Green belt directed around BIA

BANGALORE: The Lok Adalat has directed the State government to create a green belt around the Bengaluru International Airport in view of the increasing air pollution.

During the three-hour marathon hearing on Saturday, the environment experts brought to the notice of the Adalat that there had been an increase in the air pollution around the airport, with nearly 16,000 vehicles plying to and fro, every day. The experts said the flight operations at the BIA too had been casting an impact on the ecosystem. Yellappa Reddy, a member of the Adalats, observed that the oxygen level had come down in the area. More than 500 flights operate from the airport per day.

The Adalat Bench comprising Justice D V Shylen德拉 Kum as and member Yellappa Reddy directed the Infrastructure Development Department, Urban Development Department, Bangalore International Airport Area Planning and Forest Department to create a green belt in a radius of 25 km of the airport.

Mining leases

The Adalat directed the Mines and Geology Department to cancel the mining leases within one kilometre radius of Bannerghatta National Park after observing that the Forest Department had identified 29 cases of mining in the area. The Forest Department was asked to acquire 1,000 acres from Revenue Department to create drinking water facility for elephants so as to prevent human-animal conflict.

DH News Service
पास्को को 2000 एकड़ भूमि का हस्तांतरण

परीक्षण, (भाषा): अभिज्ञ बैंकर, जिन्होंने दार्शनिक विषयक मार्गदर्शक की
इस्पत संगठन ने, 2,000 एकड़ भूमि का हस्तांतरण कर दिया। इस दार्शनिकः के तद्दर्शन विषयक विषयक रूप की है।

पास्को को 2700 एकड़ भूमि का हस्तांतरण

पास्को के लिए, 2000 एकड़, भूमि का हस्तांतरण कर दिया। इस दार्शनिकः के तद्दर्शन का उपयोग कर दिया।

पास्को को 4000 एकड़ भूमि का हस्तांतरण

पास्को के लिए, 4000 एकड़, भूमि का हस्तांतरण कर दिया।
IBM annual performance review meeting held

The annual performance review meeting for the year 2011-12 in respect of Indian Bureau of Mines (IBM) was held under the chairmanship of Vishwa- pant Trivedi, secretary, mines. CS Gundewar, controller general, Indian Bureau of Mines and senior officers from the ministry of mines and Indian Bureau of Mines were present in the meeting. In the meeting the review of performance indicators of various Schemes of IBM for the year 2011-12 was evaluated.
रायली मामले में केंद्र ने ओडिसा से जवाब मांगा

नई दिल्ली, (भाषा): केंद्र सरकार ने ओडिशा में लॉड अस्यर्क पर खारिज रायली की जनाबीद दर्शन के लिए रायली सरकारों पर राय दे जवाब मांगा है। इस पुलिय पर इससे समझदार एक बैलांक होने की विवादना है। बैलांक के एक अधिकारी ने कहा, “ओडिशा सरकार लॉड अस्यर्क के दलील और पुलिय पर उनके उत्तराधिकार के आधार पर एक बैलांक चुना है, जो अधिक रियासत नियम (एचसीटीए) 1960 का उत्तरदायक है। हमारे प्रस्ताव पर राय शर्मा से जवाब मांगा है।” इस प्रस्ताव दिल्ली वैज्ञानिक में इसकी समीक्षा की गई।

कुछ इस प्रकार एक बैलांक चुना है, जो अधिक रियासत नियम (एचसीटीए) 1960 का उत्तरदायक नियम है। इस प्रस्ताव दिल्ली वैज्ञानिक को एक राय दे जवाब मांगने के आधार का निर्देशन का उपयोग कर सकता है। इस प्रस्ताव के दर्शन के अधीन रायली को विवाद पर राय दे जवाब मांगने की विवादना है।

भारत सरकार ने अन्यरोजन की रक्षा के लिए राय दे जवाब मांगा गया है, जो अधिक रियासत नियम (एचसीटीए) 1960 का उत्तरदायक नियम है।
Odisha to transfer 2,000 acres of land to POSCO soon

NEW DELHI: The Odisha Government will soon transfer about 2,000 acres of land to South Korean steel major POSCO to begin work on its USD 12-billion project near Paradip in Orissa, stuck for seven years now.

