MINT, Delhi
Friday, 13th August 2010, Page: 12

Mines Act proposes 26% profit-sharing

New Delhi/Mumbai: The mines ministry has proposed mining companies allocate as much as 26% of their profit to develop the areas where they operate, dropping an earlier proposal to also give residents an equal stake in the projects.

"Mining companies should consider offering a symbolic stake to the local residents," mines minister B.K. Handique told reporters on Thursday. BLOOMBERG
Gali goes back on word to SC

N. VAMSI SRINIVAS

Aug. 11: The Obulapuram Mining Corporation of the Karnataka minister, Mr Gali Janardhan Reddy, has been trying to carry out mining near disputed areas, violating the commitment it had given to the Supreme Court.

While giving permission to OMC to carry out the mining at the Obulapuram mines in Anantapur district, the SC had warned that it “shall be done only in the undisputed areas.”

OMC itself suggested that “it will not carry out mining operations within 100-150 metres from the Karnataka border.” This was taken note of in the interim order issued by the three-member bench headed by then Chief Justice, Mr K.G. Balakrishnan.

After obtaining conditional clearance from the SC, OMC took the stance that the operative portion of the judgment did not direct it to spare 100-150 metres from the border.

The company then sought permission to conduct mining but the government refused consent and asked the company to seek clarification from the court.

“Even the High Court refused to intervene when OMC challenged our decision not to permit mining and directed the company to approach the SC,” said the industries (mines) principal secretary, Mr Rajiv Ranjan Acharya.

The SC bench had noted the OMC proposal to erect a barbed wire fence across the Karnataka border to safeguard AP’s interests.
GoM to clear mining projects proposal soon

NEW DELHI: A Group of Ministers is expected to soon clear the proposal that companies share 26 percent of profits from their mining projects with the displaced, a mines ministry official said. The GoM is likely to meet this week to discuss the compensation scheme as laid out in the Mining bill and is expected to clear the proposal, the official said. “We are working on it... We want to get the new Mining Bill placed in the current session of Parliament,” said an official.
Vedanta in talks to buy Cairn India assets

Both Cairn Energy and Vedanta Resources have a market value of about $10 billion (₹46,000 crore) and are members of Britain's blue-chip FTSE 100 index.

The companies said discussions are ongoing and there can be no certainty the contemplated acquisition will occur. "A further announcement will be made when appropriate," they said in separate statements.

Sources said that Vedanta may acquire 15 to 20 per cent of Cairn Energy's stake in Cairn India. Petronas of Malaysia already holds a 14.94 per cent stake in Cairn India.

Sources also said the two companies have also discussed options ranging from buying an equity stake or assets to a complete takeover.

If the deal is successful, Vedanta will be only the second large miner in the world after BHP Billiton to have an interest in oil. Vedanta currently has iron ore, zinc and copper mines besides interests in the power sector. The company is also pursuing acquisition of coal assets.

An oil and gas expert, who did not wish to be identified, said this will allow Cairn Energy to retain a controlling interest in Cairn India whilst raising more than $1 billion (₹4,800 crore) for further exploration opportunities.

"Acquisition of a stake in Cairn Energy Plc will give Vedanta direct access to Cairn's oil and gas operations in India and abroad." Cairn Energy has oil and gas assets spread over six continents including Europe and Africa. It is currently drilling in the Baffin Sea between Greenland and Canada and has said that its prospects there could contain 4 billion barrels of oil.
Ministries of steel and law oppose exports, commerce and mines ministries say imprudent to restrict sale

**MMRDA: Iron ore exports split ministries**

The Group of Ministers (GoM) constituted for ironing out differences in the Mines and Minerals (Development & Regulation) Bill, 2010, is itself divided on the contentious issue of continuing iron ore exports. While the ministries of steel and law have squarely opposed it, the mines and commerce ministries have argued for allowing exports saying that it would be imprudent to restrict sale of items “available in exportable surplus.”

In course of a meeting of the GoM on the MMDR Bill, chaired by finance minister Pranab Mukherjee on July 22, law minister Veerappa Moily stressed on the need to conserve minerals of the country by containing exports. Referring to the advice of the Attorney General in a matter on powers of the Central government to intervene in cases of illegal mining, Moily pointed out that the Constitution gave clear powers to the Centre to regulate the mineral sector either in a “partial” or “complete” manner. The mines ministry has already made it clear that it was in favour of developing mining as a stand-alone industry.

It also argues that ore exports were governed by the export-import policy of the government and the new mineral policy approved by the Cabinet in March 2008 spells out that conservation of minerals shall not be construed in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as positive concept leading to augmentation of reserve base.

Moily reminded that the judiciary has upheld that “so far as the Central regulation occupied the legislative space, the state government is denuded of the powers to regulate.” Citing the Reliance judgement by the Supreme Court, the law minister argued that the apex court had held that the government holds the natural resource as a trust for the people of the country. But commerce minister Anand Sharma countered saying that “imposing restrictions on items that are available in exportable surplus would not be prudent.” He told the GoM that there was a pressing need to identify for identifying strategic minerals “through a realistic assessment of resources in the country and globally before taking any decision to impose any restrictions on exports.”

Sharma reasoned that until value-addition facilities came up for utilisation of ore fines, “exports would need to continue.” He, however, said administrative mechanisms could be considered for exports regulation separately. Steel minister Virbhadra Singh has already demanded export restrictions on iron ore to ensure adequate availability of the steel-making input for the producers. He told the GoM that his ministry opposed devolving the powers of prior approval to the states and cited that according to the Constitution, regulation of mineral sector was a joint function of the Centre and the states. The minister said the policy of prior approval must continue to ensure that the mineral-rich states remained within the basic framework of the MMDR Act.
Shares down 4.6% as analysts see move as strange shift from core mining business

Vedanta eyes stake in Cairn for first foray into oil and gas

MINING giant Vedanta Resources promoted by Anil Agarwal is in talks with Edinburgh-based Cairn Energy Plc to acquire a stake in its Indian subsidiary Cairn India. Both companies separately confirmed the talks in statements issued on Thursday. If the deal goes through, this will mark Vedanta’s entry into the energy segment. Cairn India owns the country’s largest onland oilfield at in Rajasthan.

“Discussions are taking place with Cairn Energy Plc regarding an acquisition of an interest in Cairn India Ltd, a company listed in India. Discussions are ongoing and there can be no certainty the contemplated acquisition will occur or of the terms of any such acquisition,” London-based Vedanta said in a statement. “A further announcement will be made when appropriate,” Cairn Energy, which holds a 62.37 per cent stake in Cairn India, also confirmed the discussions in an almost identical separate statement.

In the past, Cairn was rumoured to have been in discussions with ArcelorMittal and Eni Spa, among others, for an outright sale of its interest in Cairn India, or at least the sale of an asset. Mangala oilfield in Rajasthan, Cairn’s most prolific asset, is nearing peak output of 125,000 barrels per day. If it is successful, Vedanta — which has iron ore, zinc and copper mines — will be the second largest miner in the world after BHP Billiton to have an interest in oil.

“Cairn emphasises that there can be no certainty the contemplated disposal will occur or as to the terms of any such disposal,” Cairn Energy said. “A further announcement will be made when appropriate.” Cairn India shares closed with a 2.41 per cent gain at Rs 340.60 on the Bombay Stock Exchange, before the stake sale news was confirmed. Cairn India was valued at $14 billion at the close of trade, making Cairn Energy’s stake worth over $8.5 billion.

