Govt faces pricing test in future issues

Govt Will Find It Tough To Sell FPOs Unless They’re Priced Reasonably

Finance minister Pranab Mukherjee and government officials are ecstatic, after the CIL share sale was subscribed 15 times drawing many funds such as Capital International and Janus Capital. The issue, priced lower than global peers, received more than $50 billion worth of bids. Although, it alone covered a third of the targeted ₹40,000 crore, from share sales this year, others have to succeed to bring down the fiscal deficit to 5.5% from a 16-year high of 6.9% last year.

India’s Sensex is one of the best performers in the region and has received more than $23 billion of overseas funds this year. That has led to a long line up of share sales at exorbitant valuations drawing criticism from even Sebi chairman CB Bhave, that investment bankers and companies are ignoring investor interest.

Follow-on offers from Power Grid Corporation, steel-maker SAIL, oil marketing firm Indian Oil, explorer Oil & Natural Gas Corporation, Shipping Corporation and Hindustan Copper have been announced. A new listing of the unique Manganese Ore (MOIL) that doesn’t have a pure-listed peer is also likely to hit the market. Power Grid opens for subscription on November 8. But the FPOs, where stocks already trade on stock exchanges, may not be as easy to sell as the IPOs are due to market volatility that makes pricing difficult.

"Follow-on offers create an ironical situation where fundamentals apart, the company’s own offer price is competing with its market price on a minute-to-minute basis," says Prithivi Haldea, MD, Prime Database. He says a different approach is needed for FPOs in terms of pricing and book-built route.

One such suggestion is to suspend trading in a company’s stock, once it announces a follow-on offer. Globally, trading in a stock is suspended only for 48 hours, as the processes are faster.

Because of the pricing difficulties, SBI and LIC had to bail out some of the past issues such as utility firm NTPC and miner NMDC.

"Share prices are prone to volatility," says Jagannadham Thunuguntla, strategist & head-research, SMC Global Securities. "If trading is suspended in the counter, the discount will be clearly visible to market participants. If not, most participants will find it more attractive to do a direct secondary market purchase."

A buoyant secondary market has helped primary issuances to new highs this year at $19 billion, with at least another $7-8 billion forecast for the rest of the year.
Gold futures may bounce from 2-wk low; copper seen up

Mumbai, Oct 24: India gold futures are likely to bounce back from their over two-week low on bargain hunting after the yellow metal shed 2.8% in the previous three sessions, analysts said.

The most-active December gold contract on MCX last closed at Rs19,328 rupees per 10 grams, down 1.08%, after falling to a low of Rs19,306, a level last seen on October 5.

The contract may open at Rs 19,350, said Abhishek Chauhan, an analyst with Angel Commodities. Gold may trade in the range of

GOLD MAY TRADE IN THE RANGE OF RS 19,200-19,420. THE MOST-ACTIVE DECEMBER GOLD CONTRACT ON MCX LAST CLOSED AT RS19,328 PER 10 GM, DOWN 1.08%

Rs 19,200-19,420, said Chauhan.

India copper futures are likely to open at a level higher on Friday following overseas markets, with investors eyeing the movement in the rupee for direction, analysts said. The most-active November copper on the MCX last closed at Rs 379.45 per kg, up 0.12%. The contract may open at 374 rupees, said Angel's Chauhan. Sideways movement would be there in Copper, support is placed at 368, resistance would be seen at 377, said Chauhan.

The rupee is expected to start slightly weaker, tracking losses in other Asian currencies as the dollar remained supported ahead of the G20 finance ministers' meeting. Reuters
नाल्को की परियोजना अधर में

रेस्पोcitक क्षेत्र की कंपनी नाल्को की उध्रूता परियोजना रेस्पोcitकदी 2010 से अधर में पड़ी है। परियोजना के लागत कंपनी 10,000 करोड़ रुपये का निवेश कर प्रभावित है। कंपनी के अधि ने इसलिए लिखा के, उध्रूता दल ने बताया कि हम चर्च 2012 में परियोजना की सुरुआत और 2017 में अधरता करता जाते हैं। लेकिन अभी तक उध्रूता सरकार ने सारे से कुल रेस्पोcitकदी पुलिंग पर होने वाले विभिन्न प्रकार के कामों के बारे में यह बताया जा रहा है। (ः)
Nalco presents dividend cheque

