent crude and domestic crude oil is Indian basket.
3) International wheat, white sugar & coffee robusta are LIFFE future prices of near-month contracts.
4) International maize is MATIF near-month futures, rubber is Tokyo-TOCOM near-month futures and palm oil is Malaysia FOB spot price.
5) Domestic wheat & maize are NCDEX future prices of near-month contract; palm oil & rubber prices are from NCDEX.
6) Domestic coffee is Konaataka robusta and sugar is M30 Mumbai local spot price.
7) International metals, Indian basket crude, Malaysia palm oil, Wheat LIFFE and Coffee Konaataka robusta pertain to previous day’s price.

Source: Bloomberg
Compiled by BS Research Bureau
CBI team inspects Bellary mining sites

**BELLARY**: A CBI team on Tuesday inspected the sites where Obulapuram Mining Company holds three licences and faces allegations of illegal mining. The company is owned by the ministers and mining magnates, Reddy brothers. The team also inspected areas where another firm, Y Mahabaleswarappa and Sons, holds a mining lease. The CBI inspection comes in the wake of the Supreme Court-appointed Central Empowered Committee submitting its report last week. The CEC was asked to examine whether mining was going on in the forest area of Bellary region, and if so, what action should be taken to stop it.
CCI to take up 'no go' mining dispute

New Delhi: With the ministries of coal and environment locked in a battle over mining issues, the cabinet committee on infrastructure (CCI) is expected to take up the matter at its next meeting for firming up a policy of allowing mining in "no go" areas while protecting ecology.

The environment ministry has declared as "no go" areas 203 mining blocks that have the potential of producing 600 million tonnes of coal annually. The coal and mining ministry has been pressing for lifting the ban, but the environment ministry has refused to relent. PTI
MINERAL DEVELOPMENT

Four firms in race for ₹14,000 cr alumina plant in Gujarat

BY MAULIK PATHAK
maulik.p@livemint.com

AHMEDABAD

Gujarat Mineral Development Corp. Ltd (GMDC), a listed company partly owned by the Gujarat government, has shortlisted four firms for setting up a one million tonne (mt) alumina refinery in Kutch district of the state.

They are JSW Aluminium Ltd, Hindalco Industries Ltd, National Aluminium Co. Ltd (Nalco) and Jaypee Associates Ltd.

JSW Aluminium Ltd is a newly formed subsidiary of JSW Steel Ltd.

One of the four firms will be selected after getting necessary approvals from the state government and the company's board, a senior government official said.

The ₹14,000 crore refinery also includes a 500,000-tonne smelter for converting alumina into aluminium.

GMDC had received expression of interests for the project from Gujarat Follovs Ltd, Aluchem Ltd (US), Dubai Aluminium Ltd, Adani Group and Jindal Steel and Power Ltd apart from the shortlisted companies.

Gujarat has got huge reserves of bauxite, the basic raw material required for producing alumina. GMDC will supply the mineral for 20-30 years.

A senior GMDC official involved in the project confirmed the development but declined to be named as the process of identification of a partner is not completed yet.

The project also involves setting up of a captive power plant of 60-100MW, the GMDC official said.

GMDC had earlier entered into an agreement with Ashapura Minechem Ltd for the refinery project.

An agreement was signed in 2005 and with the project making little headway in five years, the state undertaking scrapped the deal with the Mumbai-based firm and invited fresh tenders.

A top official of Ashapura Minechem had earlier told Mint that they were no longer associated with the Kutch alumina project.

The bauxite deposits in the western state are estimated to be about 104 mt. About 90% of these deposits are in Kutch, Jamnagar and Junagadh districts. Kutch alone has proven reserves of 60 mt, according to the GMDC official.

The state government came up with a directive in November 2009 stipulating that all surplus mineral reserves will be sold or exported through GMDC. The objective is to promote the refinery project and curb illegal mining of bauxite.