Sir Bill Gammell-run Cairn Energy can retain a controlling interest in Cairn India even it sells up to a 12 per cent participating interest for Rs 7,741 crore at Thursday’s closing price. The talks are in advanced stages and Vedanta may be discussing a range of options, including an equity stake, asset purchase or a complete takeover of Cairn India.
मुआवजा योजना जल्द नहीं दिली। मंत्री का एक सस्ता आदेश ही खाना क्षेत्रों के लिए मुआवजा योजना का प्रस्ताव जो मंत्री दे सकता है।

प्रशासन के तहत कंपनियों को अपनी खाना परियोजनाओं से पूरे तक में से 26 प्रतिशत विश्वासित लोगों के बीच बांटना होगा। एक अधिकारी ने कहा कि मंत्रियों के समुद्र द्वारा इसी समय मुआवजा योजना पर चर्चा के लिए एक समीक्षा किए जानी बाकी समय नहीं है।
Posco questions Naveen’s 90 pc job promise to locals

DEBABRATA MOHANTY
BHUBANESWAR, AUGUST 12

POSCO, whose mega steel project in Orissa’s Jagatsinghpur district hangs in balance after Ministry of Environment and Forests issued a stop-work order last week, has now questioned the Naveen Patnaik government’s plan to reserve 90 per cent jobs in the unskilled and semi-skilled category for “local people” for all upcoming industrial projects.

A High Level Clearance Authority of the state government chaired by Chief Minister Naveen Patnaik recently cleared a proposal to make it mandatory for the private sector, setting up units here to reserve for locals 90 per cent jobs in the unskilled and semi-skilled category, up to 60 per cent in skilled category and 30 per cent for the supervisory and managerial cadre, while giving them the option to fill up the post of senior executives from the open market.

For the posts of senior executives, however, the companies can recruit from open market. Industry department officials said ‘locals’ would mean those displaced by a project, followed by people domiciled in Orissa.

Companies signing MoUs will be asked to submit employment status report in a prescribed format to the district collectors, with a copy to the revenue divisional commissioner and departments concerned every month.

Government sources said Posco, in a letter to the government, has questioned the constitutional validity saying reservation of jobs for certain category of people on geographical basis does not conform to the constitutional provisions which safeguard the right of citizens to work anywhere in the country. Though the company did not refuse to toe the government guideline, it has sought further clarification.

The company has said that the same clause can be incorporated in the new MoU if the government gives it in writing. The MoU, which was signed on June 22, 2005 expired on June 21 this year, after a 5 year period.

Industry department secretary Manoj Ahuja said the new policy is mandatory for all companies.

Officials said the latest move is to counter the growing feeling that a large number of non-Oriyas are taking up jobs in the new projects leaving the locals behind.
Gold rises Rs 175 on firm global cues

Gold rose Rs 175 to Rs 18,600 per 10 gm in the national capital on Thursday on hectic buying by stockists and jewellers to meet the current festive demand, amid a firm global trend. However, silver lacked necessary buying support from industrial units and dropped by Rs 200 to Rs 29,100 per kg.

PN
Mining: Green clearance only for Haryana?

YOGINDER GUPTA
THUNDER NEWS SERVICE

CHANDIGARH, AUGUST 12
A dichotomous situation regarding mining without prior environment clearance has arisen in the adjoining states of Haryana and Punjab because of contradictory orders issued by different Benches of the High Court.

While mining in Haryana has been stopped as it is not permitted without prior clearance from the Union Ministry for Environment and Forests (MOEF), the court has permitted Punjab to continue with mining without such clearance for six months.

The six-month permission has been given to Punjab despite the fact that the Supreme Court has yet to adjudicate if mining can be permitted temporarily without environment clearance, as was sought earlier by Haryana.

The High Court had also given time to Haryana to carry out mining on May 15, 2009, in the Vijay Bansal versus Haryana case, so that development works did not suffer. The state was required to get environment clearance in the meanwhile.

The relaxation given by the High Court was challenged before the Supreme Court in a PIL. The Central Empowered Committee (CEC) appointed by the apex court filed a report in the case stating that the permission to continue mining was in contravention of law.

It said: “In view of the legal provisions, MOEF’s Notification of September 14, 2006, and the Supreme Court’s orders of March 18, 2004, and May 8, 2009 in the MC Mehta case, no mining, including mining of minor minerals, can be allowed without environmental clearance.”

Haryana again approached the High Court seeking a year’s extension to continue mining without environment clearance. However, the Bench headed by the Chief Justice ordered on February 19 last to wait for the orders of the apex court in the PIL.

Haryana filed a similar application before the Supreme Court on February 24 last. The apex court is yet to hear this application. Meanwhile, one Partap Singh Sandhu filed a PIL before the Punjab and Haryana High Court, seeking orders similar to those issued by it in the Vijay Bansal case of Haryana, for Punjab.

The High Court passed almost identical orders on November 6, 2009 but permitted Punjab to grant mining contracts up to May 31, 2010, without environment clearance.

In the meantime, another case filed by one Manpreet Singh, who had challenged the auction of minor minerals quarries of some of the districts of Punjab, came up for hearing before a Single Judge, who stayed the auctions.

Punjab sought extension of deadline after May 31, 2010, from the Division Bench where Sandhu’s PIL was pending as well as before the Single Judge hearing Manpreet Singh’s petition. The Division Bench on May 28, 2010, permitted Punjab to auction the mines but no mine was to be allotted till June 30, 2010.

On July 13, 2010, the Single Judge granted another six months to Punjab. The Division Bench held on July 23, 2010, that the matter involved in the applications before it should also be governed by the orders passed by the Single Judge.

Advocates assisting the Single Judge had failed to inform him about the Supreme Court’s orders in the MC Mehta case.

Also, the Judge was not informed about the orders of the Division Bench of the High Court of February 19, 2010, declining similar extension to Haryana, subject to the orders of the Supreme Court.

The result is that mining without clearance will continue for another six months from July 13, 2010 in Punjab, whereas in Haryana mining without environment clearance has been stopped since March 1, 2010.
Gold spikes ₹175

NEW DELHI: Gold prices surged by Rs 175 to Rs 18,600 per 10 grams in the national capital today on hectic buying by stockists and jewellers to meet the current festive demand amid a firm global trend. Trading sentiment turned bullish after gold advanced in global markets on signs of slow global economic recovery thus reviving the demand for the metal as a store of value. — PTI
Vedanta eyes stake in Cairn

The talks are in an advanced stage and Vedanta may be discussing a range of options, including an equity stake, asset purchase or a complete takeover of Cairn India. This is not the first time that talks of Cairn Energy selling a stake have emerged.

The company owns a 70 per cent stake in the fields, while the rest is held by state-owned Oil and Natural Gas Corporation (ONGC).

It also has interest in Ravva oil and gas field off the East Coast and Block CBOOS-2 in the Cambay Offshore Basin.

iron ore, zinc and copper mines — will be the second large miner in the world after BHP Billiton to have an interest in oil.
STRATEGIC SHIFT

Vedanta in talks to buy stake in Cairn Energy’s India unit

Talks between Vedanta and Cairn are at an advanced stage and a multi-billion-dollar deal may be announced soon

By Brian Swint & Brett Foley

LONDON

UK-based Vedanta Resources Plc said it’s in talks with Cairn Energy Plc on buying a stake in its India unit, the operator of the country’s largest onshore oilfield.

“Discussions are ongoing and there can be no certainty the contemplated acquisition will occur or of the terms of any such acquisition,” London-based Vedanta said in a statement. “A further announcement will be made when appropriate.”

Cairn confirmed it’s in talks with Vedanta on the sale of the stake in Cairn India Ltd in a statement. The Edinburgh-based company owns 62% of Cairn India. Vedanta, the metals producer controlled by 57-year-old Indian billionaire Anil Agarwal, has little experience in oil and gas exploration.

