

MINING

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 21
DCI HYDERABAD

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, Ms 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 per cent 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

HT Correspondent
letters@hindustantimes.com

NEW DELHI: London-based Vedanta Resources — which has India-focused mining operations — is all set to make an entry into the lucrative oil and gas sector.

Controlled by Indian billionaire Anil Agarwal, Vedanta Resources is in an advanced stage of negotiations to buy a part of the 62 per cent stake held by UK-based Cairn Energy Plc in its Indian arm Cairn India Ltd.

"The board of Cairn Energy PLC confirms that discussions are taking place with Vedanta Resources Plc in respect of the disposal of an interest in Cairn India Limited," Cairn Energy said in its statement from London.

Vedanta Resources Plc also confirmed that it is in discussions with Cairn Energy Plc regarding an acquisition of an interest in India-listed Cairn India Ltd.

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 (₹7,300 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**

PRIYADARSHI SIDDHANTA
NEW DELHI, AUGUST 12

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 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 was

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

ENS & AGENCIES 9014

LONDON/MUMBAI, AUGUST 12

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.

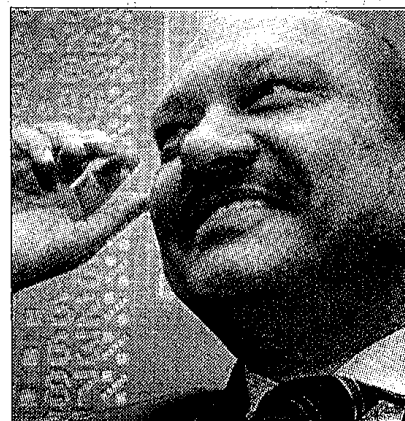
"Discussions are taking place with Cairn Energy Plc regarding an acquisition of an interest in Cairn India Ltd, a company listed in India. Discussions are ongoing and there can be no certainty the contemplated acquisition will occur or of the terms of any such acquisition," London-based Vedanta said in a statement. "A further an-

WOULD A CHANGE DO THE COMPANY GOOD?

- Vedanta and Cairn Energy, which has a 62.37 pc interest in BSE-listed Cairn India, confirmed they were in talks
- Cairn Energy's stake in Cairn India is valued at \$8.5 bn as on August 11
- BHP Billiton is the only large mining co to have a significant interest in oil
- Credit Suisse is already predicting capital expenditure for Vedanta of \$10 bn over 3 years and limited room for additional debt funding

nouncement 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



Vedanta chairman Anil Agarwal

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 large

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.

84/17
मुआवजा योजना जल्द
नई दिल्ली। मंत्रियों का एक समूह जल्द ही खनन क्षेत्रों के लिए मुआवजा योजना वाले प्रस्ताव को मंजूरी दे सकता है। प्रस्ताव के तहत कंपनियों को अपनी खनन परियोजनाओं से हुए लाभ में से 26 फीसद विस्थापित लोगों के बीच बांटना होगा। एक अधिकारी ने कहा कि मंत्रियों के समूह द्वारा इसी सप्ताह मुआवजा योजना पर चर्चा के लिए एक बैठक किए जाने की संभावना 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

Orissa recently made it mandatory for all upcoming industrial units to reserve 90 per cent jobs in unskilled and semi-skilled category

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 gov-

ernment, 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 175²⁸
on firm global cues²**

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.

PTI

Mining: Green clearance only for Haryana? ³⁴¹

YOGINDER GUPTA

TRIBUNE NEWS SERVICE, CHANDIGARH

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 is 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 Par-tap 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 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

press trust of india 63-11

NEW DELHI, 12 AUG: Billionaire Mr Anil Agrawal-owned mining firm Vedanta Resources today said it is in talks to buy a stake in Cairn India, the company that owns the nation's largest onland 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.

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 Mr LN 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.

The stake sale talks have resurfaced just when the 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

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

iron ore, zinc and copper mines ~ will be the second large 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 today. Cairn India was valued at \$14 billion at the close of trade, making Cairn Energy's stake worth more than 8.5 billion.

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

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.

Cairn India currently produces about 110,000 bpd from the Mangala oilfield in Rajasthan and is expected to reach peak output of 125,000 bpd this month. In addition, the Bhagyam field in the same block has the potential to produce 40,000 bpd and Aishwariya another 10,000 bpd.

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 CB/OS-2 in the Cambay Offshore Basin.

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

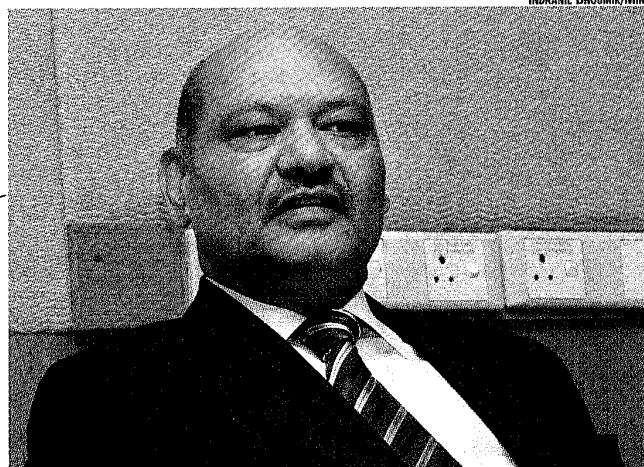
By BRIAN SWINT &
BRETT FOLEY

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 oil-field.