As per the directive, the units using bauxite for calcination and beneficiation purpose will not be given fresh bauxite lease. The state has at least 200 small units in Jamnagar and Porbandar, solely dependent on calcination—a process in which a material is heated to a temperature below its melting point.

The new mineral policy, however, has made provisions for giving mining leases to players who are willing to establish units in Gujarat for producing value-added products from plant grade as well as non-plant grade bauxite. The policy aims at discouraging rampant illegal mining, especially of bauxite. Many of the players who were allotted mines for captive use got into trading of raw bauxite. As a result, the industry did not flourish, he added.
Gold will surge on investor demand: Deutsche Bank

LONDON: Gold would have to exceed $2,000 an ounce to be considered in a bubble, and the metal will gain this year on investment in exchange-traded funds and central-bank buying, Deutsche Bank said. Gold will “perform strongly” on investor demand and low real interest rates in the US, said Michael Lewis, London-based head of commodities research at Deutsche Bank. A bubble may form because investors are buying gold as a hedge against both inflation and deflation. “Given these risks, we believe gold will continue to compete aggressively for investment capital,” Lewis said. “On our estimates, the gold price would need to move above $2,000 to represent a bubble.” Bullion for immediate delivery climbed $6.43, or 0.5%, to $1,382.10 an ounce at 11:45 am London time.
Copper climbs on Japan's plan to buy euro bonds

MOSCOW: Copper rose for the first day in six in London after Japan said it will buy bonds issued by Europe's financial-aid funds. Japan is joining China in aiding Europe as it battles against a debt crisis. "Japan's decision to buy euro-area bonds is likely to have little impact on underlying commodity-market fundamentals, but it appears to have supported broader risk appetite," said Daniel Major, an analyst at RBS Global Banking & Markets in London. Copper for delivery in three months climbed $109, or 1.2%, to $9,430 a tonne at 10:14 am on Tuesday on the LME. Copper for delivery in March added 1.1% to $4.311 a pound on the Comex in New York. All of the six main metals traded on the LME gained, led by nickel.
Court asks MoEF to justify its stand on Vedanta expansion

The Orissa High Court has directed the Union ministry of environment and forests to justify the ministry's earlier decision to deny permission to Vedanta Aluminium to expand its refinery capacity at Lanjigarh. In an order passed on Monday, the high court said the environment ministry's reply should be ready by the end of January.

The high court took up 12 public interest litigation cases along with Vedanta Aluminium's writ, questioning the environment ministry's October 20 order cancelling an earlier clearance given to Vedanta Aluminium. The Anil Agarwal-controlled company had proposed to expand capacity at its one million tonne refinery, to six million tonnes. But the work was stopped by the environment ministry on grounds of inadequate clearances. At least 12 leading tribal organisations from Kalahandi and Rayagada districts had moved the Orissa High Court challenging the ministry's order to halt the expansion, saying the move would affect their livelihood.

In the public interest litigation filed in the high court, the tribal organisations said the denial of permission to the refinery project impacted the local people who are directly or indirectly dependent on the ₹10,000-crore project for their survival. Sundaram, a senior lawyer from the Supreme Court, appeared for Vedanta Aluminium.

Vedanta has said the ministry's October 20 order was in direct contrast to an earlier circular issued by the ministry itself. The circular said that all projects where action had been taken under Section 5 of Environment Protection Act, should be considered for environmental clearance provided the company board gives in writing that a similar mistake shall not be repeated.
Tatas, Rio Tinto can coexist

SAMBIT SAHA

Calcutta, Jan. 10: Tata Steel can continue to hold on to its stake in Riversdale even if Rio Tinto takes over the Australian company.

Rio has kept the minimum acceptance condition at 50 per cent, leaving enough room for the Tatas to retain their 24.21 per cent stake. The condition means Rio’s offer will be successful only if it manages to get 50 per cent of the Riversdale shares or more. Rio will withdraw if it fails to get the minimum shares.