A person with knowledge of the matter said on Wednesday the companies were discussing a range of options including an equity stake, asset purchases or a complete takeover of Cairn, whose shares have gained 40% since February.

Cairn rose 2% to 453.6 pence as of 1pm in London. Cairn’s Indian unit, listed in Mumbai, has a market value of around $13.5 billion (INR 63,315 crore).

Vedanta, with a market value of about £6 billion (INR 44,220 crore), fell 4.8% to 2,231 pence. The stock has dropped 14% this year.

The talks between Vedanta and Cairn are at an advanced stage and a multi-billion-dollar deal may be announced later this month, according to a person with knowledge of the matter who declined to be identified because the negotiations are private.

The move would represent a strategic shift by London-based Vedanta, which Agarwal has built around aluminium, zinc, copper and iron ore businesses since he acquired Shamsher Sterling Corp. in 1979.

“We’re seeing gas prices come up in India, and people with upstream assets are becoming more attractive,” Tony Regan, a consultant at Tri-Zen International Ltd, said from Singapore. “That’s one of the triggers that would bring Cairn to people’s attention, along with the expectation prices will go up more.”

Vedanta, India’s largest copper producer, bought a 71% stake in Sesia Goa Ltd, the country’s biggest iron ore exporter, for $1.37 billion in 2007. Vedanta said in 2008 it will spend $20 billion in India on mines and power plants over four years.

Agarwal has sought to increase power generation capacity as his Sterlite Industries (India) Ltd competes with larger rivals such as Reliance Energy Ventures Ltd and NTPC Ltd. India has tremendous potential for growth, he said last year.

Cairn is also drilling exploration wells off the coast of Greenland through its Capricorn subsidiary and is betting $400 million this year on striking in the region. Waters off its coasts may hold 50 billion barrels of crude and gas, the US Geological Survey has estimated, enough to meet Europe’s energy demand for almost two years.

The Arctic region is believed to be one of the major remaining sources of undiscovered hydrocarbons, according to Cairn Energy, which sold a 10% stake in six blocks off Greenland to Kuala Lumpur-based company Petronas National Bhd (Petronas) in 2009. Petronas also holds a 14.9% stake in Cairn India, according to data compiled by Bloomberg.

Agarwal ranked 10th on the annual Sunday Times Rich List of the wealthiest people in the UK, the London-based newspaper reported in April, with an estimated fortune of £4.1 billion.

Vedanta was the first Indian company to list its shares on the London Stock Exchange, according to its website, and employs 30,000 people. Net income almost tripled to $602.3 million in the year ended 31 March, from $219.4 million a year earlier, Vedanta said on 6 May. That compared with the $586 million average estimate of six analysts. BLOOMBERG

feedback@livemint.com
Economists attribute lower numbers to high base

By Mail Today Bureau
in New Delhi

The country’s industrial growth rate slid to a 13-month low of 7.1 per cent in June compared to the same month last year, official data released on Thursday showed.

However, economists do not see any reason for alarm at this point and attributed the lower growth in part to the high base effect kicking in for the month.

Since the industrial growth rate for June, 2009, had shot up to 8.3 per cent a further seven per cent growth on this shows that industry is still doing well.

The industrial growth rate had accelerated to 17.6 per cent in April this year. However, the high growth number was in comparison to the much lower growth rate of 1.4 per cent in April, 2009, when the economy was still impacted by the meltdown.

Figures for excise duty collections between April-July released by the finance ministry on Thursday showed a 42 per cent jump over the same period of the last year indicating that industry was on a strong growth path.

“One has to take into account that the base effect of low growth in industrial production lasts for the year and so we will see a relatively subdued IIP (index of industrial production) for the same month in the coming months. Maybe, from October-November, the figures will again pick up.” Axis Bank chief economist Saugata Bhatchacharya said.

“I will not conclude from the June figure that this is going to be the trend for rest of the year. A lot of individual components seem to be showing reasonably good growth,” Planning Commission deputy chairman Montek Singh Ahluwalia told journalists.

Ahluwalia said industrial growth need not be in double digits for the whole year for the economy to grow by 8.5 per cent. However, he said he would like industrial expansion to be at least 10 per cent.

Chief statistician economist D.K. Joshi said, “We believe the economy will clock an industrial growth of nine per cent for the year. The June figures are down but we believe for July it will go up.”

While growth in manufacturing, which constitutes around 80 per cent of IIP, fell to 7.3 per cent in June against eight per cent a year back, mining output expanded by 9.5 per cent compared to 14.2 per cent while electricity generation was up by merely 3.5 per cent compared to eight per cent in the same month last year.

Within manufacturing, consumer durables such as cars, two-wheelers, refrigerators and TVs grew by an impressive 27.4 per cent in June compared to 16.3 per cent a year ago. However, production of consumer non-durables rose by just 1.3 per cent from 9.7 per cent a year ago.

Of 17 industries in IIP, 13 posted positive growth. Only wood, leather, tobacco and metal products output declined in June compared to the year-ago period.

Among the industrial segments, capital goods recorded a growth of 9.7 per cent in June, intermediates goods 8.7 per cent and consumer goods 8.3 per cent.

Food inflation surges again

Food inflation rose to 11.40 per cent in the last week of July as prices of cereals, fruits and milk went up bringing household budgets under further strain. Inflation in food items, which had started falling in recent weeks, was 9.53 per cent in the last week.

Analysts, however, believe that the return to double-digit was expected and that the rate is likely to go down in the coming months on the back of a good kharif crop.

“A number of measures have been taken to manage inflation. In a month or so, we would definitely see the inflation rate come down,” Planning Commission deputy chairman Montek Singh Ahluwalia said.

— Mail Today Bureau
केन्यर्न एनर्जी हिस्सेदारी बेचने की तैयारी में

अगर बेंजांत, केन्यर्न में हिस्सेदारी बनाने में कामयाब होती है तो वह बीएचपी बिलिंटन के बाद दुनिया की दूसरी सबसे बड़ी ऑयल रिफाइनर बन जाएगी। मौजूद समय में बेंजांत के पास आयाम और जिक और कॉपर खबरें हैं।

केन्यर्न एनर्जी अपनी भारतीय इकाई केन्यर्न इंडिया की हिस्सेदारी बेचने की लेकर लागू होती है। केन्यर्न एनर्जी भारतीय इकाई के लेखक पूर्वोत्तर से सहभागिता नहीं बन पाई है और न ही हिस्सेदारी बेचने को लेकर खरीदने पर चिंता किया गया है।

लेकिन इस बात के बारे में बिलिंटन के बाद दुनिया की दूसरी सबसे बड़ी ऑयल रिफाइनर बन जाएगी। मौजूद समय में बेंजांत के पास आयाम और जिक और कॉपर खबरें हैं। केन्यर्न एनर्जी की केन्यर्न इंडिया में हिस्सेदारी बेचने की खबर के बाद केन्यर्न के शेयर में खास तेजी दर्ज की गई। केन्यर्न का शेयर बीएचपी में 2.41 फीसदी की बढ़त के साथ 340.60 रुपये पर बंद हुआ। शेयर 334.60 रुपये पर खुला और दिन के अंतराल के दौरान 344.90 रुपये के उच्चतम स्तर को चुने में कामयाब रही।