"We have acquired 2,000 acres of land for POSCO. We have begun the process of land transfer which will be completed as soon as possible," Odisha Mines Minister Raghunath Mohanty told the news agency.

"Of the total 2,000 acres acquired by Industrial Infrastructure Development Corporation (IIDCO), 500 acres have already been transferred to the steel major and the remaining will be done at the earliest," he said.

Mohanty said that the steel company now needs 2,700 acres of land to commence work on initial 8 MTPA plant and the State Government would take all possible measures to acquire and transfer remaining 700 acres of land as well.

As per the revised strategy to set up initial 8-MTPA plant, expandable up to 12 MTPA, the Korean major requires 2,700 acres of land. It, last month, had said that it will begin work on the project by October.

For 12 MTPA project, it requires 4,004 acres of land.

Its India CMD Y W Yoon had called on Orissa Chief Minister Naveen Patnaik last month.

Mohanty said the memorandum of understanding (MoU) with POSCO would also be renewed soon and a tripartite agreement will be signed.

The USD 12 billion project (₹52,000 crore) is hanging fire for the last about seven years due to land acquisition and regulatory hurdles.

POSCO had entered into a pact with Odisha Government on June 22, 2005, for setting up the steel mill at Jagatsingpur.

However, even if the steel giant overcomes land problems, it will have to wait for green clearances as the National Green Tribunal on March 30 had suspended the clearance granted on January 31, 2011. The tribunal directed the Ministry of Environment and Forests (MoEF) to review afresh the approval.

The Tribunal had pointed out that memorandum of understanding between the Odisha Government and POSCO states that the project is for steel production of 12 million tonnes per annum (MTPA) but the environment impact assessment (EIA) report has been prepared only for 4 MTPA in the first phase.

The Tribunal’s decision had come close on the heels of Prime Minister Manmohan Singh assuring South Korean President Lee Myung-bak in Seoul earlier this year that the project will be implemented and there was progress on it.
Odisha to transfer 2,000 acres to Posco

The Odisha government would soon transfer 2,000 acres of land to South Korean steel major Posco to begin work on its $12-billion project near Paradip in Odisha, stuck for seven years now. “We have acquired 7,000 acres of land for Posco. We have begun the process of land transfer which would be completed as soon as possible,” Odisha mines minister Raghunath Mohanty said.
MCL RESORTING TO ILLEGAL MINING

Bhubaneswar: A joint verification by the Directorate of Mines and the State-level enforcement squad which was formed in accordance with a 2010 directive of the Supreme Court, has established illegal mining operations by the Mahanadi Coalfields Ltd (MCL) in nine mining areas in violation of forest and environment norms. The verification report reveals that the MCL has taken no approval from the Union Ministry of Forest and Environment for mining in the Hirgir-Rampur colliery.
पॉस्को को जल्द दो हजार एकड़ भूमि देगी ओडिशा सरकार

नई दिल्ली, 24 जून (भाषा)। ओडिशा सरकार जल्द दिशानिर्देश को इस्तेमाल करके पॉस्को को 2000 एकड़ भूमि का हस्तांतरण करेगी। इससे दिशानिर्देश को परियोजना में 12 अवधि दलर की परियोजना पर काम शुरू कर सकेगी। यह परियोजना पिछले साल से आश्चर्य हुई है।

ओडिशा के मंत्री पुष्पक मोहन्ती ने कहा कि हमने पॉस्को को लिए 2000 एकड़ भूमि का अधिग्रहण किया है। हमने भूमि हस्तांतरण की प्रक्रिया सुरू कर दी है, जो अब तू पूरी हो जाएगी। उन्होंने बताया कि ओडिशा राज्य सरकार ने 2000 एकड़ भूमि का अधिग्रहण किया है। इसमें से 500 एकड़ जमीन कंपनी को पहले ही दी जा चुकी है।