The development augurs well for the Indian company which considers the Africa-focused coking coal miner as a strategic asset. Riversdale is expected to start supplying to Tatas’ European business from next year.

Based on Rio’s offer of Aus$16 per share, the Tatas have made a gain of around $487 million in its investment in Riversdale. With the induction of a global mining giant such as Rio, the Riversdale stock is expected to move up.

Rio holds a 14.96 per cent stake in the Aussie miner and needs to secure another 35.04 per cent or more from other shareholders. The condition laid out by Rio suggests that it is keen to have management control but not eager to ease out Tata Steel — the largest shareholder — at least for now.

So, the Tatas can hold on to their stake and see its value rise once Rio brings in management and technical skill.

In an interview with The Telegraph last week, Tata Steel CFO Koushik Chatterjee had said, “We are not obligated to sell in any offer unless we choose to do so.” Rio has also said it is ready to work with Tata Steel’s Benga project in Mozambique. The Tatas have a 36 per cent stake in the block and an assured offtake for 40 per cent of the production.

On Benga, Chatterjee had said, “The development of the Benga tenements through the joint venture will be governed by the joint venture agreement between Riversdale and Tata Steel Group”, indicating that Rio will have to honour the agreement.

But the Tatas are yet to spell out what they intend to do. Rio, in its filing to the Australian Stock Exchange, said N. K. Mishra, the Tata nominee on the Riversdale board, has not communicated whether he recommended the Rio offer or not.
Sterlite Tech gets financial closure

PUNE-BASED Sterlite Technologies on Monday said it has arranged for funds worth ₹700 crore for its mega transmission project connecting North-east with the northern states of India. East North Interconnection Co. Ltd, a wholly-owned subsidiary of Sterlite Technologies, said it has achieved the financial closure of ₹700 crore debt for its Ultra Mega Power Transmission Project awarded to the company, last year, a statement said, adding that SBI Caps was the sole arranger for the debt. This mega transmission project aims to evacuate power from the North-East and eastern states to the northern region.
OMDC seeks miniratna status for more autonomy in operations

Will have freedom in capital expenditure of up to ₹300 cr; can pursue JVs independently

Promit Mukherjee, MUMBAI

Orissa Minerals Development Company (OMDC), a Kolkata-based mineral exploration company under the steel ministry, has applied for miniratna status to gain more autonomy in its operations.

Sources in the steel ministry said that OMDC had applied for a miniratna status three to four months back and the proposal is currently under study by the Department of Public Enterprises (DPE).

However, a senior DPE official said the department has not heard about the company. “We have 248 companies in our list and OMDC doesn’t figure in it at all,” said the official, who did not wish to be named.

OMDC officials could not be contacted for a comment.

Miniratna, which is usually conferred by the DPE, is a sought-after status by public sector companies as it gives them greater decision making and capital expenditure power.

The most important criteria to be eligible for a miniratna status for a category I Public Sector Enterprises (called Category I PSE) is that it should have made profits in the last three years, the pre-tax profit should have been ₹30 crore or more in at least one of the three years and it should have a positive net worth, according to the DPE website.

For Category-II PSEs, the company should have made profit for the last three years continuously and should have a positive net worth.

However, an analyst with a domestic fundhouse said the company meets all the criteria to be eligible for a miniratna Category-I company.

“According to its annual report, OMDC has been profitable for the last three years and had a pre-tax profit of over ₹112 crore for the fiscal 2010. It also has a positive net worth of around ₹700 crore,” he said.

For the fiscal 2010, the company had a positive net worth of Rs 783.16 crore. But for sustained performance the company has to operationalise its mines at the earliest, he said.

Satish Chandra, chairman and managing director of OMDC, had told DNA Money in November that the company is pressing hard to operationalise its mines at the earliest. In fact, it has applied for a miniratna status and is in the process of recruiting several experts on its Board to be eligible for it, he had said.

