Vedanta FY12 net drops 46%; revenue rises 23%

Hopes to complete Sterlite Industries, Sesa Goa merger by August

London-listed Vedanta Resources, which controls stake in India’s copper to aluminium-maker Sterlite Industries, on Thursday said its consolidated net profit fell 46% to $387 million for the fiscal year 2011-12 as it took a $400-million mark-to-market hit on the volatile rupee, paid highest interest on loan taken to purchase oil refiner Cairn India and had to cut down aluminium production at its Orissa plant due to power shortages.

“The outlook for natural resources remains robust,” chairman Anil Agarwal told analysts after announcing the results in London. “Vedanta, with a low-cost structure and an Indian asset base, is well-positioned to serve the country.”

Operating profit or earnings before interest, tax, depreciation and amortisation (Ebitda) rose 12% to $4 billion with oil and gas contributing 18%, making up the drop in iron ore. Iron ore contributed only 18% to the Ebitda this year as it stopped iron ore mining in Karnataka following a Supreme Court order. Vedanta was trading at 575 pence per share, down 5% from the previous day’s close in afternoon trading on the London Stock

Exchange on Thursday
The company’s yearly revenue grew 23% to $14 billion from $11.43 billion in the same period last year. Vedanta’s net debt as of March 31 stands at $10.1 billion.

The group, which reported a net profit of $715 million last year, said it expects to complete the merger of its subsidiaries Sesa Goa — an iron ore miner — and Sterlite Industries, a zinc to aluminium metal producer, by August.

“Extraordinary meetings for shareholders in the subsidiaries will be held in June,” MS Mehta, Vedanta’s chief executive, told analysts. “This will be first step in the streamlining plan — a merger of Sesa Goa and Sterlite Industries into Sesa Sterlite forming the eventual umbrella unit for Indian operations.”

Vedanta is also keen to buy out the Indian government’s minority stake in its subsidiaries Hindustan Zinc and Bharat Aluminium (Balco). Mehta said the company is engaged in talks with the government, but refused to give a deadline.

“We maintain our view that the restructuring would be of transformational significance for Vedanta shareholders, removing considerable debt burden and improving cash flow,” analysts of London-based brokerage Liberum said in a note. “However, a number of hurdles remain and, therefore, the road to deal closure may not be entirely straightforward.”

Vedanta, the largest aluminium producer in India, expects a double-digit growth in demand in India. Mining majors around the world have been cautious about outlook for financial year 2012-13. BHP Billiton told investors on Wednesday that it expects commodity markets to cool down. The company also backed away from a major spending plan, putting its capital expenditure plans on hold.

Vedanta too is nearing the completion of its own $13 billion spending programme. The company’s chief executive Mehta said that it has reached an inflection point with its spending programme.

“We are very comfortable, having completed a large part of our journey,” he told analysts. “We have always maintained structurally low costs in most of the sectors where we are present.”
VEDANTA’S FY12 PROFITS UP 12.9% AT $4 BILLION

London: Mining conglomerate Vedanta Resources on Thursday reported a 12.9 per cent growth in its core profits to $4.028 billion for the year 2011-12, buoyed by earnings from recently acquired Cairn India and higher output in zinc, silver, and power.

The London-listed firm had reported $3.566 billion EBITDA in FY’11.

“...This has been a transformational year for the group, in which we completed the Cairn India acquisition and announced the consolidation of the group,” Vedanta chief Anil Agarwal said.

Core profits at $783 million from Cairn, which was acquired in December last year, accounted for most of the rise in EBITDA.