"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-



INDRANIL BHOUMIK/MINT

New venture: Vedanta's Anil Agarwal had said last year that India has potential for growth and sought to increase power generation capacity.

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 (₹63,315 crore).

Vedanta, with a market value of about £6 billion (₹44,220 crore), fell 4.5% to 2,251 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 people with knowledge of the matter who declined to be identified because the negotia-

tions 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 Sesa 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 poten-

tial 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 Petroliaam Nasional 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 \$568 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

‘Many components showing good growth’

growth in industrial production last year is now dying out and so we will see a relatively subdued IIP (index of industrial production) figure for two-three months. Maybe, from October-November, the figures will again pick up,” Axis Bank chief economist Saugata Bhattacharya said.

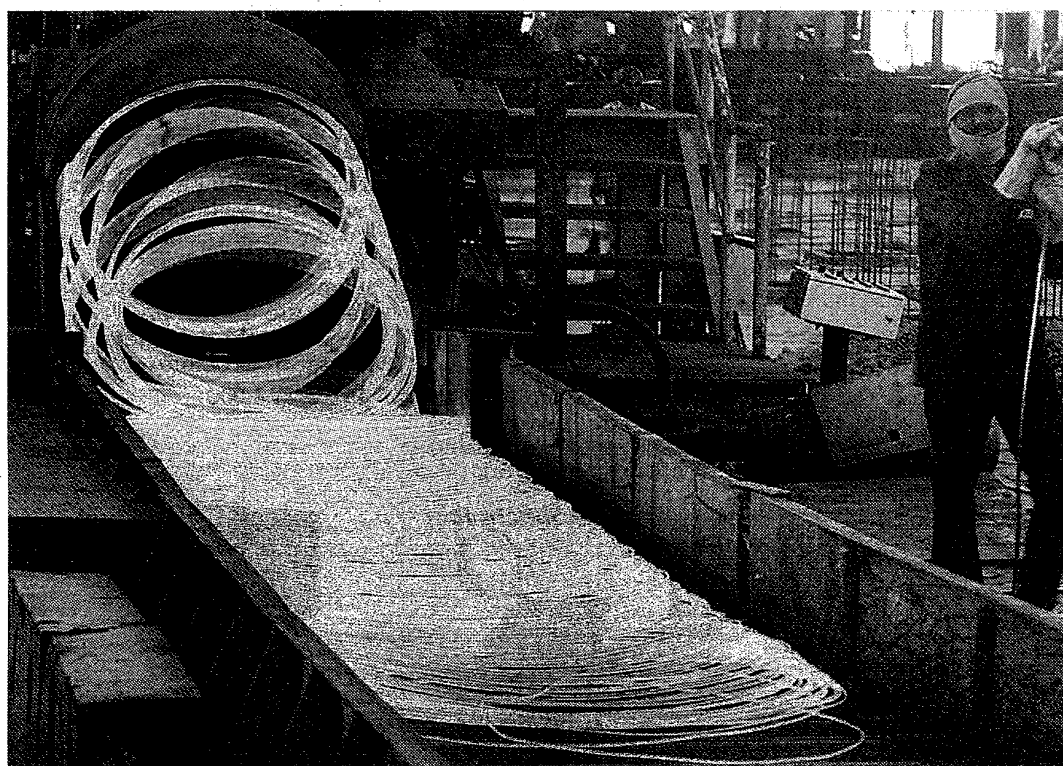
“I will not conclude from the June figure that this is going to be the trend for rest of the year. A lot of individual components seem to be showing reasonably good growth,” Planning Commission deputy chairman Montek Singh Ahluwalia told journalists.

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.

Crisil chief 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

Industrial growth dips to 7.1% in June



Industry slows a tad in June

Sectors	Growth (JUNE 2010)	Growth (JUNE 2009)
Manufacturing	7.3%	8%
Mining	9.5%	14.2%
Electricity	3.5%	8%
Consumer durables	27.4%	16.2%
Consumer non-durables	1.3%	0.7%

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 16.2 per cent a year ago. How-

ever, production of consumer non-durables rose by just 1.3 per cent from 0.7 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, intermediate 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-digits was expected and that the rate is likely to go down in the coming months on the back of a good kharif crop.