According to the DPE, these miniratna PSEs should also have not defaulted in the repayment of loans/interest payment on loans due to the government, should not depend on budgetary support and the Boards of these PSEs should be restructured by inducting at least three non-official directors. A fund manager, whose clients have invested in the company, said OMDC is very likely to get a miniratna status for a category-I PSE and this will bring in more operational efficiency.

According to the DPE guidelines, a miniratna Category-I PSE has the power to incur capital expenditure on new projects, modernisation, purchase of equipment, etc without government approval up to ₹300 crore, or equal to their net worth, whichever is lower.

Besides, they are also free to establish joint ventures and subsidiaries in India, with the stipulation that the equity investment of the PSEs should be limited to ₹100 crore in any one project, should not exceed 5% of the net worth of the PSE in any one project, or 15% of the net worth of the PSE in all JVs/subsidiaries put together.

OMDC has 296 million tonnes of iron ore reserves and 44 million tonnes of manganese ore reserves.

Though it has access to six iron ore and manganese ore mines in Orissa, almost all of them are operating below potential or are at a halt due to expiry of mining leases.
ArcelorMittal extends deadline for Baffinland deal

Agence France Presse
Paris, Jan. 11

ArcelorMittal, the world’s largest steel company, said on Tuesday it had extended the deadline of its offer for Canadian mining company Baffinland until January 21.

ArcelorMittal lifted its offer to 1.40 Canadian dollars for a share on December 31, valuing the company at 550 million Canadian dollars ($553 million/€428 million).

OFFER EXPIRY

The offer, which rivals a bid by Nunavut Iron Ore, was due to expire on January 10, and will now expire at 23:59pm Toronto time on January 21 (0359 GMT January 22).

ArcelorMittal has already locked up a quarter of Baffinland’s shares while Nunavut has 10.5 per cent.

Baffinland specialises in the development of iron ore sites along the Mary River in northern Canada.
Gentle on the throttle

For the last three quarters, sentiment about the economy’s fortunes has been upbeat, fuelled by growing sales in key manufacturing sectors and a bouncy real estate sector. The very fact that the Reserve Bank of India has had to tweak its monetary interventions to tone down exuberance in the sector bears testimony to the surging confidence in purchasing power. Now a report tells us that the third quarter may not be all that rosy for the corporate sector; while sales have been brisk, profits may take a beating on account of higher input costs and interest rates. If quarterly results do show lower profit growth, industrial expansion may be impacted.

Demand for products such as autos, FMCGs and consumer durables was evident right through 2010 despite the RBI’s tight money policy. But the expansion in sales hid the rising trend in input costs of steel, aluminium, copper and packaging goods. Global input prices have been on the uptick; domestic prices have followed. Late last year the RBI had warned of such escalation and “supply constraints”. For a while, producers shifted the burden on to consumers and auto prices, for instance, rose somewhat over the last two months, just as those of consumer durables did recently.

But with the continuous rise in input costs, companies could find it difficult to do that indefinitely. At this stage it would be tempting to point a finger at policy lapses for these price increases. Global events, however, have added their bit; the American economy is in recovery mode, leading to demand for both oil and metals. Also, the US Federal Reserve Board’s “quantitative easing” has been persistently weakening the dollar, causing oil prices to rise. Indian exporters might jump with joy at the idea of American growth but must stay cautious. Mr Obama hopes to boost American exports and, to that end, the US Fed will want to keep the dollar low, even as the sentiment for protectionism remains high. The Fed’s monetary moves are causing a messy currency tussle as many exporting nations eager to retain export market share keep their own currencies cheap. For India this means an added competitiveness in the coming months as it tries to elbow into a market stacked with more exporters than there are buyers.