मोहन्ती ने कहा कि इसमें कंपनी को हूनआती 80 लाख टन सलाना क्षमता के लिए 2700 एकड़ जमीन की जरूरत है। राज्य सरकार रोज़ जमीन के अधिग्रहण के लिए भी हरसंघव प्रसार कर रही है। कंपनी को जल्द ही शेष 700 एकड़ भूमि भी हस्तांतरित की जाएगी। संयोजित राजस्व के तहत कंपनी को हूनआतो में 80 लाख टन क्षमता का संयंत्र स्थापित करना है, जिसके लिए यहां 2700 एकड़ जमीन की जरूरत होगी। इस संयंत्र की क्षमता को यहाँ तक की जाएगा कि वह यह परियोजना पर अबतुर्क तक काम शुरू कर देगी।
Centre asks for Detailed Study of 54 Mines to be Auctioned

PRESS TRUST OF INDIA

NEW DELHI

The government has asked the Central Mine Planning & Design Institute (CMPDIL) to conduct exploration of 54 mines to estimate the quantum of coal for fixing the reserve price of these blocks which will be auctioned.

The coal ministry had recently identified 54 blocks to be allocated through competitive bidding route to various sectors, including steel, power and cement.

The decision for a detailed exploration of mines was taken in a meeting held on June 19 under the Chairmanship of Coal Secretary SK Srivastava.

"The coal ministry has asked CMPDIL for detailed exploration of 54 coal blocks to assess the quantum of coal for fixing the reserve price of mines," a coal ministry official said.

The 54 coal mines have already undergone regional exploration, the source said.

The coal ministry has also asked CBI to prepare the methodology for determining the reserve price of coal blocks to be auctioned. CBI has been asked to submit its report within three months.

To ensure transparency, the government had earlier announced that from now on coal blocks for captive use would be allocated through competitive bidding.

The coal ministry is in the midst of a controversy after the Comptroller and Auditor General (CAG) in its report estimated Rs 10.6 lakh crore loss to the exchequer due to allotment of coal blocks during 2004 to 2009 without auction to 700 private and public sector companies.

However, CAG Vinod Rai later said the media reports quoting the loss of Rs 10.76 lakh crore did "not even constitute our pre-final draft and are exceedingly misleading".
PSUs, Pvt Cos to Make Joint Bid
For Afghan Copper, Gold Mines

MEERA MOHANTY
NEW DELHI

Shortlisted state-owned and private enterprises from India will join hands to pursue their interest in copper and gold mines in Afghanistan.

Steel Authority of India has invited Monnet Ispat & Energy, Jindal Steel & Power and Sterlite Industries to join the consortium of four PSUs formed by Hindustan Copper, Nalco, MECL and SAIL. “Our focus as per the ministerial mandate is to have a single bid from India. We have asked them to let us know of their interest, and we will be taking a decision on this very shortly,” said Sunheel Almeed, CMD, HCL who chaired the last meeting.

Similar to the Indian consortium, called Afghan Iron and Steel Consortium or AIFISCO, that is finalising an agreement to get rights to mine 1.35 billion tonnes of iron ore, the new consortium will club strengths to bid for gold and copper deposits at Zarkashan in Ghazni, at Badakhshan, and at Herat and Balkh in Shalda districts. The Indian firms were shortlisted in April. Expressions of interest for individual or all four blocks are expected by July 2012. A preliminary site visit has already taken place.
Sesa Sterlite to be Among World’s Top Diversified Resources Cos

Calculus

The verdict on the vote for the merger of Sesa Goa and Sterlite Industries will be announced later today. The combined entity, Sesa Sterlite, will be one of the largest diversified resource players in the world with operations in iron ore mining, copper, aluminium, zinc, lead, silver and oil & gas. Individually, the stock of iron ore miner Sesa Goa trades at a P/E multiple of 6.02, whereas the base metals player Sterlite Industries trades at a P/E of 6.9. But what sort of valuations should the combined entity have?