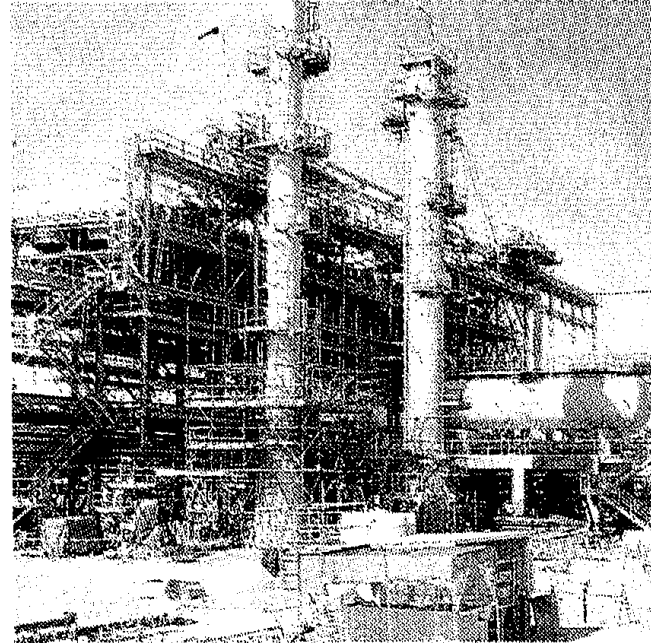
“A number of measures have been taken to manage inflation. In a month or so, we would definitely see the inflation rate come down,” Planning Commission deputy chairman Montek Singh Ahluwalia said.

— Mail Today Bureau

राजस्थान में तेल उत्खनन में जुटी केयर्न इंडिया में केयर्न एनर्जी की है 62.36 फीसदी हिस्सेदारी

कवायद

अगर वेदांता, केयर्न में हिस्सेदारी बनाने में कामयाब होती है तो वह बीएचपी बिलिटन के बाद दुनिया की दूसरी सबसे बड़ी ऑयल रिफाइनर बन जाएगी। मौजूदा समय में वेदांता के पास आयरन ओर, जिंक और कॉपर खदानें हैं।



प्रेट्र ♦ नई दिल्ली 14-7

केयर्न एनर्जी अपनी भारतीय इकाई केयर्न इंडिया की हिस्सेदारी बेचने को लेकर बातचीत कर रही है। कंपनी संभवतः अपनी हिस्सेदारी वेदांता रिसोर्सेज को यह हिस्सेदारी बेच सकती है। वेदांता रिसोर्सेज ने भी इस बात की पुष्टि की है कि वह हिस्सेदारी खरीदने के लिए केयर्न एनर्जी से बातचीत कर रही है।

लंदन में लिस्टेड केयर्न एनर्जी द्वारा जारी बयान में कहा गया कि कंपनी बोर्ड ने केयर्न इंडिया में अपनी हिस्सेदारी बेचने को लेकर चल रही बातचीत पर हामी भरी है। इस बाबत वेदांता रिसोर्सेज के प्रवक्ता ने कुछ बताने से इनकार किया। केयर्न एनर्जी

की केयर्न इंडिया में 62.36 फीसदी हिस्सेदारी है। कंपनी के बयान में यह भी कहा गया है, हिस्सेदारी बेचने को लेकर पूरी तरह से सहमति नहीं बन पाई है और न ही हिस्सेदारी बेचने को लेकर शर्तों पर विचार किया गया है। इस बाबत विचार-विमर्श करने के बाद लिए गए फैसले की घोषणा आने वाले समय में की जाएगी।

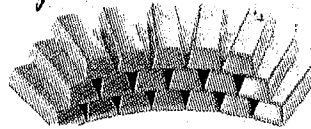
अगर वेदांता, केयर्न में हिस्सेदारी बनाने में कामयाब होती है तो वह बीएचपी बिलिटन के बाद दुनिया की दूसरी सबसे बड़ी ऑयल रिफाइनर बन जाएगी। मौजूदा समय में वेदांता के पास आयरन ओर, जिंक और कॉपर खदानें हैं। केयर्न एनर्जी की केयर्न इंडिया में हिस्सेदारी बेचने की खबर के बाद कंपनी के शेयर में खासी तेजी दर्ज

की गई। कंपनी का शेयर बीएसई में 2.41 फीसदी की बढ़त के साथ 340.60 रुपये पर बंद हुआ। शेयर 334.60 रुपये पर खुला और दिन के कारोबार के दौरान 344.90 रुपये के उच्चतम स्तर को छूने में कामयाब रहा।

केयर्न एनर्जी अगर केयर्न इंडिया की 12 फीसदी हिस्सेदारी बेच देती है, इसके बाद भी उसके पास भारतीय इकाई में प्रमुख हिस्सेदारी रहेगी। गुरुवार के बंद भाव के मुताबिक 12 फीसदी हिस्सेदारी से कंपनी को 7,741 करोड़ रुपये मिलेंगे। केयर्न इंडिया मुख्यरूप से राजस्थान के बाड़मेर-जैसलमेर इलाके में तेल उत्खनन में जुटी है। कंपनी देश की कई बड़ी रिफाइनरियों को सप्लाई के लिए पाइप लाइन भी बिछा रही है।