Higher input costs and the prospect of lower corporate profits are reason enough for the RBI to stop leaning on the ‘rate hike’ button.
Hindustan Zinc mulls stock split, bonus issue

Analysts say move is to satisfy minority shareholders

The Government has objected to using the cash rich HZL's resources (around Rs 10,000 crore) to serve the interests of the promoter group. HZL had proposed acquisition of three zinc ore bearing mining assets from the global major Anglo American. The total cost was to be around $707 million involving full acquisition of Skorpion mine in Namibia and Lisheen mine in Ireland, and 74 per cent of Black Mountain Mining in South Africa.

Since HZL did not obtain the approval of GoI, Vedanta acquired Skorpion through Sterlite Industries, for which the deal had lower synergistic value than HZL.

Edelweiss in a note last month said: "The consummation of the transaction through Sterlite Industries, instead of HZL, is a surprise. Skorpion has advantages of low cash cost, and the valuation is low at EV/EBITDA of only 3.5-4.0x (assuming flat volumes). However, the low mine life of only six years is a concern; synergy benefits are not clear at this stage."

The brokerage further commented that according to Sterlite management, the rest of the transaction was to be completed within 6 months. "It is unclear whether on receipt of approval from GoI this asset would be transferred to HZL as originally intended," the analysts of Edelweiss pontificated.

HZL on Tuesday hit its 52-week high and closed with a gain of 3 per cent on the BSE and NSE.
Copper up on earnings season optimism

Reuters
London, Jan. 11
Copper prices climbed on Tuesday, buttressed by earnings season optimism and expectations of improving 2011 demand, but lingering concerns over European debt and a robust dollar tempered its advance.

Benchmark copper on the London Metal Exchange rose to $9,471 a tonne in ring trade. Aluminium traded at $2,502 a tonne in rings. Lead was at $2,605 a tonne, from the $2,586 close.
Gold rises above $1,380/oz

Bloomberg  
Jan. 11
Gold futures for February delivery rose $7.30, or 0.5 per cent, to $1,381.40 an ounce at 8:21 a.m. on the COMEX in New York. On Monday, the metal gained 0.4 per cent.

Spot bullion rose $3.50, or 0.3 per cent, to $1,379.18 an ounce at 9:38 a.m. London time.

Spot gold, which has rallied for 10 straight years, climbed to a record $1,431.25 an ounce on Dec. 7 and reached an all-time high priced in euros last month. Immediate-delivery silver gained 11.12 cents, or 0.4 per cent, to $29.2062 an ounce. The price has gained 57 per cent in the past year. Silver futures for March delivery rose 1.2 per cent to $29.325 an ounce in New York.

Palladium for immediate delivery advanced to $762.72 an ounce. Futures for March delivery rose 1.7 per cent to $762.50 an ounce. Cash platinum was little changed at $1,740.25 an ounce.

Bullion rates
Mumbai: Silver spot (999 fineness): Rs 45,590; standard gold (99.5 Purity): Rs 20,340; Pure gold (99.9 purity): Rs 20,435.
Mineral Resources

India's Mineral resources are sufficiently rich and varied to provide the country with a strong industrial base. The country is particularly rich in the minerals of the ferrous group such as iron ore, manganese, chromite and titanium. It has the world's largest reserves in mica and bauxite.

Over past fifty years, Gujarat has been a key contributor to India's industrial development specifically on the back of its resource richness Mineral resources, which are the important factors for the growth of state economy, are equally important as a yardstick to measure the overall economic growth.

Gujarat, better known for its manufacturing sector, has been a rich source of various minerals that are directly or indirectly a basic raw material for strategic industries in the country. Geologically, the state of Gujarat consists of varieties of rock ranging from oldest Precambrian to dinosaur bearing Jurassic and Cretaceous and lignite, oil and natural gas bearing tertiary and quaternary rocks.

Mining activity in Gujarat is almost equally old as its existence as a separate state since 1st May, 1960. So far, Gujarat has been ranked 3rd in mineral production value as on March 2002, while the state ranks second in working mining leases. The state is the lone producer of minerals like Agate, chalk and perlite in the country, which are used in industries like, jewellery and pulverizing.