For the year ended March 2012, Sesa Sterlite’s combined revenue stood at ₹49,240 crore. BHP Billiton, the largest resources player in the world, is six times the size of Sesa Sterlite. With a revenue of about ₹3,14,400 crore, the Anglo-Australian company’s market capitalisation is 2.9 times its revenue, 30% of which comes from iron ore mining, and the rest from coal mining, oil & gas, aluminium and copper. Its operating profit margin has increased from 45% in FY10 to 53% at present. It currently trades at a P/E of 7.42 and a price-to-book value (P/B) multiple of 2.66.

With a turnover of ₹2,81,480 crore, Brazil’s Vale is 5.7 times the size of Sesa Sterlite. Its market cap is twice that of its revenue. Three-fourths of this revenue come from iron ore mining and the rest from coal, aluminium, copper, nickel lead and zinc. This emerging market peer trades at a P/E of 6.01 and a P/B of 1.31.

With a turnover of ₹2,82,460 crore, Rio Tinto is the second largest resources company in the world. The company has operations in coal, aluminium, copper and diamond mining. Its market cap is 1.8 times its sales and it trades at a P/E of 5.83 and a P/B multiple of 1.16.

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LMEX fall may impact metal shares

Metal stocks will continue to be under pressure this week. LMEX – a gauge of six industrial metals - has fallen to $3,129.8 on the London Metal Exchange. Industrial metals such as aluminium, copper, nickel, tin, lead and zinc are part of the index. The index fell about 22 per cent since in the last one year. The weakness in LMEX could put pressure on Sterlite Industries, Hindustan Zinc, Hindalco Industries and Sesa Goa. Meanwhile, Hindalco will announce its full year financial performance on June 27. Manufacturing activity in China, the world's largest consumer of copper and aluminium, weakened further in June. — K.S. Radh Narayanan
Last week, the shareholders of Sesa Goa and Sterlite Industries met separately to decide on the proposal to merge the two companies. The Vedanta Resources-controlled firms will announce the voting results on Monday. The proposal requires the approval of 75 per cent shareholders to go through. Since some investors had raised concern over the merger plans citing huge debt burden, it would be interesting to note the outcome.

Vedanta Resources had in February announced its plan to restructure its operations. Accordingly, the UK-based Vedanta Resources Plc will merge Sesa Goa and Sterlite Industries into a single entity Sesa Sterlite and also offload debt of about Rs 45,000 crore on it. Under the merger, three Sesa Goa shares will be issued for five Sterlite shares. Vedanta will also transfer to the new entity its shareholding of 38.8 per cent in Cairn India along with a debt of $5.9 billion. After the transfer, Sesa Sterlite will have a 58.9 per cent shareholding in Cairn India. There will not be an open offer for Cairn India shareholders as there is no change in promoters. Vedanta Aluminium and Madras Aluminium will be merged with Sesa Sterlite.
Currency comfort to sliding zinc

High earnings visibility and huge cash hoard guard against valuation risks

HINDUSTAN ZINC’S (HZ) stock price has corrected by 19.3% in the last four months (Sen- sex correction of 4.9%), primarily on account of a fall in LME (London Metal Exchange) zinc prices; however, the market has failed to recognise that the company has managed to reduce its cost of production and has increased its capacity utilisation.

Valuation: After a 19.3% correction, HZ currently trades at 8.8x FY13E (forecast) P/E (price to earnings ratio) and 1.8x FY13F P/B (price-to-book value). The stock is trading at a discount to its long-term average multiple of 10x (times) P/E despite strong earnings visibility and cash position. We value the stock at 10x FY14F EPS (earnings per share) of ₹411. The stock has corrected from ₹42 per share, which provides strong support to the stock price. With its fundamentals remaining intact, we upgrade the stock to Buy and raise our TP (target price) to ₹414, from ₹398.