However, Vedanta’s Sesa Goa, was a drag on the group’s core profits as it reported a 38.6 per cent drop in EBITDA to $721.4 million, mainly due to 26.6 per cent drop in its iron ore production. – PTI
Sail signs MoU with Mongolian mines ministry

SAIL signed an Memorandum of Understanding (MoU) with ministry of mineral resource and energy (MMRE) of Mongolia at Ulaanbaatar, Mongolia, for exploring business opportunities in the mining and steel sectors. It was signed by H.E. Balkhuu Bataa, director (mining & heavy industry), policy department, of Mongolia, MMRE and Rakesh Kulshreshtha, Sail EDt, with Sail chairman C.S. Verma and other delegates from India and Mongolia. According to the MoU, MMRE will provide information on iron ore and coal deposits in Mongolia to Sail.
Against the Grain

Vedanta meets forecasts, gives rosy outlook

Vedanta's full-year attributable profit falls 46% to $387 million, hit by power outage, weak rupee, interest costs

By Clara Ferreira-Marques

India-focused miner Vedanta Resources Plc gave a sturdy outlook for commodity markets, bucking the trend among peers, even as aluminium losses, a weak rupee and higher interest payments hit profit.

Core profit for the year to March, however, rose 13% to $387 million, hit by power outages at mines, weak rupee and higher interest payments.

"The outlook for natural resources remains robust," chairman Anil Agarwal said on Thursday, adding that Vedanta, with a low-cost structure and an Indian asset base, was well-positioned to serve Asia's third largest economy. Vedanta, the largest aluminium producer in India, expects double-digit growth in aluminium demand there.

Other major miners have been cautious in recent weeks, with the world's largest, BHP Billiton Plc, telling investors on Wednesday it expected markets to cool further as investors lose confidence in the longer-term health of the global economy. BHP also backed away from a major spending plan.

Vedanta's full-year attributable profit fell 46% to $387 million, in line with expectations, as it suffered the impact of power outages at its aluminium unit, a hit from a volatile rupee on borrowing by Indian units, and higher interest payments as a result of the $8.7 billion Cairn deal.

Spending on Cairn India lifted net debt to $10.1 billion.

Earnings before interest, tax, depreciation and amortisation (EBITDA), however, rose 13% to $4 billion for the year, largely thanks to a $713 million contribution from Cairn that helped offset iron ore woes.

Vedanta last month reported a drop in full-year iron ore output, hit by a ban on mining in Karnataka and logistical bottlenecks in nearby Goa that dented a key profit contributor. Vedanta said the Karnataka ban, to crack down on illegal mining, was being heard by the Supreme Court and expected a resolution soon. The next hearing will be in July.
ROOT CAUSE
Sudeep Chakravarti

THE BUSINESS OF NAGALAND

There was a buzz about Nagaland this past week, at least in regional security and political circles, and even for those who eye business in this part of India abutting Myanmar, where political temperatures appear to be cooling and India’s make-nice diplomacy to counter-balance China appears to be paying off.

A group of ambassadors from the European Union countries swung by for a three-day tour of Nagaland earlier this week. They met top officials and various power centres of Nagaland in Kohima, the capital set deep in the Naga Hills, and ended their quite unusual visit with a meeting in Dimapur—the state’s bustling commercial hub—at the local chamber of commerce. The envoys spoke of the possibility of their countries and the European Commission facilitating development, commerce and investment.

Local power circles were abuzz too about a Lafarge SA, in preliminary discussion with Nagaland’s leadership for establishing a limestone and shale mining facility in south-eastern Phek district of Nagaland to feed a planned cement plant in nearby contiguous Myanmar. This “bilaterial” model could be a template of Lafarge Unimau Mining Pvt. Ltd, a subsidiary, with its quarrying operations in Meghalaya to feed by conveyer a Lafarge-controlled cement plant across the border in Bangladesh. Representatives of several hydrocarbon businesses, both Indians and overseas, too have been nosing around, as talk builds up about the state government considering the exploration of petroleum in three districts of Nagaland.

Local as these buzzes were, the loudest was over implications of a major Naga rebel group, National Socialist Council of Naga (Khaplang), whose reclusive leader, S.S. Khaplang, an “Eastern” Naga, operates out of a base in Myanamar, signing a ceasefire deal with Myammar’s authorities in April. The deal implieas the arrangement this faction has with the government of India within the boundaries of Nagaland. But the Naga deal goes farther. There is even talk of an autonomous region for Eastern Nagas.