केन्यर्न एनर्जी अगर केन्यर्न इंडिया की 12 फीसदी हिस्सेदारी बेच देती है, उसके बाद भी उसके पास भारतीय इकाई में प्रमुख हिस्सेदारी खोजेगी। गूगल के बंड भारत के भुगतान 12 फीसदी हिस्सेदारी से केन्यर्न को 7,741 करोड़ रुपये मिलेगी। केन्यर्न इंडिया मुख्यांक से राजस्थान के बाइडैग्राम जेसलमेर इलाके में तेल उत्खनन में जुटी है। केन्यर्न देश की कई बड़ी रिकॉर्ड्स को सफाई के लिए पहले छाई भी जिता रही है।
विदेश में तेजी से सोना 275 रुपये महंगा

दिल्ली में सोने का भाव बढ़कर 18600 रुपये प्रति दस ग्राम तक पहुँच गया

विजयेन्द्र भाकर • दील्ली

अंतर्राष्ट्रीय बाजार में सोने की कीमतों में तेजी आई। इसे से यह बाजार में भी कीमतों में तेजी हुई। जीवन प्रसार में उत्तराखंड के नजदीक बाजार में 8 डॉलर प्रति ऑक्स की तेजी आई। इससे दिल्ली में सोने की कीमतों में 275 रुपये की तेजी आई। भाव 18600 रुपये प्रति दस ग्राम हो गए।

ऑल इंडिया मार्केट एक्सचेंज के अध्यापक सैलिंग ने साझा किया कि अंतरराष्ट्रीय बाजार में गुहार की सोने का भाव बढ़कर 1,205 डॉलर प्रति ओक्स हो गया, जो 11 अगस्त के मुकाबले 9 डॉलर प्रति ओक्स में घटी। 11 अगस्त को आंतरराष्ट्रीय बाजार में सोने 1,194 डॉलर प्रति ओक्स पर अपना ठिकाना बना। इस तौर पर दिल्ली में सोने की कीमतों में भी 100 रुपये की तेजी आई। भाव 29,100 रुपये प्रति दस ग्राम हो गए। अंतरराष्ट्रीय बाजार में भी गुहार के दम पर 17.88 डॉलर प्रति ओक्स में बढ़कर 18.04 डॉलर प्रति ओक्स हो गए।
डॉलर मजबूत होने से अल्यूमीनियम फ्यूचर गिरा

सोना
एससीएम में सोना मक्कबर वायर 0.32 पीसीपी बढ़कर 18,439 रूपये प्रति दम के स्तर पर पहुंच गया। सोना विश्लेषक वायर में भी 0.24 पीसीपी की बढ़त रही। निवेशकों के अनुसार सोने में यह कई रूपये में आई कमजोरी का निशाना है। सोने में यूएस देने के पारदर्शक इंडेक्स को भी बढ़ने का असर भी देखा जा रहा है। निवेशकों के अनुसार यह सोने से कुछ देंगी आ सकती है।

गूड़ द्वारा योजना की शुरुआत के साथ ही गंग कहने के कारण गूड़ में देंगी रही। अल्यूमीनियम में गूड़ नमकत वायर 1.4% बढ़कर 869 रूपये प्रति 40 किलो की रही। गूड़ जनवरी वायर में भी 1.7% की तेजी रही। कभी कभाई देने के विषय बिएल्स दिल्ली के अनुसार यह देंगी के बारे में आई हंगकी तेजी का गूड़ पर असर पड़ा है। बिएल्स का कहना है कि यह तेजी कल भी जारी रहने की संभावना है।

आज, लगातार देंगी महँज़न की निकटता के बाद आप्लु में देंगी का रुख साफ़ है। अल्यूमीनियम में आज उच्च वायर चार पीसीपी बढ़कर 316.50 रूपये प्रति दम के स्तर पर पहुंच गया। आप्लु विश्लेषक वायर और मार्क वायर में भी चार पीसीपी की बढ़त दर्ज की गई। निवेशकों का निशाना है कि आज, काफी नीचे आ गुजरा है
औद्योगिक उत्पादन घटा, खाद्य वस्तुएं महंगी

नई दिल्ली (ट्विटर)। काराक्सेन में उत्पादन की गाढ़ी धीरी पढ़ने से देवा के औद्योगिक उत्पादन की मांग में 7.1 प्रतिशत के दबाव पड़ गया। इसके कारण ओप्टिमिस्टिक उत्पादन घटना 13 महीनों में नुमाना रहा। फ़िरका में नींद में रही तारीख जून में इंडेक्स के साथ 7.1 प्रतिशत घटा। एक नज़र देखने पर इस मामले में 2010 में औद्योगिक उत्पादन घटना 11.5 प्रतिशत और एक साल पहले जुन में 8.3 प्रतिशत थी। काराक्सेन में उत्पादन के अवसर वामिक औद्योगिक उत्पादन की बढ़ती रही थी। इसके विवादों का मानना है कि खाद्य की धीरी पढ़ने से उत्पादन के नियंत्रण के बीच में खाद्य वस्तुएं में संबंधित नहीं है। अनुमान-निवेशक द्वारा पता चला कि जून में नींद में बढ़ाने के लिए 10 महीने में खाद्य वस्तुएं में 7.3 प्रतिशत भी है।

अनुमान के अनुसार इस घटक ने उद्योग जगत को कहा कि जून माह में औद्योगिक उत्पादन घटना 7.1 प्रतिशत पर आया अनुमान के अनुसार। उत्पादन वर्ग के अनुसार उत्पादन के रूप में इंडेक्स का मानना है कि खाद्य वस्तुएं में 7.1 प्रतिशत के अवसर में रही थी। आपने जो संयोजन के अनुसार औद्योगिक उत्पादन सूचकांक ने 80 प्रतिशत दर्ज की कारकर्ता से 7.3 प्रतिशत रही है। इसलिए इस मामले में उत्पादन के बाद खाद्य वस्तुएं में 7.1 प्रतिशत के मामले में देखा जा रहा है। इसके साथ ही वर्तमान उत्पादन हो जीता है।

काराक्सेन के अनुसार अस्थायी और सतही के साथ ही जून में 8.3 प्रतिशत दर्ज की गई है। सप्ताह के अनुसार उत्पादन के लिए दर्ज की गई है।
Copper hits 2-week low

REUTERS
Singapore, 12 August

Copper touched a two-week low on Thursday, as a murky outlook for the global economy fuelled selling and dragged down equities, but losses were capped by hopes demand from top market China will remain healthy.

Shanghai’s benchmark third-month copper slipped 0.8 per cent to close at 66,400 yuan a tonne, off a low of 66,650 yuan, which was its weakest since July 30.

Three-month copper on the London Metal Exchange dipped $24.75 to $7,168.25 at 0702 GMT, recovering from a low of $7,150 earlier, a level not seen since July 29.

“What happened last night was a derisking exercise. There was a healthy decline in US equity markets and the dollar rose quite strongly,” said ANZ senior commodity analyst Mark Pervan.

“I think today the market is just reassessing things, probably realising that the backdrop is still pretty positive.”
GoM may clear mining relief plan

A GROUP of Ministers is expected to soon clear the proposal that companies share 26 per cent of profits from their mining projects with the displaced. The GoM is likely to meet this week to discuss the compensation scheme as laid out in the Mining bill and is expected to clear the proposal, the official said. “We are working on it. Let’s see how can we take it forward. We want to get the new Mining Bill placed in the current session of Parliament,” said the official, who did not want to be identified. Meanwhile, Mines Minister Mr B.K. Handique said, “The government is proposing to give 26 per cent share in profit and one per cent symbolic share to those who lose their land.”
Commexes turnover jumps 62% in July

NEW DELHI: DRIVEN by increased trade in bullion and metals, the turnover of commodity exchanges in the country surged by 63 per cent to Rs 5,01,046 crore during the fortnight ended July 31, 2010, according to the Forward Markets Commission (FMC) data. The total turnover of the bourses was Rs 3,07,829 crore in the same period last year, commodity market regulator FMC said in a statement.
Projects for Mizoram

The Ministry of Development of North Eastern Region (DoNER) has sanctioned the upgrade of 43.5 kms of the Mizoram portion of the Thanlon-Singhat (Ngopa-Tuibai) Road. The total approved cost of the project is Rs 67.67 crore.