Gujarat tops in fluorite and silica sand, while it stands second in bauxite, lignite, fire clay and clay. In production of Quartz and Ball clay, Gujarat ranks third and in limestone and China clay, the state is fourth among other minerals producing states in the country. The state produces 11 metallic, 52 non-metallic and 22 minor minerals among all.

Gujarat has earmarked mineral exploration reserves of 18 important minerals, due to which the state has become one of the favoured destinations for the investments in mineral-based industries. There is ample opportunity to establish mineral oriented industries like lignite-based power plants, bauxite-based alumina plant, marble & granite based cutting, polishing plants and silica-based glass units.

Gujarat Mineral Development Corporation Limited (GMDC), promoted by Government of Gujarat was incorporated in the year 1963 to develop major mineral resources in the state and commenced a silica sand quarrying with a small plant to crush and screen the silica required for glass manufacturing near Thangadh. GMDC uses world's best known and environment friendly mining technology - TAKRAF of Germany for excavation of Panandhro mines in Kachchh district. It has been mining bauxite in Gadhsisa Group of Mines in Kachchh and Bhatia Mines in Jamnagar. Large quantity production of acid grade and metallurgical grade fluor spar which are widely used for steel, chemical and metallurgy industry-focused.

GMDC is a leader in mineral and Mining Industry which employs more than 14000 workers and produces 59 minerals, 378 major and 21 minor minerals with sizeable reserves. It houses about 6500 mineral-based industries and offers both -a resource and market for the mining industry. It is a leading producer of Limestone, Lignite, Bauxite, Dolomite, Fire clay, Bentonite and Fluorite.

Mineral Reserves and Production
The State of Gujarat has a total mineral reserve of more than 19000 million tonnes, also possesses one of the highest reserves of lignite, limestone, perlite and clay deposits in Indian. The state has a strength in non-metallurgical minerals, which offer the best prospect for exploration. It is the only producer of minerals such as Agate and Chalk in the country. Districts Kutch, Junagadh, Jamnagar, Porbandar, Bhavnagar, Rajkot, Amreli, Banaskantha and Sabarkantha are the major mineral producers which have rich deposits in the minerals like Lignite-based power plants, Bauxite-based calcination, refractory and abrasive units, Silica sand-based glass units, Bentonite-based pulverizing units, Fluorite based benefication plant, Marble and Granite Industries.

Educational Infrastructure
Gujarat has the presence of some of India's top education institute • Central Glass and Ceramic Research Institute (CGCRI) was established at Ahmedabad in 1977 • The Centre caters to the needs of ceramic industries in Gujarat and neighbouring states, manufacturing traditional ceramics such as ceramic floor and wall tiles, vitrified and porcelain tiles, sanitary ware, stone ware, table ware and decorating wares • Lalan College & Government Engineering College in Bhuj Offers degree and diploma courses in mining respectively • Engineering college at Morbi(Rajkot) offers courses in Ceramics and Gujarat University, Ahmedabad offers degree course in Geology • MS University in Vadodara • offers degree and Ph.D. courses.

In the latest development, the state government has decided to put its new mining policy on the fast track that is expected to give boost to the eight key cement makers, including Reliance Cement, Ambuja, Dalmia, Binani, JK Lakshmi and Shree Cement.
CBI team quizzes mining firm officials in Bellary

After the Central Empowered Committee's (CEC) recommendations to suspend all mining operations till the Andhra Pradesh-Karnataka boundary is formally determined, a six-member CBI team headed by DIG Lakshminarayana is questioning officials of Obulapuram Mining Company (OMC) owned by Reddy brothers and five other mining companies in Bellary.

The team arrived in Bellary on Tuesday along with officials of survey department and began questioning officials at Obulapuram Mining Company. The CBI team, after getting clearance from the Andhra Pradesh High Court, is for the first time after the CEC investigation, questioning OMC officials in illegal mining case.