Insiders also mention a corollary deal—unwritten—by which the Khaplang faction will cease to offer support and sanctuary in Myanamar to two key Manipuri rebel groups, the United National Liberation Front and the People’s Liberation Army. This will directly bolster India’s security construct.

The Khaplang-led Naga rebel faction has also upped rhetoric aimed at its chief rival, National Socialist Council of Nagaland-Isak-Muivah, or NSCN (I-M), the largest and most powerful Naga rebel group led by Iboh Chidi Sen and Thangalemg Muivah, which with near-impunity runs parallel governments in most Naga regions in India. The I-M grouping, sometimes called “the mother of all rebel groups” for its propensity to nurture, train and supply rebel groups in the North-East to upset India’s equilibrium as well as keep up streams of influence and revenue, is also in ceasefire mode. But it has for long held out with its demand for a greater “Nagalim” that, besides Nagaland, would include the contiguous Naga-majority regions in Manipur, Arunachal Pradesh and Assam.

In a distinct departure from its arch-rivals, leaders from the Khaplang group have made statements about Nagaland and Naga regions elsewhere having their unique needs and futures—a stand that pleases India and Myammar. A third Naga rebel faction, NSCN (Unification), also in talks with India, has made similar noises this past week. The NSCN (I-M) group, vowing a flanking manoeuvre—it openly seeks India’s help of things hing along—has hit back with strong comments, putting on display already faltering reconciliation process among various Naga rebel groups. The Forum for Naga Reconciliation, a church-and civil society-led initiative, has planned a reconciliation meeting on 25 May at Chiang Mai in northern Thailand, the site of earlier reconciliation meetings—even photo-up soccer matches in 2008 and 2009 among various factions. The meeting early next week is in jeopardy, with both the I-M and Khaplang factions declining to attend.

Indeed, I heard talk among Nagal security watchers in Kohima and Dimapur earlier this week that some hardliners and “next generation” leaders in NSCN (I-M) are so upset with the recent play of its rivals and Indian’s security mandates that it has prepared Plan B: breaking away from the ceasefire and setting up safe bases along the border with China, parts of Myanmar and Bangladesh. Should this happen, conflict will be intense and severely affect civilians.

Equally, however, there is a parallel sentiment that with NSCN (I-M) relatively cornered—aided by India’s growing outreach with both Myammar and other Naga rebel groups—Nagaland’s future will continue to be India-led, and Myammar-blessed. Alongside, with Manipur’s rebels under pressure, it’s a major step to secure the region. Sudeep Chakravarti writes on issues of conflict in South Asia. He is the author of ‘Red Sun: Travels in Naxalite Country and the Just-published Highway 39: Journeys through a Fractured Land’. This column, which focuses on conflict situations that directly affect business, runs on Fridays.
Coal auctions face delay as ministry mulls exploration

BY RUCHIRA SINGH
ruchira.s@livemint.com

NEW DELHI

The coal ministry is considering a move to first assess deposits at 54 blocks earmarked for auction, which could delay the government’s ambitious plan to boost coal output and worsen the power crisis in the country.

"Most of the blocks have not been explored. For some of the blocks, the information is sketchy. We are looking at the possibility of CMPDI (Central Mine Planning and Design Institute Ltd, a unit of state-run Coal India Ltd) exploring them," said an official close to the auction-drafting process, not wanting to be named.

Exploration is aimed at arriving at an estimation of the quantity, location and quality of the deposits, and is normally done by drilling into the earth and studying samples, a process that takes two-three
Coal auctions face delay as ministry mulls exploration

years. In the best-case scenario, CPSEs could announce a part of the job and deploy more people to shorten the time to one-two years.

A second official said the matter was under discussion within the coal ministry and a decision will be taken this week after consulting the power ministry. Both coal ministry officials didn’t want to be named.

Coal minister Sriprakash Jaiswal has said several times in the last year-and-a-half that the process for coal block auctions via competitive bidding was being formulated and should be conducted this year.

Jaiswal had said this would replace the earlier system of allocations of blocks and bring in greater transparency.