Bijoy Krishna Handique, Minister of Mines & DoNER has approved the sanctioned project pursuant to the recommendation of the Expenditure Finance Committee Meeting held on 26 July 2010, which was chaired by Secretary (DoNER). The expenditure for the project would be met from the Plan Funds of the North Eastern Council to the extent of 90 per cent of the approved cost. The project will be implemented by the Public Works Department of the Government of Mizoram. The target date of completion of the project is March, 2013.

The Ministry of DoNER has also sanctioned the construction of a State Sports Academy at Zabowk in Mizoram. In its recent meeting held recently, the NLCPR (Non Lapsable Central Pool of Resources) Committee of the Ministry approved the project at a total cost of Rs 17.51 crore. The funds towards this will be met from the NLCPR Fund administered by the Ministry. The proposed academy will have a range of the state of the art facilities for both indoor and outdoor games along with accommodation facilities including Boys & Girls’ Hostel, Guest House, Administrative buildings, etc. Handique said that augmenting sports infrastructure in the region was one of the prerogatives of the Ministry.
Blanket ban not the answer

The illegal mining and export of iron ore in Karnataka is, no doubt, a serious issue, yet the decision to impose a State-wide ban on the export of the ore is not justified.

M. R. Venkatash

The recent ban on iron ore exports by the Karnataka Government is akin to the proverbial rain dance of African tribal chiefs. To appreciate the logic behind this ban, it is necessary to understand the sequence of sleazy events that unfolded in Karnataka.

It may be recalled that in the recent Assembly session in the State, there was a huge uproar by the Opposition on the", "illegal mining" and "export" of iron ore. What was exasperating for the administration was that the quantity permitted for export and the actual exports did not match.

Obviously, something was seriously amiss. This was cited as the immediate trigger for the ban order by the State government. Further, the administration "learnt" that the permits issued for the transportation of ore from the mines were recycled for movement of ore from the mines to ports.

Appareently, to check illegal export of the ore, the Karnataka Government plans to have computerised permits with holograms, and also Internet facilities at check-posts to monitor the ore movements effectively. Pending implementation of this plan, the State government has come out with this order. Among the 10 minor ports in Karnataka, the Karwar port is reported to have been exporting iron ore over the last 4-5 years. Amusingly, the Karnataka Government, in its ban order, admits that only recently had it come to its notice that Karwar has been operating without clearances from the "Karnataka State Pollution Board and other departments." So much for the quality of administration in one of the better administered States of the country.

LOOT AND SCROU

But more follows. The Deputy Conservator of Forests (DCF) of Karwar, in a letter dated July 24, 2010, to the Commissioner of Customs, Mangalore, had stated that the Bheckeri Port Conservator had forwarded the stock statement aggregating 600,000 tonnes, indicating the quantity of ore seized and disclosing the names of the 58 exporters to whom the ore belonged.

Interestingly, eight of these exporters have approached the High Court, claiming ownership and release of approximately 200,000 tonnes, while the other 50 exporters (for the remaining 600,000 tonnes) have not yet come forward to lay claim on the seized ores. Isn't this bizarre?

Further, in a remarkable twist in the tale, on June 2, 2010, the local media had reported that huge quantities of iron ore were clandestinely removed from the Bheckeri port area. These stocks, as per court orders, were to be seized and kept in the safe custody of the Port Conservator of Bheckeri.

Commenting on this, the DCF, in his letter, states that "during the course of investigation, it is credibly learnt that the clandestinely removed quantity of seized iron ore appears to have been kept concealed at nearby locations/destinations and possibly stored at unidentified pockets close to the ports and some minor ports on the West Coast, to be exported along with regular exports permitted through the Mangalore port officially."

Meanwhile, on July 9, 2010, the Karnataka High Court directed the Commissioner of Customs, Mangalore, not to permit the eight petitioners (claiming ownership to 200,000 tonnes) to export iron ore of any kind from Bheckeri, Karwar and Mangalore ports until further orders. Conveniently, the Karnataka Government has used all these cases as a ruse to ban the export of iron ore across Karnataka.

The State government must have realised that it is no longer a question of the 600,000 tonnes of illegal mining and 600,000 tonnes of ore smuggled out of the ports. After all, this constitutes less than one per cent of the quantity of iron ore exported from India. Obviously, it must be the tip of the iceberg. But do all these justify the ban on iron ore exports?

GRAVER ISSUES

It is certain that at this point in time, this order will be challenged in the court. Surely, questions will be raised on the legality of a State government to prohibit exports and interfere in the operations of the ports which, under the Constitution, are matters of the Union. Similarly, the tenability of the order under Article 14 (which guarantees equality) and Article 19 (on freedom to carry on business) will be tested in the courts.

But there is something more to debate and agitate. The fundamental rights of other iron ore exporters (those who have been legally mining and exporting) across the State to carry on their business have been suspended simply because the administration has failed to carry out its duty. That is indeed a sad commentary on the state of affairs.

Remember, what we are seeing is the stealthy removal of shiploads of iron ore from a port, which is a protected area, controlled both by the State and Central authorities. Recall that all this has unfolded even when a local court has intervened in the matter.

Trade and industry across the country are strangely silent on this crucial issue. If Karnataka today bans exports of iron ore owing to the failure of its own administration, other States can follow suit. It is unrealistic to believe that computers and holograms can improve the situation. Unfortunately, the rot in our administration is well and truly entrenched. The problem is that we, as a people, seem to be oblivious to it.

(The author is a Chennai-based chartered accountant.)
Hind Copper net up at Rs 26.2 cr

Kolkata, Aug. 12

Hindustan Copper Ltd has posted a net profit of Rs 26.2 crore for the quarter ended June 30 against Rs 23 lakh in the corresponding quarter in the previous year. Net sales decreased from Rs 324.45 crore in the corresponding quarter last year to Rs 225.80 crore for the quarter ended June 30. Higher profit is attributed to two factors – rise in LME price and lower input cost, Mr. Shakeel Ahmed, Chairman and Managing Director, told Business Line. During the first quarter, Hindustan Copper did not import metal-in-concentrate for conversion. In fact, because of a breakdown at its plant, operation at the Indian Copper Complex of Moulaudar in Jamshedpur was off for 58 days during the quarter. The plant, which is now in operation, has stepped up production to meet the gap. — Our Bureau
Vedanta in talks to buy stake in Cairn India

New Delhi: Billionaire Anil Agarwal-owned mining firm Vedanta Resources on Thursday said it is in talks to buy a stake in Cairn India, the company that owns the nation’s largest onshore oilfield.

The London-listed firm said “discussions are taking place with Cairn Energy Plc regarding an acquisition of an interest in Cairn India Ltd, a company listed in India.”

Cairn Energy, which holds a 62.37 per cent stake in Cairn India, also confirmed the discussions in an almost identical separate statement saying: “The board of Cairn Energy PLC (“Cairn”) notes the media speculation and confirms that discussions are taking place with a third party in respect of the disposal of an interest in Cairn India Limited.

Cairn emphasises that there can be no certainty the contemplated disposal will occur or as to the terms of any such disposal. A further announcement will be made when appropriate.”