Meanwhile, the Reddys have maintained that they were not involved in illegal mining and said the CEC report was a technical one.

Even though Karnataka Tourism Minister and owner of OMC Gali Janardhana Reddy put up a bold face saying the CEC report was not a verdict and that he would wait for the final verdict of the Supreme Court, the Opposition parties were up against the Reddy brothers and demanded a Lokayukta probe into the whole episode which included allegations of corruption in land deals by Chief Minister BS Yeddyurappa.

Opposition leader Siddaramaiah told The Pioneer that CBI should investigate all charges against the Chief Minister and his Cabinet colleagues.

He said, "Why is the Chief Minister afraid of any inquiry? He said outside the Assembly that he was ready for a discussion on all scams including land scams in the house. But now he is not allowing any discussion at all. We will continue to protest. We demand his resignation and a CBI probe in all allegations of scams."

In a related development, State BJP chief KS Eshwarappa came out in support of the Reddy brothers and ruled out any action for the moment. He said, "The CEC has given its opinion. The Reddy brothers have replied. We will wait for the SC verdict."

Referring to another CEC observation that 11 lakh MT of iron ore had been transported without obtaining forest department permit, the brothers maintained, "The Obulapuram Mining Company has got exemption from obtaining dispatch permits from the AP forest department."

Regarding the difference in the lease executed by the mines department and the approval given for the forest area, the Reddys stated: "Both the sketches were issued by the State Government. It's the forest department that fixes the leases. No fault can be attributed to OMC."
Gujarat Metal Cast Industries Limited (GMC) is a leading foundry in India using the Lost Foam Process for producing Ductile Iron (SG Iron), Malleable Cast Iron, Grey Cast Iron and Aluminum Alloy castings. The company was founded in 1978. GMC's global customers include OEMs in the automotive sector, power transmission, manufacturers of compressors, pumps and valves and material handling equipment. GMC is ISO-9001 and TS-16949 certified company.

GMC is the only commercial user of Lost Foam Process in India. The company produces casting weighing from 200g to 50kg in medium to high volume. GMC has the capability to supply 10,000 to 60 lakh castings per individual model annually.

GMC's ferrous casting range includes cam shafts, rocker arm, turbocharger outlet pipe, bearings sleeves and in non-ferrous casting it produces specialized hub, body valves and access plates.

GMC is a full service company with additional capabilities like heat treatment, machining, leak testing, impregnation and coating. GMC also provides sub-assemblies to its overseas customers.

As part of its expansion plans, GMC is not only tripling its existing capacity but it is also expanding into new areas such as Full Mould Process for making castings weighing up to 2 tons and Precision Foam Casting Process for making high precision castings using foam patterns.
CBI probe into mining scam opposed

Our Correspondent

CUTTACK: Former additional solicitor-general and senior lawyer of Supreme Court Mukul Rohatgi appearing for the Odisha Government argued for more than one and a half hours in Oriissa High Court on Tuesday opposing the PIL filed in the court seeking CBI probe into multi-crore mining scam in the State.

Placing the State government’s 126-page counter affidavit in the court, Mr Rohatgi spent most of his time criticising the grounds on which the PIL were filed and said there were no specific charges levelled against any individual or organisation in the PIL necessitating CBI probe into the scam.

The State government-appointed lawyer said the points raised in the petitions were “vague” and “general” basing on newspaper reports and suggested that instead of CBI probe, the ongoing vigilance enquiry into the illegal mining in the State be monitored by the High Court on a regular basis.

At least seven PIL were filed in the High Court having similar prayers seeking CBI probe into the illegal mining in the State and of them, only four petitions were taken into cognizance and are being adjudicated over jointly.

In response to the notices issued by the HC, the State government had earlier submitted its affidavit in which it had opposed the PIL stating that the demands for CBI probe were “uncalled for” as a judicial commission of enquiry headed by a retired judge of Supreme Court had already been appointed.