The chairman and managing director of National Aluminium Company Limited (NALCO), AK Srivastava handed over a dividend cheque of ₹56.15 crore to the minister of mines and development of north eastern region (DoNER), BK Handique. This is the 10% final dividend cheque of ₹56.15 crore on 87.115% shares held by the government.
NOVEL AGREEMENT

Surat diamond barons in $1.2-bn Zimbabwe deal

Mahesh Langa

AHMEDABAD: Diamond barons of Surat, who formed a consortium to boost their business earlier this year, have struck a novel $1.2-billion ($5,200-crore) deal with the government of Zimbabwe in a path-breaking agreement that provides steady demand to the African nation and supply to the polishing and marketing business. Besides, the Gujarat-based industry will also provide training facilities to create skilled artisans in Zimbabwe.

The deal involving the Surat Rough Diamond Sourcing India Ltd (SRDSIL) and representatives of Zimbabwe Diamond Consortium (ZDC) has been signed in Harare. Industry executives told Hindustan Times.

Under the agreement, SRDSIL will buy a minimum of $100-million worth of rough diamonds every month.

Gujarat’s diamond industry exports polished and processed diamonds worldwide after importing them from overseas. It has a huge base of skilled artisans specialising in cutting and polishing of diamonds and more than 90 per cent of the world’s diamonds are said to be cut and polished in Surat.

“This is a very good business deal for Surat diamond units, who are always short of supply of rough diamonds,” said Chandrakant Sanghavi, prominent diamond trader and director SRDSIL.

In exchange for guaranteed sales of $1.2 billion a year, domestic traders will train 1,000 young Zimbabweans in designing, cutting and polishing diamonds and also help Zimbabwe in developing a strong diamond beneficiation industry.
ओएमडीसी-रियो टिंटो का संयुक्त उपक्रम

शेयर धमाल

ओएमडीसी का शेयर धमाल पूरे है। 4 अगस्त को हर संख्या नए स्थलों के लिए एक अलग उपक्रम चला गया था। 4 अगस्त को हस्ताक्षर पर भाषा 20475 रुपये तक पहुँचा था। यह उपक्रम के लिए छः शेयर धमाल के लिए चुना गया था। तालिम विभाग में 64 हज़ार पर पहुंचा था। एक शेयर के लिए 52 हज़ार पर बढ़ा रहे हैं। यह उपक्रम के लिए पूरा है।
Vedanta Group firm Sesa Goa is planning an investment of over ₹30,000 crore in the steel space in Orissa and Jharkhand and may rope in a global company to jointly run the ventures, the company said today.

“We have written to the Orissa government for transferring an MoU signed with Vedanta group firm Sterlite Industries to our name, as anything in iron ore and steel space in the group will have to be undertaken by Sesa Goa. The MoU is for a five-million tonne plant in Orissa,” Sesa Goa Managing Director P K Mukherjee said.

“Similarly, we are looking to complete land acquisition for a 1.5-million tonne steel plant in Jharkhand by the end of this fiscal. For steel plants, we will enter into technical collaboration,” Mukherjee added. He, however, did not give a timeframe within which the company planned to start the venture.

The estimated investment in the Orissa project could be ₹25,000 crore, while the Jharkhand venture could cost up to ₹7,500 crore, he said.

Earlier this month, Vedanta Chairman Anil Agarwal had said the group would partner a “strong” steel company as and when it decided to foray into manufacturing of this commodity.

Mukherjee said such partnership was relevant, as “we are an iron ore mining company. We don’t have expertise in steel making. We will go for technical partnership in steel making”.

Sesa Goa manufactures pig iron at its facility in Goa. The country’s third largest iron ore exporter is augmenting its annual production capacity of pig iron from the present 250,000 tonnes to 625,000 tonnes.

Besides, Sesa Goa has also planned to double its iron ore production capacity to 50 million tonnes by 2012.

With delays in getting regulatory processes for allocation of captive iron ore mines, companies, mainly the global ones, are looking at forging alliances with domestic firms to run steel plants.

Foreign companies like Posco are finding it tough to set up their independent plants in the country and are in the process of setting up such unit in joint ventures.