विदेश में तेजी से सोना 275 रुपये महंगा

दिल्ली में सोने का भाव 55-8
बढ़कर 18600 रुपये प्रति
दस ग्राम तक पहुंच गया



बिजनेस भास्कर • नई दिल्ली

अंतरराष्ट्रीय बाजार में सोने की कीमतों में तेजी आने से घरेलू बाजार में भी कीमतों में तेजी दर्ज की गई। अंतरराष्ट्रीय बाजार में गुरुवार को सोने की कीमतों में 8 डॉलर प्रति औंस की तेजी आई। इससे दिल्ली में सोने की कीमतों में 275 रुपये की तेजी आकर भाव 18,600 रुपये प्रति किलो हो गए।

ऑल इंडिया सराफा एसोसिएशन के अध्यक्ष शील चंद जैन ने बताया कि

अंतरराष्ट्रीय बाजार में गुरुवार को सोने का भाव बढ़कर 1,205 डॉलर प्रति औंस हो गया, जो 11 अगस्त के मुकाबले 8 डॉलर प्रति औंस तेज है। 11 अगस्त को अंतरराष्ट्रीय बाजार में सोना 1,194 डॉलर प्रति औंस पर बंद हुआ था। इस दौरान दिल्ली में चांदी की कीमतों में भी 100 रुपये की तेजी आकर भाव 29,100 रुपये प्रति किलो हो गए। अंतरराष्ट्रीय बाजार में भी चांदी के दाम 17.88 डॉलर प्रति औंस से बढ़कर 18.04 डॉलर प्रति औंस हो गए।

डॉलर मजबूत होने से अल्युमीनियम फ्यूचर गिरा

बिजनेस भास्कर • नई दिल्ली

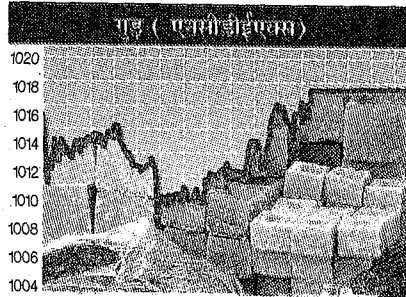
रुपये के मुकाबले डॉलर मजबूत होने के कारण अल्युमीनियम का आयात सस्ता पड़ने लगा है। इससे वायदा में अल्युमीनियम में गिरावट दर्ज की गई है। एमसीएक्स में अल्युमीनियम सितंबर वायदा 0.49% घटकर 100.70 रुपये प्रति किलो रह गया। इसके अलावा अगस्त वायदा में जहां 0.50% की गिरावट आई। वहीं अल्युमीनियम अक्टूबर वायदा में 0.29% की गिरावट दर्ज की गई। शेअरखान कंमोडिटीज के विश्लेषक प्रवीण सिंह ने बताया कि शेयर बाजार नीचे जाने के कारण भी अल्युमीनियम में गिरावट आई है। बकौल प्रवीण यह सुस्ती जारी रह सकती है।

सोना

एमसीएक्स में सोना अक्टूबर वायदा 0.32 फीसदी बढ़कर 18,439 रुपये प्रति दस ग्राम के स्तर पर पहुंच गया। सोना दिसंबर वायदा में भी 0.34 फीसदी की बढ़त रही। विश्लेषकों के अनुसार सोने में यह बढ़त रुपये में आई कमजोरी का नतीजा है। साथ ही यूरो जोन के माइक्रो इकानॉमी आंकड़ों में आई गिरावट का असर भी सोने पर पड़ा है। निवेशकों के अनुसार यहां से कुछ तेजी आ सकती है।

गुड़

त्यौहारी सीजन की शुरूआत के साथ ही मांग बढ़ने



के कारण गुड़ में तेजी रही। एनसीडीईएक्स में गुड़ नवंबर वायदा 1.4% बढ़कर 869 रुपये प्रति 40 किलो हो गया। गुड़ जनवरी वायदा में भी 1.7% की तेजी रही। कर्वी कॉमट्रेड के विश्लेषक वीरेश हिरेमथ के अनुसार त्यौहारों के कारण चीनी में आई हल्की तेजी का गुड़ पर असर पड़ा है। वीरेश का कहना है कि यह तेजी कल भी जारी रहने की संभावना है।

आलू

लगभग डेढ़ महीने की गिरावट के बाद आलू में तेजी का रुख रहा। एनसीडीईएक्स में आलू अगस्त वायदा चार फीसदी बढ़कर 316.50 रुपये प्रति क्विंटल पर पहुंच गया। आलू सितंबर वायदा और मार्च वायदा में भी चार फीसदी की बढ़त दर्ज की गई। विश्लेषकों का मानना है कि आलू काफी नीचे आ चुका है