Interestingly, this is not the first time that talks of Cairn Energy selling a stake have emerged. Over the past 2-3 years, the Edinburgh-based firm has been rumoured to have been in discussions with steel tycoon L N Mittal and Italy’s Eni SpA, among others, for an outright sale of its interest in Cairn India, or at least the sale of an asset.
Gold extends gains

Reuters
London, Aug 12
Gold prices headed towards session highs on Thursday. Gold was bid at $1,205.40 an ounce by 11:20 GMT, against $1,197. Silver edged up to $17.94 an ounce.

Bullion rate

Mumbai: Silver spot (.999 fineness): Rs 29,405; standard gold (90.5 purity): Rs 18,405; pure gold (99.9 purity): Rs 18,495.
Chennai: Bar silver (a kg): Rs 29,465; retail silver (a gm): Rs 31.55; standard gold: Rs 18,415; retail ornament gold (22 carat): Rs 1,713.
Growth jitters push copper to 2-week low

Reuters
London, Aug. 12
Copper fell to a two-week low on Thursday as the market fretted about growth, but expectations of stronger Chinese demand will help bolster sentiment and prices over coming months.

Benchmark copper on the London Metal Exchange touched $7,180 a tonne, its lowest since July 29. The metal used in power and construction was trading at $7,190 a tonne at 09:26 GMT compared with $7,191 at the close on Wednesday.

Prices of aluminium, used in transport and packaging, touched $2,131 a tonne, their lowest since July 30. It was last at $2,140 a tonne from $2,142 on Wednesday. Steel ingredients nickel and zinc saw $21,195 a tonne and $2,013.50 respectively — both the lowest since August 2.

Nickel was trading at $21,350 a tonne from $21,695 on Wednesday and zinc at $2,032 from $2,037.

Battery material lead fell to a two-week low of $2,032.50 a tonne. It was last at $2,056 a tonne from $2,061 on Wednesday and tin was at $19,750 from $19,850.
Gold nears 4-week high as economic outlook dims

London, Aug 12: Gold was set for its biggest one-day rally in two months on Thursday as a fresh set of weak economic data further eroded confidence in the global economy, prompting a surge of interest in perceived safe-haven assets.

Wall Street stocks came under pressure after a surprise rise in US weekly jobless claims took the number of people seeking unemployment benefit near six month highs, while the euro was undermined by fresh concern about its weaker member economies.

GOLD FOR DECEMBER DELIVERY ON COMEX WAS UP $15.8 AT $1,215.00 AN OUNCE

Gold was bid at $1,212.60 an ounce by 1415 GMT, against $1,197.00 late in New York on Wednesday, still nearly 5% below late June's lifetime high around $1,364. Gold for December delivery on COMEX was up $15.8 at $1,215.00 an ounce.

It's a combination of a macro environment being favourable to gold (and) actually physical demand has improved as well so we would expect prices to gain some momentum, said Barclays Capital strategist Suki Cooper, adding her team expected gold to average $1,260 an ounce in the final three months of this year. Reuters
Industrial growth slips to 7.1% in June

Special Correspondent

NEW DELHI: For the first time in nine months, industrial growth slipped to single digit at 7.1 per cent in June this year — a 13-month low — following a drop in factory output. Also responsible for the deceleration were the other two segments, mining and electricity generation, which posted lower growth as compared to the performance in the same month last year.

According to the Index of Industrial Production data released here on Thursday, the growth in manufacturing — constituting nearly 80 per cent of the IIP basket — slipped to 7.3 per cent in June from 8 per cent in June 2009. Likewise, mining output also witnessed a growth of 9.5 per cent during the month as against 14.2 per cent a year ago while electricity generation was up by a mere 8.5 per cent as compared to eight per cent.

For Finance Minister Pranab Mukherjee, the IIP data for June was below his expectations. “I expected it to be a little better,” he said.
Vedanta in talks to pick up stake in Cairn India

Mumbai, Aug 12: A la BHP Billiton, the Anil Agarwal-promoted metals and mining giant, the $8-billion Vedanta Resources, is in talks with Edinburgh-based Cairn Energy Plc to acquire a stake in its Indian subsidiary Cairn India. Both companies confirmed the talks in separate statements on Thursday. If the deal goes through, it will mark Vedanta’s entry into energy, an unrelated space for the group, although part of the commodities universe. BHP had ventured into oil exploration in the sixties.

Agarwal’s empire has so far focussed on aluminium, copper, zinc, lead and iron ore and not so long back, it ventured into power generation. The acquisition of a stake in Cairn will make the cash-rich Vedanta, with $7.2 billion of liquid investments, the second largest miner in the world, after BHP Billiton, to have an interest in oil.

Continued on Page 2
Vedanta in talks to pick up stake in Cairn India

Continued from Page 1

It would catapult the miner, which reported a net profit of $602.3 million, in the year to March 2010, into an altogether new league. Cairn India, which owns India's largest onland oilfield in Rajasthan and its Mangala oilfield, the most prolific asset, is nearing peak output of 125,000 barrels per day.

Shares of Vedanta Resources were down over 7% at 8:40 pm (IST) London Stock Exchange at £21.83. In contrast, the Cairn India stock gained 2.41% at close on Thursday the Bombay Stock Exchange. "Discussions are taking place with Cairn Energy Plc regarding an acquisition of an interest in Cairn India, a company listed in India," read a statement issued by Vedanta Resources, adding that while discussions are on, there is no certainty the acquisition will go through.

Cairn India, in which Cairn Energy holds 62.37%, has a market capitalisation of Rs 65,000 crore. "We estimate Cairn to generate annual free cash flows of $2.5-3 billion from FY12E onwards," said a Goldman Sachs report. The company reported an adjusted net profit of Rs3.2 billion, up 54% yoy in the June 2010 quarter.

At the current market price, the stock is valued at a price-earnings multiple of 13 times estimated 2010-11 earnings and an EV/ebitda (enterprise value/earnings before interest, tax and depreciation) of 9.5 times.

Sir Bill Gammell-run Cairn Energy can retain a controlling interest in Cairn India even it sells up to a 12% participating interest for Rs 7,741 crore at Thursday's closing price.

Analysts at Credit Suisse said: "A move into oil would be a very strange shift away from Cairn's core business of developing mines and smelters. We therefore struggle to see any strategic fit or synergies. Analysts are worried about the possible stretch to the balance sheet as they were when the Asarco deal was being pursued by the company. Vedanta's annual report mentions a project capex of $17 billion and it made a capex of $8.5 billion during the year 2009-10. The analyst added: "We, therefore, see limited room for additional debt funding."

Vedanta had recently raised just over $4 billion of long-term capital through a mix of debt and equity to refinance debt maturities.

Cairn India is the fourth largest oil and gas company in India. It has three producing assets — Ravva, Cambay and Barmer. It has revised reserve estimates for the Barmer block to 4 billion barrels of oil equivalent from 3.7 billion estimated earlier.

It also has nine blocks under exploration including one in Sri Lanka, where it is exploring through its subsidiary Cairn Lanka.
GoM nod for compensation of mining displaced soon.

NEW DELHI: A group of ministers (GoM) is expected to soon clear a proposal stipulating companies to share 26% of profits from their mining projects with the displaced people, a mines ministry official said on Thursday. The GoM is likely to meet this week to discuss the compensation scheme as laid out in the mining bill and is expected to clear the proposal, the official said. "We are working on it. Let’s see how can we take it forward. We want to get the new mining bill placed in the current session of Parliament," said the official, who did not want to be identified.