Catalyst: Along with stable earnings in a difficult operating environment, the potential sale of the government of India’s 28.5% stake to Sterlite Industries could be a key trigger for the stock.

As a result, we see strong earnings visibility and despite assuming royalty doubling from FY14 on account of the proposed new mines and minerals Act, we estimate FY14E EPS growth of 1%. Please note that HZ pays a royalty of close to 15% of its net profit. Zinc: Smelters making losses at current prices: We expect zinc prices to stabilise at about ₹2,000/t going forward given: (i) despite a weakening demand environment, zinc surplus continues to narrow and (ii) at current prices, half of the global zinc smelters are unprofitable despite an increase in treatment charges. As a result, we expect downside support to zinc prices at current levels. We estimate net INR realisations for HZ at current levels of ₹1,05,000/t in the near term.

Stable Chinese and improving US demand likely to compensate for weaker European scenario: Zinc demand has remained stable during the January-April period supported by strong Chinese and US demand and which has made up for the weakness in European demand. Chinese zinc demand has been driven by: (i) strong auto and white goods demand; and (ii) 13.9% production growth of galvanised steel. Even US demand was supported by strong auto growth, recovery in residential property-starts and more galvanising of steel. We expect 4.5% global demand growth in 2012 and 5.5% in 2013.

The stock is factoring in a weak LME. While LME zinc prices have come off ₹600/t to ₹$600/t, INR deprecation has more than compensated for the same. As a result, HZ’s realisations should actually improve from FY12 levels. However, the stock has corrected with the fall in LME zinc prices without accounting for the benefits from the INR depreciation. We have built in the current zinc realisations going forward as well.

We have factored in higher royalty from FY14 to factor in the proposed hike in the new mines and minerals Act. We build in royalty payments to go up by ₹6.85bn from FY16E which is close to 15% of HZ’s total profit.

At the same time, we are building in a gradual increase in the tax rate from 17.8% in FY11 and 20.4% in FY12 to 21% in FY13F and 21.5% in FY14F. EOU (export oriented unit) benefits enjoyed by HZ have been withdrawn from FY12, which led to a tax rate increase in FY12. We expect the tax rate to increase marginally going forward, which prior period benefits will gradually come down.

Despite building in higher royalty and tax rate, we see earnings growth of 6% in FY13F and 1% in FY14F. This is on account of stable realisations and the ramp-up of silver and lead volume.

Key risks: (i) Lower than expected zinc lead prices: We estimate zinc lead realisations for HZ to remain at current levels in the near term. If prices fall, there could be a risk to our estimates. (ii) Slower ramp-up of silver lead expansion: The company has already commissioned its 160 tpd lead smelter and 300 t/dmne silver smelter. They operated at close to 30% utilisation in FY12 and we expect utilisation to improve to above 80% in FY13F. Any slippage here would be a risk. (iii) A delay in mining expansion: Production ramp-up would depend on the mining expansion and any delay on this would be a negative risk to our estimates.

—Nomura
पोस्टर को जल्द मिलेगी भूमि

नई दिल्ली • ओंडिहा सरकार ने कहा है कि इंडियन फोरिस्ट्रैचर डिवीजन, पोस्टर को 2,000 एकड़ भूमि प्रदान कर सकता है। राज्य के खाने मंत्री रुद्योश मोहन के नाम पर कहा कि हमें पोस्टर के लिए 2,000 एकड़ भूमि अभिलेखन करने की आवश्यकता है। इसी वजह से पोस्टर के स्थापना के लिए भूमि हस्तांतरण के लिए एक आग्रह भूमि हस्तांतरण करने के लिए है। उपरोक्त बातें के अनुसार पोस्टर के लिए कई एकड़ भूमि प्रदान किया जा रहा है।