औद्योगिक उत्पादन घटा, खाद्य वस्तुएं महंगी

नई दिल्ली (प्रेट्र)। कारखानों में उत्पादन की गति धीमी पड़ने से देश के औद्योगिक उत्पादन की चाल जून में सुस्त पड़ गई। इसके कारण औद्योगिक उत्पादन पिछले 13 महीने के न्यूनतम स्तर पर चली गई। आठ महीने से लगातार दो अंकों में चल रही वृद्धि दर जून में गिरावट के साथ 7.1 फीसदी रह गई। एक पिछले महीने मई 2010 में औद्योगिक उत्पादन वृद्धि दर 11.5 फीसदी और एक साल पहले जून में 8.3 फीसदी थी। कारखानों में उत्पादन के अलावा खनन और विद्युत उत्पादन की बढ़ोतरी भी हल्की रही। हालांकि विशेषज्ञों का मानना है कि वृद्धि की धीमी रफ्तार को आगे के लिए पक्ता रख मानकर नहीं चलना चाहिए।

विशेषज्ञों का कहना है कि औद्योगिक उत्पादन में किसी एक महीने वृद्धि रफ्तार धीमी पड़ने से यह नहीं मान लेना चाहिए कि रिजर्व बैंक मौद्रिक नीति के अपने रुख को वापस बदल देगा। योजना आयोग के उपाध्यक्ष मोटेक सिंह अहलूवालिया ने कहा कि मैं जून के आंकड़ों के आधार पर कोई निष्कर्ष नहीं निकालूंगा। कई क्षेत्र ऐसे हैं जो अच्छा प्रदर्शन दिखा रहे हैं। विशेषज्ञों का कहना है कि पिछले वर्ष की समान अवधि में उच्च वृद्धि दर (बेस इफेक्ट) के कारण वृद्धि की गति धीमी पड़ी है। पिछले वर्ष इसी महीने में औद्योगिक वृद्धि 8.3 फीसदी थी, ऐसे में इस वृद्धि के ऊपर बड़ी वृद्धि हासिल करना मुश्किल लगता है। पहली

■ जून में 7.1 फीसदी रहा औद्योगिक उत्पादन

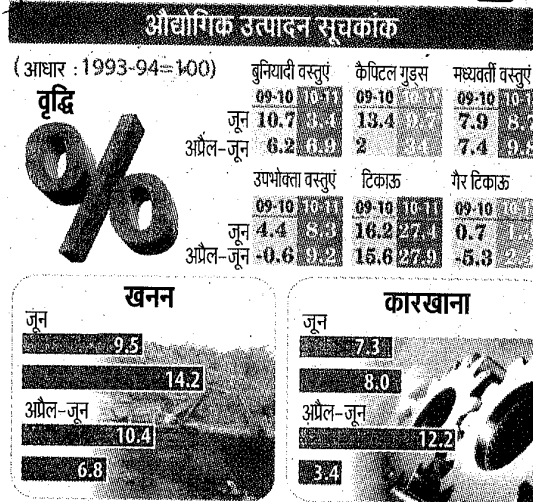
तिमाही में औद्योगिक वृद्धि 11.6 फीसदी रही जो पिछले वर्ष तिमाही में 3.9 फीसदी थी। बहरहाल, जून के निम्न आंकड़ों पर एक्सिस बैंक के प्रमुख अर्थशास्त्री सौगत भट्टाचार्य ने कहा कि बेस इफेक्ट के कारण औद्योगिक वृद्धि के जो आंकड़े पिछले महीनों में दिख रहे थे, वह आने वाले दो से तीन महीनों में नहीं दिखेंगे। अक्टूबर-नवंबर से आंकड़ों में फिर से सुधार आ सकता है। क्रिसिल के मुख्य अर्थशास्त्री डी. के जोशी ने हालांकि, कहा कि जुलाई महीने में औद्योगिक वृद्धि में फिर गति आएगी। उन्होंने कहा कि जून के आंकड़े कम हैं लेकिन हमें उम्मीद है कि जुलाई

में यह दोबारा वापस आएगा। बहरहाल, औद्योगिक वृद्धि कम होने के कारण आर्थिक वृद्धि 8.5 फीसदी रहने को लेकर अर्थशास्त्रियों की राय बंट गई है। औद्योगिक वृद्धि में गिरावट का अंदाजा इसी से लगता है कि आईआईपी में 26 फीसदी भारांश रखने वाले प्रमुख ढांचगत क्षेत्र की वृद्धि जून में केवल 3.4 फीसदी रही थी जो पिछले 10 महीने में सबसे खराब प्रदर्शन था।

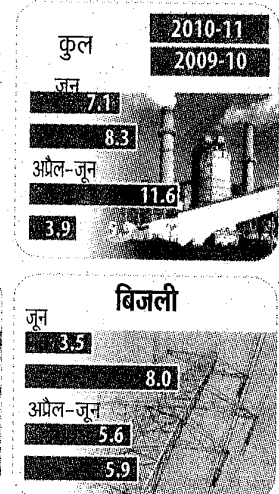
आईआईपी के तहत आने वाले 17 उद्योगों में से 13 का रुख सकारात्मक रहा। सरकारी आंकड़ों के अनुसार औद्योगिक उत्पादन सूचकांक में 80 फीसदी भारांश वाले कारखाना क्षेत्र की वृद्धि जून में धीमी होकर 7.3 फीसदी रही जो एक साल पहले इसी महीने 8 फीसदी थी।