Meanwhile, mines minister B K Handique told reporters here, "The government is proposing to give 26% share in profit (from mining) and 1% symbolic share to those who lose their land for mining projects."
Gold may rally to record $1,300: Goldman Sachs

SINGAPORE: Gold may rally to a record $1,300 an ounce in six months, driven by low interest rates and the prospect of renewed quantitative easing in the US, according to Goldman Sachs Group. "The recent selloff has left speculative long positions in gold oversold relative to US real interest rates," analysts David Greely and Damien Courvalin, wrote in a note on Wednesday. This has "set the stage for a rally to our six-month gold-price target of $1,300 an ounce," they wrote. The Federal Reserve has resorted to direct bond purchases, also known as quantitative easing, as part of its response to the world financial crisis. The US central bank said this week that it would reinvest principal payments on mortgage holdings into long-term Treasury securities to support growth.
ACE commodity exchange to go live in 10 weeks

MUMBAI: ACE Derivatives & Commodity Exchange, which got government recognition as a national bourse on Tuesday, is likely to go live in the next eight to 10 weeks with around 200 member brokers. This will be the fifth national commodity exchange to come on stream after MCX, NCDEX, NMCE and Indiabulls-promoted ICEX. “Having received the final approval, we will process member applications, get them registered with the regulator and, once that is complete, will commence mock trading to ensure that brokers are comfortable with our system that it is well-tested for volumes,” said Narayan SA, chairman of the Kotak Mahindra Bank-promoted ACE.
Crude falls below $77 after US supplies increase

SINGAPORE: Oil fell below $77 a barrel on Thursday for the first time this month after US fuel stockpiles rose more than forecast, adding to signs that economic growth is slowing in the world’s biggest consumer of crude. Oil dropped a third day after a report showed that initial jobless claims in the US unexpectedly climbed to a five-month high. On Wednesday, the Energy Department said gasoline supplies reached the highest level for the weekly reporting period in at least 10 years. The US June trade deficit unexpectedly widened and China’s industrial output grew by the least in 11 months.
Why China’s new copper imports seem normal

Andy Home

THURSDAY’S preliminary copper import figures from China’s customs department came in pretty much as expected, which is something of a first so far this year. Aggregate imports of refined copper, anode copper, copper alloy and copper products rose by 4.5% month-on-month to 342,901 tonnes in July. If June’s ratios between product categories held good last month, it would mean that imports of refined metal alone were around 240,000 tonne.

The preliminary analyst take on Thursday’s figures seems to be that they mark a return to “normal” service after June’s relatively low imports. Two out of five analysts speaking to Reuters this morning actually used the word “normal”. This says much about how expectations have changed over the last year or so when it comes to Chinese copper imports.

Prior to 2009, last month’s figures would have marked a record all-time high. Cumulative aggregate imports this year of 2.57 million tonnes are already close to total annual imports in both 2007 and 2008. But relative to the import surge that started last year and which has continued through this year, July’s figure was, well, pretty “normal”. The new benchmark by which we judge each month’s fresh figures, it seems, is 2009, a year that broke all records for Chinese imports of the red metal.

There are two powerful drivers behind this new “normal”. First and foremost is the strength of the country’s underlying demand. Putting an exact figure on Chinese demand growth is impossible. There is simply no reliable data to work with, which is why analysts tend to default to “apparent” consumption calculations, based on domestic production plus net imports plus/minus changes in Shanghai stocks.

But there are plenty of clues as to why Chinese copper demand should be strong. Macro indicators such as industrial production growth and fixed asset investment are still running at accelerated rates, albeit with some evidence of the slowdown Beijing is trying to engineer for its economy.

Infrastructure spend, a key part of the dragon’s copper demand picture, remains elevated and will stay so as the government pushes its urbanisation programme into the poorer interior of the country. The subsidised household appliance scheme is keeping consumer goods factories humming with activity. Micro indicators are also supportive. After ballooning in the first few months of the year, Shanghai stocks have slid back to 106,638 tonne, down on the start of January to the tune of 1,103 tonne. Physical premiums for imported refined copper remain robust, albeit off the recent highs. National output of copper products, the first “consumption” stage for refined metal, grew by 18% in the first half of this year.

The product output figures are themselves something of a statistical quagmire but the comparison with apparent consumption calculations has led several respected commentators on China such as Macquarie Bank to suggest that the country may even have been de-stocking in the first part of this year. That would imply that imports could re-accelerate in the coming months.

The second driver of elevated imports of refined metal is the continued tightness in the scrap market. Chinese imports of scrap copper rose to 380,000 tonne (bulk weight) in July, the highest monthly level seen so far this year. However, imports of scrap are still running well below comparable historical levels. This has a double impact on demand for imported refined metal. Scrap tightness is a constraining influence on China’s own production of copper via the secondary smelter sector. It also translates into a higher usage of refined metal by consumers who mix secondary and primary feed into their product mix. Until scrap imports return to their own “normal”, they will remain a source of underlying demand strength for refined metal imports.

All that said, the consensus view both within and outside China is that copper imports “should” slow down in the second half of this year. There is a double seasonality calculation in this collective projection. Firstly, parts of the country’s copper consumption profile are geared towards the first half of any year. The huge airconditioner sector (copper tubes), for example, tends to hit maximum production rates in spring ahead of the peak summer demand season.

Secondly, credit availability tends to tighten in the second half of any year and may do so at a faster pace this year as part of Beijing’s engineered “cooling”. That hits opportunists intermediaries using credit lines to import physical metal. However, continued demand strength, a shortage of secondary feed and a potential need to restock, if the likes of Macquarie are correct, will act as limiters on any slowdown. — REUTERS
Vedanta may acquire stake in Cairn India

London: Vedanta is in talks to buy a stake in Cairn India that would be the diversified miner's first move into oil and gas, with funding for a deal likely to be a key issue. Vedanta and British oil and gas company Cairn Energy, which has a 62.4% interest in Mumbai-listed Cairn India, confirmed on Thursday they were in talks.

Cairn India, the fourth-largest oil and gas company in the country, was valued at $13.6 billion at the close of trading on Wednesday, valuing Cairn Energy's stake at $8.5 billion. "The big question now is how big this stake is going to be and how are they going to structure the deal," said Liam Fitzpatrick, an analyst at Credit Suisse. "It will probably be more of a minority interest," he said, noting that Vedanta is already relatively highly geared.

Numis analyst Sanjeev Bahl said he thought Cairn Energy would likely to sell a small stake of around 5%, similar to the 6% it sold in Cairn India in March 2008 and the 2.3% stake it offloaded in October 2009.

"If you have a look back historically Cairn have always sold down stakes in Cairn India to realise a bit of capital," he said. Credit Suisse is already predicting capital expenditure for Vedanta of $10 billion over the next three years. "A move into oil would be a very strange shift away from Vedanta's core business of developing mines and smelters," analysts at Credit Suisse wrote. "We therefore struggle to see any strategic fit or synergies." BHP Billiton is the only large mining company to have a significant interest in oil.

Richard Rose, analyst at Oriel Securities, agreed that the key risks in any deal would include concerns over any cash requirement given Vedanta's "relatively stretched" balance sheet. A huge oil find in Rajasthan helped propel Cairn Energy from a small company to a major oil producer and led it to spin off the Indian operations. Reuters
INDUSTRY OPPOSES GoM DECISION ON MINING STAKE

The industry believes that the regulations will be a severe setback, and promoters will not accept the terms

SREELATHA MENON
ISHITA AVYAN DUTT
New Delhi, 12 August

The recommendations of a Group of Ministers asking mining companies to either share 26 per cent equity or profits (after tax) with the locals and tribals, has sent ripples through boardrooms.

The equity sharing proviso, which had already been opposed fiercely by the industry, especially chamber Ficci, had prompted the Centre to consider scrapping it.