The government had also pointed out that it had taken several corrective measures to check illegal mining in the State.

Mr Rohatgi also placed before the court the interim report of the Central Empowerment Committee in which the CEC had acknowledged the corrective steps taken by the State government.

The Division Bench of Chief Justice V Gopal Gowda and Justice B N Mohapatra adjourned the case to be heard next on February 1.

Meanwhile, it was learnt that the State Vigilance Directorate on the day filed one more status report before the court detailing the progress it has made with regard to the investigation into the cases registered by it.
Alcoa shines as aluminum prices rise

By Robert Guy Matthews

Rising demand and prices for aluminum around the world fueled a profit rebound for Alcoa Inc., with momentum expected to continue this year.

Business has been booming for the Pittsburgh-based aluminum maker, which unofficially kicked off the fourth-quarter earnings season Monday. Prices for aluminum have skyrocketed 38% since July as global markets ramp up manufacturing, particularly in transportation, and China idles some of its production of the metal in an effort to reduce energy consumption and pollution. Aluminum smelters are huge users of electricity, one of the highest costs of operating a smelter.

Industrial demand in the Middle East and Latin America are fueling world-wide demand for manufactured goods and that growth could inch up
Alcoa shines as aluminum prices rise

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the rate of inflation, said Chief Executive Klaus Kleinfeld in an interview Monday.

For the fourth quarter, Alcoa reported a profit of $258 million or 24 cents a share, compared with a year earlier loss of $277 million, or 28 cents a share. Sales grew 4% to $5.65 billion, largely as a result of higher prices.

Aluminum prices—currently hovering around $2,400 to $2,500 a metric ton—are expected to rise to $2,700 a metric ton in 2011.

Alcoa said that it expects all of its end markets to grow in 2011, including aerospace, cars and trucks, building and construction and industrial gas turbines. “When the market is turning into more demand than supply,” Mr. Kleinfeld said, “there is a chance to see inflation coming back in.”

Inflation has been low, but that could change if the gap widens between the limited supply of goods available and the growing demand for those goods.

Orders for aerospace, such as airplanes, more than tripled in 2010 from 2009. Demand for heavy trucks and trailers is up 25%. Even commercial building, said Mr. Kleinfeld, is “looking like things have bottomed out and not going down.”

Alcoa—a key indicator of world-wide demand for industrial production because aluminum is used in everything from airplanes to appliances—projects global demand for aluminum will double by 2020.

Still, demand is stronger in some countries than in others. “Some regions are rocking and roaring like never before. And there are some regions that are slowly coming back, like North America and Europe, with the overhanging of the financial crisis,” Mr. Kleinfeld said.

Mr. Kleinfeld raised his projection of the growth rate for global aluminum demand to 12%, compared to projections of 13% made last year. He said the company is “well positioned to outpace the recovery” in the markets the company serves, and noted Alcoa projects global demand for aluminum would double by 2020.

In 2010, aluminum demand in China grew about 21%, he said, but is expected to grow only 15% in 2011. In the Middle East, Asia and most of Latin America demand is expected to grow 24%, compared with 7% in 2010.

Some analysts think the projection is too rosy. John Tumazos, president of Very Independent Research in Holmdel, New Jersey, questioned the 12% demand growth for 2011. “In order to get a 12 percent growth rate in 2011, the world auto industry would have to be very strong, and each region of the world would have to be very strong,” he said.

In 2011, analysts are expecting that most of the 1.3 million metric tons of aluminum that have been idled in China will stay offline for at least the first six months of the year.

Alcoa’s fourth quarter profits were its highest quarterly income since the third quarter of 2008. It said that the fourth quarter of 2010 generated more cash, $1.4 billion, from operations than any previous quarter. Prices for aluminum increased 11% in the fourth quarter compared with the third quarter, while prices for alumina rose 7%.

Matt Whittaker contributed to this article.

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