अनुमान के अनुरूप है गिरावट : उद्योग जगत

नई दिल्ली (प्रेट्र)। भारतीय उद्योग जगत ने गुरुवार को कहा कि जून माह में औद्योगिक वृद्धि दर का गिरकर 7.1 फीसदी पर आना अनुमान के अनुरूप है। उन्होंने कहा कि आर्थिक प्रोत्साहनों को वापस लेने के कारण इसमें गिरावट दर्ज की गई है, साथ ही पिछले वर्ष की समान अवधि में दर्ज मजबूत दर के हिसाब से युक्तिसंगत है। सीआईआई के महानिदेशक चंद्रजीत बनर्जी ने कहा कि औद्योगिक उत्पादन में गिरावट अनुमान के अनुरूप है, क्योंकि यह मोटे तौर पर पिछले साल की समान अवधि के उच्च बेस रेट को दर्शाती है। फिक्की ने कहा कि यहां चिंता का विषय पिछले साल की समान अवधि की तुलना में जून 2010 की दर कम होना है। फिक्की महासचिव अमित मित्रा ने कहा कि भारतीय कारखाना क्षेत्र की धीमी गति मौद्रिक और प्रोत्साहन उपायों की वापसी के कारण देखी गई है। वहीं अन्य उद्योग संगठन एसोचैम ने हालांकि कहा कि जून में आई गिरावट मुद्रास्फीति दबाव के कारण कच्चे माल की कीमतों में बढ़ोतरी है।



स्रोत : सांख्यिकी एवं कार्यक्रम क्रियान्वयन मंत्रालय



ग्राफ : प्रेट्र

खाद्य मुद्रास्फीति दर बढ़कर दो अंकों में

नई दिल्ली (एजेंसी)। एक बार संयम के संकेत देने के बाद खाद्य वस्तुओं की महंगाई दर ने एक बार फिर घरों के बजट को बढ़ा दिया है। अनाज, सब्जियों और दूध की कीमतें बढ़ने के कारण जून माह के पिछले सप्ताह के दौरान यह 11.40 फीसदी पर पहुंच गई। जुलाई के दो हफ्तों में एकल अंकों में चल रही खाद्य वस्तुओं की मुद्रास्फीति के बार फिर दोहरे अंकों में दाखिल हो गई। गत 31 जुलाई को समाप्त सप्ताह में थोक मूल्य सूचकांक पर आधारित खाद्य मुद्रास्फीति की दर 1.87 प्रतिशत उछल गई। गुरुवार को जारी सरकारी आंकड़ों के अनुसार इससे पिछले सप्ताह में यह 9.53 प्रतिशत पर रहा था। विशेषज्ञों और विश्लेषकों को हालांकि यह उम्मीद है कि दोहरे अंक की वापसी

संभावित है। अच्छे मानसून की वजह से हरी-भरी खरीफ फसल के दम पर यह दर आगामी महीनों में और नीचे गिरेगी।

जारी आंकड़ों के मुताबिक, इस अवधि में कॉफी की कीमतों में तीन प्रतिशत, चाय में दो प्रतिशत और मसाला में एक प्रतिशत की वृद्धि होने के बावजूद फल एवं सब्जियों, अरहर, समुद्री मछली, मसूर और बाजरा की कीमतों में एक-एक प्रतिशत की गिरावट आने से खाद्य पदार्थों के समूह का सूचकांक 0.2 प्रतिशत उतर गया। कच्चा सिल्वर की कीमतों में चार प्रतिशत, नारियल दो प्रतिशत, मूंगफली, बिनौला और तंबाकू की कीमतों में एक-एक प्रतिशत की तेजी रहने से गैर खाद्य पदार्थों के समूह का सूचकांक 0.2 प्रतिशत बढ़ गया।

Copper hits 2-week low

REUTERS

Singapore, 12 August

125
25

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 56,400 yuan a tonne, off a low of 56,050 yuan, which was its weakest since July 30.

Three-month copper on the London Metal Exchange dipped \$24.75 to \$7,166.25 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 back-drop is still pretty positive."

opened up at 45 per cent.

GoM may clear mining relief plan⁹³₁₆

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.