Now, land rights groups are asking how the recommendations could possibly be rolled out and the industry believes the regulations will be a severe setback.

“It will break the back of the mining industry. Neither 26 per cent profit after tax nor 26 per cent equity is acceptable,” said Siddharth Rungta, chairman, Ficci Steel Committee.

Rungta said an additional 10 to 15 per cent royalty on every tonne of mineral should be levied and that money should be used for local development through a committee or a Special Purpose Vehicle (SPV) with representations from all sides.

Ashok Jagota, president, PhD Chamber has another solution: Deduct all expenses incurred with regard to mining and developing mines, including royalty and lease payment to authorities, while calculating profits. But as an afterthought he agrees with Rungta, “The easy way would be to go for an increase in royalty credits.”

Secretary general of Federation of Indian Minerals Industry (Fimi), R K Sharma explained why he is opposed to the proposal. “The suggestion for a 26 per cent equity from the promoter’s quota is not possible because it would be difficult for the promoter to earmark the 26 per cent.”

“After giving away 26 per cent shares, what will remain to ensure a majority shareholding of the promoter? Just 25 per cent. The 26 per cent will override the promoter and these shareholder could take decisions that are not necessarily in the company’s interest. No promoter will ever accept this,” said Sharma.

Fimi is concerned about the sinister side of the move. According to the Companies Act, 1956, special resolutions can be blocked by the owner of 26 per cent or more equity shares.

“Sharing the value of the company is a good concept. We are doing it ourselves, but in the context of the proposed amendment, it has to be seen how the profits can be shared,” said Saschagi Rao, joint managing director and group chief financial officer, JSW Steel.

The resistance of India Inc to the proposal is palpable. By contrast, the civil society is cheering the fact that for the first time, rights of the land owners over mineral resources are being spelt out. But NGOs feel unlettered tribes might be short-changed again because of their unfamiliarity with board-room rules.

Chandra Bhushan of the Centre for Science and Environment said it is a great beginning but feels that stock options are not desirable as these would not guarantee annual returns to land losers.

“In Indian, dividends mean little. Hence, there should be a formula which ensures that land losers get steady returns every year; whatever the market trend of the mineral. It could be 26 per cent of profits of the mining company or a part, say 10 per cent, of the turnover,” he said.

Bhushan compares it to an existing practice by the government of Alaska, where annual payouts are made to households from revenues earned from oil exploration.

This is, however, quite different from what the Act proposes to do. South Africa has put on its statute books a 26 per cent black ownership target for mining companies.

This was done six years ago as part of a charter that required companies to sell 15 per cent of their assets to black investors by the end of 2008 and 26 per cent in 2014. At the end of 2014, black investors will be given full shareholders rights in all transactions, with deals taking place within agreed time frames and incorporating the prevailing market conditions.

Mining companies must ensure that at least 40 per cent of their board, executive committee, middle and junior management levels are occupied by previously disadvantaged people by 2014. In addition, firms will be required to increase their spending on training to 5 per cent of their annual payrolls, representing a sizeable rise from the previous target of 3 per cent.

However, Indian analysts said that is not the ideal model because affluent blacks have done better out of the law than the poor blacks who were the original owners of the land on which mining was done.

Sridhar of Mines, Minerals and People, which was consulted by the government on the MMDR, said, “Whatever the benefit sharing formula, there must be some element that would help individual land-losers gain from the land leased for mining.” However he is upbeat about the proposals. “Why not give shares to the villagers? You can track the shares if you have one of the villagers as a director in the board.”

He is dismissive about SPV, saying the model was tried in the Sterlite case and the board was packed with representatives from the government. “The community ultimately got nothing.”

Xavier Dias of Bira Mines Monitoring Centre of Jharkhand, said strong oversight is needed to ensure tribals get their due.

“Who will ensure that tribals are not being cheated?”

Dias felt the new law could have the effect of easing transfer of tribal lands to non tribals in Schedule V areas. Government can take special administrative measures in variance to general laws elsewhere in areas declared scheduled under Schedule V of the Constitution to protect tribal rights.

Areas declared under Schedule V have special regulations to protect tribal rights. Similar rights are being observed on scheduled areas in the North Eastern states under Schedule VI. These include prohibition on mining of tribal land besides many other provisions to protect tribal interests.

The Government is hoping to push the Bill in the ongoing monsoon session of the Parliament.
आठ मह से लगातार दो अंकों में सही औद्योगिक विकास दर घटकर इकाई अंक में आई सुस्त पड़ी औद्योगिक वृद्धि, 13 माह में न्यूनतम

पहली चर्चा: कम कार्यालयों में उत्पादन थीम पहले से विद्यमान के औद्योगिक उत्पादन को चार जून में सुस्त पड़ते हुए पिछले 13 महीनों के न्यूनतम स्तर पर पहुँच गई। आठ मह से लगातार दो अंकों में यह दिखा रहा कि वृद्धि दर जून में घटकर 7.1 प्रतिशत रह गई। एक मह फिर मई 2010 में औद्योगिक उत्पादन वृद्धि 11.5 प्रतिशत और एक साल पहले मई में 8.3 प्रतिशत रह गई।

कार्यालयों में उत्पादन के साथ-साथ खरीदार और वित्तीय उत्पादन की वृद्धि भी हुई है। विशेषज्ञों का कहना है कि औद्योगिक उत्पादन में इसमें एक महीने बढ़ी पत्तां की सारी पदार्थ पद्धति पढ़ने से यह नहीं बन लेता है कि विवेक बैंक औद्योगिक नीति के अनुपालन का वार बदल देना। जोधपुर विभाग ने नये मूल्य बनाना है कि जून के औद्योगिक वृद्धि के अंकों को लेकर वहाँ के बाकी महीनों के लिए फिरका सबसे महत्वपूर्ण नहीं चलना चाहिए। विशेषज्ञों का कहना है कि पिछले तीन महीने में उच्च वृद्धि पर (जेन्स इफेक्ट) के कारण वृद्धि को गति दी गई पहले।

<table>
<thead>
<tr>
<th>क्षेत्र</th>
<th>वृद्धि (पीसीडी में)</th>
</tr>
</thead>
<tbody>
<tr>
<td>इंडस्ट्रीज</td>
<td>3.4</td>
</tr>
<tr>
<td>कारखाने</td>
<td>7.3</td>
</tr>
<tr>
<td>खनन</td>
<td>9.5</td>
</tr>
<tr>
<td>विज्ञानीय उत्पादन</td>
<td>3.5</td>
</tr>
<tr>
<td>इंजीनियरिंग उपभोक्तानि</td>
<td>3.5</td>
</tr>
<tr>
<td>उपभोक्तानि वैदिकिक</td>
<td>11.6</td>
</tr>
</tbody>
</table>

श्री जय के अंकड़ों का आधार तथा जीवन निभाया नहीं निकाला जा सकता। ऐसे श्रेणी है जो आखर प्रदर्शन दिखाता है।

-मोटेक सिंह अहुलूबलिया, उपाध्यक्ष, योजना आयोग

एक कारण में औद्योगिक वृद्धि के बाल के पादुके विभाग में दिखा है जिसके बाद जेन्स इफेक्ट के कारण औद्योगिक वृद्धि के जो अंकड़े पिछले महीनों में दिखा नहीं थे, तब आसानी दो-तीन महीनों में नहीं दिखेंगे। अनुदान नवम्बर से आंकड़े में फिर देखा सुधार आ सकता है। विश्वसन के गुरुम अर्थशास्त्री और जीवन निभाया नहीं कि पिछले में औद्योगिक वृद्धि में फिर गति आयेगा।