The plan has been hailed as a prosaic revenue earner for a government struggling to rein in the fiscal deficit much along the lines of telecom spectrum, and oil and natural gas block auctions. Several companies have said they were planning to bid for the blocks.

Getting the blocks explored will help the bidders know what they are bidding for and the valuations could be more accurate, said analysts and an industry official. But the delays in boosting coal output could harm economic growth, they said.

“Without exploration, nobody would have bid and the price would have tended to be low,” said Rakesh Arora, managing director and head of research at brokerage firm Macquarie Capital Securities (India) Pvt. Ltd. “But quite obviously, the delay would hurt the Indian economy.”

Arora said it was good for the prospective bidders to have the government explore the blocks as they would have had to explore them anyway.

“Getting the blocks explored first is the most sensible thing to do. The bidders can make a meaningful bid and the government will also rest assured it has not underprice its reserves,” said Sandeep Jaidka, chairman of the national council on coal at industry lobby group Associated Chambers of Commerce and Industry of India.

The government would need to take several interim measures to boost coal availability to offset the delay, said Jaidka.

The government would need to take several interim measures to boost coal availability to offset the delay, said Jaidka. The coal ministry has already committed to increase production by 100 million tonnes this year, up from 250 million tonnes in the last few years.

“Why should we allow countries like Australia, Indonesia and South Africa to sell coal at exorbitant rates when we have our own reserves,” Jaidka said.

Macquarie’s Arora said it was possible the government would find ways to maximise coal availability in the local market rather than resort to more imports as the current account was under stress.

“The government could deliberately push Coal India (the country’s monopsony producer of the fuel) to raise output and fast-track stalled projects,” Arora said.

Under the auction plan, the 64 blocks have been categorized into three. The first category with 16 blocks is for government companies such as Steel Authority of India Ltd and Rourkela Iron and Steel Ltd, and commercial mining firms such as state-owned mineral explorers, and would include coking coal blocks. These companies will pay a reserve price, but will not place any bids as public sector companies are not allowed to do so.

The second category, also of 16 blocks, is meant for power companies such as NTPC Ltd and Damodar Valley Corporation, which will base bids on the tariffs they will charge. Those quoting the lowest tariffs will win.

The third category will have 32 blocks available for competitive bidding by steel and cement firms. All blocks other than those for professional miners will be for captive use.
सोने की क्वांट में चीन फिर भारत से आगे

नई रिपोर्ट। गोल्ड िस्तर पर सोने की क्वांट में चीन ने 2012 की साल की पहली हिमालय में पहले स्थान पर रहा, और भारत द्वारा 207.60 टन सोने की खरीदी की गई। इस बार गोल्ड स्टार्टेक्स ने दो सय सोने की खरीद की गई। यह गोल्ड खरीद में मुख्य भूमिका निभा रहा है। चीन ने खरीद उठाकर भारत की मुद्दों को स्वीकार कर दिया है। इसे भारत के लिए अच्छी खबर रही है।

रिपोर्ट के मुताबिक सोने की खरीदी में भारत की क्वांट की हुई है। इसी कारण चीन ने भारत को सोने का सोना दिया है। इस रिपोर्ट के मुताबिक सोने की खरीदी में भारत की क्वांट की हुई है। इसी कारण चीन ने भारत को सोने का सोना दिया है।
वेदांता का मुनाफ़ा १२.९ फीसदी बढ़ा

लंदन। भारत कृत्रिम खनन समूह वेदांता रिसर्चसेंटर का कर एवं अन्य प्रावधानों से पूर्व मुनाफा २०११-१२ के पौरान १२.९ फीसदी बढ़कर ४.०२ अरब डॉलर हो गया। हाल में चेन्नई स्मिथस की आधे-वर्षीय अनगड़ा, छाया और बिजली के बेहतर उत्पादन के कारण समूह के मुनाफे में इजाफा हुआ। विशलेखकों ने कहा कि कर पूर्व मुनाफा कंपनी की उम्मीदों के अनुसार चार अरब डॉलर रहा। लंदन में सुप्रीमक्यूट कंपनी ने २०१०-११ में ३.५६ अरब डॉलर का कर पूर्व मुनाफा कमाया था।
Vedanta’s core profits up 13%