Lets 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 upgradation 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 the 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 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 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.*

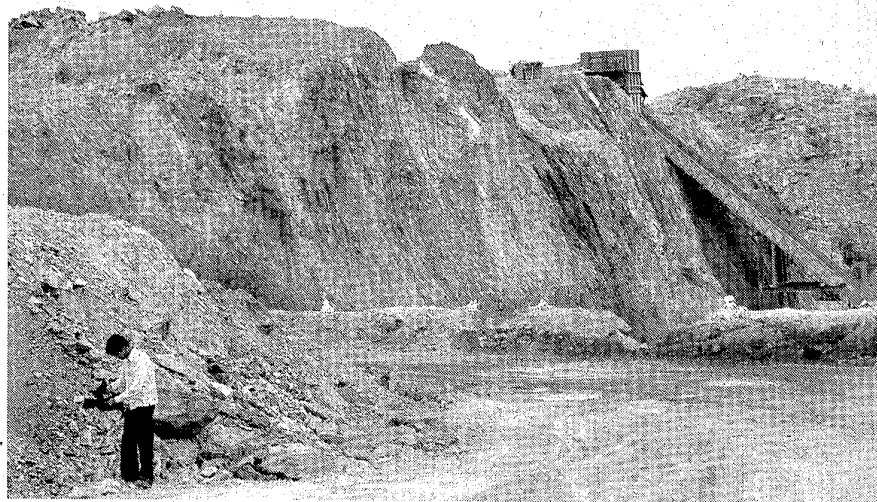
M. R. Venkatesh

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.

Apparently, 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



Why should genuine exporters pay the price for lapses on the part of the administration?

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 SCOOT

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 Belekeri Port Conservator had forwarded the stock statement aggregating 800,000 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 Belekeri port area. These stocks, as per court orders, were to be seized and kept in the safe custody of the Port Conservator of Belekeri.

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 Belekeri, 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 800,000 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 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

26-10
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 Moubhandar in Jharkhand 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 5710

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 onland 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.

PNS

Gold extends gains 05-16

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.

Spot platinum was last at \$1,512.50 an ounce, while palladium was at \$461.

Bullion rate

Mumbai: Silver spot (.999 fineness): Rs 29,405;

standard gold (99.5 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

९७-१६
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 \$7,150 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.

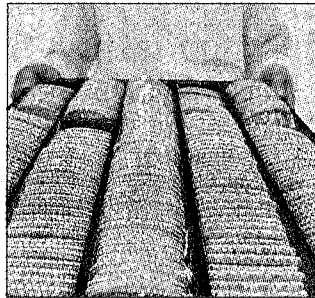
Battery material lead fell to a two-week low of \$2,032.50 a tonne. It was last at \$2,056 a tonne from \$2,061 on Wednesday and tin was at \$19,750 from \$19,850.

Gold nears 4-week high as economic outlook dims

82-12

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 \$1,264. 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

7315
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 3.5 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

fe Bureau

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

ENERGY BOOST

- Cairn Energy owns 62.37% in Cairn India; Vedanta may buy all or some of this holding
- Cairn owns the largest onland oilfield in India; Vedanta has no energy business now
- Cairn produces 110,000 bpd from Mangala field; 125,000 bpd peak output seen this month



Anil Agarwal,
Chairman, Vedanta Resources

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 8.40pm (IST) London Stock Exchange at £ 21.83. In contrast, the Cairn India stock gained 2.41% at close on Thursday the Bombay Stock Exchange. "Dis-

cussions 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 re-

ported 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 Vedanta'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 \$3.5 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 boe 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 11 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. Lets 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 ¹⁴²/₁₃



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 commex 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

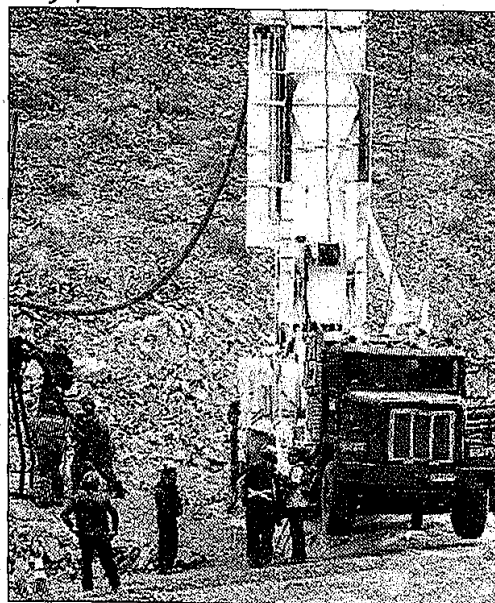
145-31

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 tonne 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 China's imports of the red metal.

There are two powerful drivers behind this new "normal". First and foremost is the



China's copper imports may slow down in the second half of this year

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 opportunist 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 an-


alyst at Credit Suisse. "It will probably be more of a minority interest," he said, noting that Vedanta is already relatively highly geared.