LONDON: Vedanta Resources today reported a 12.9 per cent growth in its core profits to $4.026 billion for the year 2011-12, buoyed by earnings from recently acquired Cairn India and higher output in zinc, silver, and power. The London-listed firm had reported $3.566 billion EBITDA in FY’11. Core profits at $713 million from Cairn, which was acquired in December last year, accounted for most of the increase in group EBITDA of Vedanta.
Greek worries cap copper's gains

Reuters
London, May 17
Copper steadied on Thursday following heavy losses in the previous session that dragged prices to four-month lows, but gains were fragile as worries about the deepening political crisis in Greece kept investors cautious.

The metal used in power and construction snapped four sessions of falls but worries surrounding the euro zone debt crisis, a slowdown in top consumer China and the delicate state of the US economy prevented further gains.

Three-month copper on the London Metal Exchange (LME) traded at $7,665 in official rings, up 0.13 per cent from a close of $7,655 on Wednesday.

Copper, which rallied by more than 12 per cent between the beginning of the year and early February, has since shed almost all of its 2012 gains, falling steeply on Wednesday to a four-month low of $7,625.

Data from the LME showed overall inflows of 2,100 tonnes of copper into warehouses monitored by the exchange, with those in Busan, South Korea drawing in 2,875 tonnes of the metal.

In other metals, aluminium was untraded in official rings, but bid at $2,033 from Wednesday's close of $2,035 a tonne, while zinc traded at $1,887 from $1,898. Nickel was at $16,975 from $17,005, tin was at $19,975 from $19,675 and lead traded at $1,942 from $1,971.
Coal India Launches
More Liberal R&R Policy

PRESS TRUST OF INDIA
NEW DELHI

Coal India has introduced a more flexible policy for resettling and rehabilitating people affected by its mining projects, the government said on Thursday.

"CIL has introduced a liberalised new Resettlement and Rehabilitation (R&R) policy... It attempts to consolidate the different resettlement and rehabilitation practices that are being followed by CIL subsidiaries," coal minister Sriprakash Jaiswal said. The concept of annuity in lieu of compensation is being introduced to mitigate the ever dependence of families affected by the project. Other features include land compensation to land outsees as per the provisions of concerned act or state government notification, employment to land outsee against every two acres of land, among others, he added.
भारतीय इंजीनियर्स की तलाश में विदेशी माइनिंग कंपनियाँ

हैंडी म्युन्डो ने दिल्ली में एक अंतर्राष्ट्रीय मित्रशाला के तहत आयोजित बैठक में भारतीय इंजीनियर्स की तलाश में विदेशी माइनिंग कंपनियाँ का आंकड़ा दिखाया।

केंद्रीय मंत्री मोदी ने एक मंच पर स्थापना की कर कहा कि इन कंपनियों को भारत में मौके खोजने के लिए एक विशेष चौंकड़ संगठन का निर्माण किया जा रहा है। इन कंपनियों को केंद्रीय सरकार ने स्वीकार किया कि कंपनियों को भारत में मौके खोजने के लिए एक विशेष चौंकड़ संगठन का निर्माण किया जा रहा है।

कंपनियों को भारत में मौके खोजने के लिए एक विशेष चौंकड़ संगठन का निर्माण किया जा रहा है।
NCPCR to track child labourers in mines

JAIPUR: The National Commission for Protection of Child Rights (NCPCR) has decided to launch mapping of the mining areas and vulnerable regions in Rajasthan and other states to find out child labourers working in mines and quarries.

The objective is to evolve a new child labour tracking system with the emphasis on rescue and rehabilitation.

The NCPCR Working Committee on Child Labour in Mines, which met in New Delhi recently to work towards a comprehensive action plan for the abolition of child labour in the mining sector emphasised the need for bringing accountability in the mining industry.

The Working Committee’s newly appointed member and Secretary of Lok Sambad Sansthan, Jaipur, Kalyan Singh Kothari, also attended the meeting. He said here on Friday that some significant suggestions were made for removing discrepancies in authorised and illegal mining and starting pilot projects to end child labour in mining sector.

The Committee felt that children were more often than not pushed into the mine labour force at a very early age, mainly because of high indebtedness and serious health problems of their parents working as mine labourers.

The entire chain of mining operators is said to be responsible for physical, social, psychological and sexual exploitation of children.

NCPCR member Yogesh Dube, Chairman of the Working Group, suggested that a new child labour tracking system could be developed for mines and quarries in view of the hazardous conditions in mines affecting the children.

Dube called for utilising the RTE Act for the rescue and rehabilitation of child labourers. He said that there is a high dropout rate of children from schools in the mining belt as they had been sucked into the vicious mine labour market.

The NCPCR has identified some institutions under the Integrated Child Development Services (ICDS) and the Panchayati Raj, which could be equipped to make interventions in child labour and extend the benefits of welfare schemes to the rescued children.

The Working Committee members would be making field visits to find the regions where this can be done.

DH News Service
Cairn deal boosts Vedanta’s core profit

Vedanta, the London-listed miner, posted a 13 per cent rise in full-year core profit, as its zinc operations and recently acquired oil producer Cairn India helped offset the impact of a regional mining ban on its key iron ore operations.

Vedanta is in the throes of a simplification of its byzantine structure, which will see it place all but one of its subsidiaries under the umbrella of a single operating unit. The company said it was on track to complete the overhaul by the end of the calendar year.

Earnings before interest, tax, depreciation and amortisation (Ebitda) rose to just above $4 billion, in line with analyst expectations, though its core profit margin, excluding customary stripping, dipped to 40.6 per cent from 44.6 per cent.

The company took a majority stake in Cairn India last year in an $8.7 billion deal, buying most of the stake from Cairn Energy. Core profit from Cairn accounted for the bulk of the group-level increase.

“The outlook for natural resources remains robust,” Chairman Anil Agarwal said today, adding Vedanta with a low-cost structure and an Indian asset base was well-positioned to serve the country.
अयस्क परिवहन के नाम पर हज़ार करोड़ का घपला

मनोज वर्मा

नई दिल्ली। लोग अयस्क के परिवहन एवं इसके प्रयोग के संबंध में पुरुष घोषणा से सरकारी कोश को एक हज़ार करोड़ रुपए का चुनौती लगाने का मामला सामने आया है। यह प्रश्न रेल मंत्री और केंद्रीय अभियान आयुक्त हंदियाल एवं दो निरीक्षण कंपनियों के अधिकारियों ने मिला-बिंदुत करके किया है। इस परिवहन के निर्माण के निर्देश में राहुल बाहु ने अभ्यास देने को संभाला है। प्रवाश को प्रभाव लगाने ही केंद्रीय वित्त मंत्री ने संशोधन मंडल अधिकारियों को निर्देश सरकारी बलों के निर्देश दिए हैं। राहुल बाहु ने सीबीआई द्वारा किये दो भांति दर्जन और दूसरे के एक बड़े आपराधिक अभियान के विरुद्ध आपराधिक संस्था का मामला भी दर्ज किया गया है। सूर्य और विशेष विभाग से अनुसंधानों का मामला भी दर्ज किया गया है।
अनुप्रेषण के नाम पर...

2012 और 3 दिसंबर, 2011 को की गई दर्शन के अनुसार दिशाप्रविष्ट अनुप्रेषण के परिमाण में बढ़ोत्तरी की है। केवल देश के रूप में उच्च स्तर पर लोकतंत्र एवं संघर्ष का उद्धरण करके अनुप्रेषण के परिमाण में बढ़ोत्तरी हो गई है। उच्च स्तर पर लोकतंत्र एवं संघर्ष का उद्धरण करके अनुप्रेषण के परिमाण में बढ़ोत्तरी हो गई है। अनुप्रेषण के परिमाण में बढ़ोत्तरी हो गई है।