Numis analyst Sanjèev 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

How They Stack Up

(FY10)



	Vedanta	Cairn India
Revenue	\$ 7.9bn	0.68m
Net income	\$ 603m	-14.6m
M-cap	\$ 9.4bn	\$13.7bn

► Vedanta fell to 2181 pence, down 75%, in London

► Cairn India gained 2.4% to close at Rs 340.60 on BSE

► Cairn Energy holds **62.37%** stake in Cairn India

► At Thursday's price of **Rs 340.60**, Cairn's stake is worth over **\$8.5bn**

► After deal Vedanta owned by **Anil Agarwal**, will be the 2nd largest miner in world after BHP Billiton to have an interest in 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 AYAN 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 Kajaria, president PHD Chamber has another solution: Deduct all expenses incurred with regard to mining and de-

veloping mines, including royalty and lease payment to authorities, while calculating profit. 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 over-ride the promoter and these shareholders 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 Seshagiri Rao, joint managing director and group chief financial officer, JSW Steel.



Members of the Dongria Kondh tribe gather on top of the Niyamgiri mountain, which they worship as their living god, to protest against plans by Vedanta Resources to mine bauxite from that mountain near Lanjigarh in Orissa. PHOTO: REUTERS

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 tribals might be short-changed again because of their unfamiliarity with board-room rules.

Chandra Bhooshan 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.

Bhooshan 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 2009 and 26 per cent by 2014. At the end of 2014, black investors will be given full shareholder rights in all transactions, with deals taking place within agreed timeframes 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 payroll, 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."

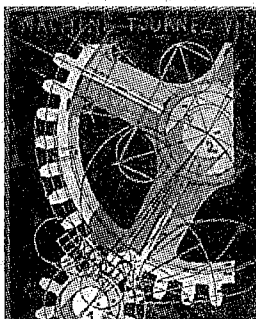
Xaviur Dius of Birs Mines Monitoring Centre of Jharkhand, said strong oversight is needed to ensure tribals get their due. "Who will ensure that tribals are not being cheated?"

Dius 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.

आठ माह से लगातार दो अंकों में रही औद्योगिक विकास दर घटकर इकाई अंक में आई **सुस्त पड़ी औद्योगिक वृद्धि, 13 माह में न्यूनतम**

नई दिल्ली। कल कारखानों में उत्पादन धीमा पड़ने से देश के औद्योगिक उत्पादन की चाल जून में सुस्त पड़ती हुई पिछले 13 महीने के न्यूनतम स्तर पर चली गई। आठ माह से लगातार दो अंकों में चल रही वृद्धि दर जून में घटकर 7.1 प्रतिशत रह गई। एक माह पहले मई 2010 में औद्योगिक उत्पादन वृद्धि 11.5 प्रतिशत और एक साल पहले जून में 8.3 प्रतिशत रही थी।

कारखानों में उत्पादन के साथ-साथ खनन और विद्युत उत्पादन की वृद्धि भी हल्की रही। विशेषज्ञों का कहना है कि औद्योगिक उत्पादन में किसी एक महीने वृद्धि रफ्तार धीमी पड़ने से यह नहीं मान लेना चाहिए कि रिजर्व बैंक मौद्रिक नीति के अपने रुख को वापस बदल देगा। योजना आयोग ने उम्मीद जताई है कि जून के औद्योगिक वृद्धि के आंकड़ों को साल के बाकी माह के लिए पक्का रुख मानकर नहीं चलना चाहिए। विशेषज्ञों का कहना है कि पिछले साल के समान महीने में उच्च वृद्धि दर (बेस इफेक्ट) के



औद्योगिक उत्पादन एक नजर में

क्षेत्र	वृद्धि (फीसदी में)
इंफ्रास्ट्रक्चर	3.4
कारखाना	7.3
खनन	9.5
बिजली उत्पादन	3.5
टिकाऊ उपभोक्ता	27.4
उपभोक्ता गैर-टिकाऊ	1.3

में जून के आंकड़ों के आधार पर कोई निष्कर्ष नहीं निकालूंगा। कई ऐसे क्षेत्र हैं जो अच्छा प्रदर्शन दिखा रहे हैं।

-मोंटेक सिंह अहलूवालिया, उपाध्यक्ष, योजना आयोग

कारण वृद्धि की गति धीमी पड़ी है। पिछले वर्ष औद्योगिक वृद्धि 8.3 फीसदी थी, ऐसे में वृद्धि के ऊपर बड़ी वृद्धि हासिल करना मुश्किल है। पहली तिमाही में औद्योगिक वृद्धि 11.6 फीसदी रही जो पिछले वर्ष तिमाही में 3.9 फीसदी रही थी। एक्सिस बैंक के प्रमुख अर्थशास्त्री सौगत भट्टाचार्य ने कहा कि बेस

इफेक्ट के कारण औद्योगिक वृद्धि के जो आंकड़े पिछले महीनों में दिख रहे थे, वह आने वाले दो-तीन महीनों में नहीं दिखेंगे। अक्टूबर-नवंबर से आंकड़ों में फिर से सुधार आ सकता है। क्रिसिल के मुख्य अर्थशास्त्री डीके जोशी ने कहा कि जुलाई में औद्योगिक वृद्धि में फिर गति आएगी। एजेंसी