Similarly, ArcelorMittal has partnered domestic steel firm Utmal Galva to mark its first operational presence in India. ArcelorMittal’s estimated ₹1 lakh-crore India steel projects have been delayed for over five years.
EXPANSION PLAN

Sesa Goa plans ₹30,000 cr steel venture

Vedanta group firm Sesa Goa Ltd is planning to invest more than ₹30,000 crore in the steel sector in Orissa and Jharkhand, and may rope in an overseas firm to jointly run the ventures. “We have written to the Orissa government for transferring an MoU (memorandum of understanding) signed with Vedanta group firm Sterlite Industries to our name as anything in iron ore and steel space in the group will have to be undertaken by Sesa Goa. The MoU is for a five million tonnes plant in Orissa,” Sesa Goa’s managing director P.K. Mukherjee said.

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NMDC: Centre of Excellence

India's largest iron ore producer, government-owned NMDC, is on the threshold of exponential growth.

As the largest iron ore miner in the country, what are the challenges facing the mining community in India?

Iron ore mining in India is being one of the most important constituents for steel making, has assumed tremendous significance for India on the growth path. Iron ore has historically been located in hilly and forest areas inhabited by tribals and people of ethnic origin.

NMDC has been doing mining in the states of Karnataka and Chhattisgarh for more than half a century and is being identified with the area and its people. The company has become an integral part of the area by contributing towards the development of the area.

Presently the major challenges being faced by the mining community in India are regarding forest and environment clearance in addition to the required land acquisition.

Increasingly the need to conserve iron ore reserves as also encouraging value addition is being felt. What is NMDC's take on this?

Preserve Iron Ore while mining

NMDC being the largest iron ore miner in India has always been conscious of the responsibility this entails. The Government of India has been quite helpful to NMDC to be classified as one.

NMDC has made valuable and substantial contribution to the National efforts in the mineral sector during the last five decades and has been accorded the status of schedule - A Public Sector Company.

NMDC has incorporated in 1968 as a Government of India fully owned public sector undertaking (PSU). NMDC under the administrative control of the Ministry of Steel, Government of India.

Since inception NMDC is involved in the exploitation of wide range of minerals including iron ore, copper, rock phosphate, lime stone, dolomite, gypsum, bauxite, magnetite, manganese, diamond, tin, tungsten, graphite, beach sand etc. The story of NMDC is woven around the discovery of iron ore deposits and the deep juggle land of Bastar in Chhattisgarh, known as Dandakaranya from the epic period.

The Bastar iron ore region - "The cradle of iron ore -" in the local dialect, was remote, inaccessible and replete with wild life. The range contains 1200 million tonnes of high grade iron ore distributed in 14 deposits. The entire area was brought to mainstream of civilization by the spectacular efforts of NMDC by opening up of mines.

Today, Bastar is a name to reckon with in the world iron ore market because of its super high grade iron ore.

Bastar complex possesses the world's best grade of hard lump ore having +55% Fe content, with negligible deleterious material and best physical and metallurgical properties needed for steel making. India's single largest iron ore producer and exporter, presently producing about 30 million tonnes of iron ore from 3 fully mechanized mines viz., Bailadila Deposit-1, Bailadila Deposit-2, and Bailadila Deposit-3, has been declared as the 'Centre of Excellence' in the field of mineral processing by the Expert Group of UNIDO.

In recognition to the Company's growing status and consistent excellence in performance, the Company has been categorized by the Department of Public Enterprises as 'Navratna' Public Sector Enterprise in 2008. NMDC is presently producing about 25 million tonnes of iron ore from its Bailadila deposits and 7 million tonnes from Domkal deposits.

The demand for steel will continue to grow NMDC is gearing its efforts to enhance production capabilities of existing mines and opening up new mines. The production capability would increase to around 50 million tonnes per year by 2014-15.

For Value addition NMDC is in the process of developing a 3 mtpa steel plant at Jagdalpur and 2 pellet plants at Domkal in Orissa (1.2 mtpa) and at Bachel (0.8 mtpa). Besides, NMDC is also in the process of merger of Sponge Iron India Limited with plan for expansion to process pellets. For continuing the exploitation activities NMDC has set up a Global Exploration Centre at Raipur. NMDC has always stood great concern for environment protection. At all its projects care is taken in this regard by tree plantation, making tailing dams and check dams at different places.
खनन कंपनियों पर डिफॉल्टर का खतरा

कार्रवाई से बचने को एक गाह में देना होगा नोटिस का जवाब

ब्लॉक लेर सैंटी कंपनियों पर नोटिस देने की शुरुआत आये शहद को जाएगी। जालगिरी ने कहा है कि नोटिस भेजने में निम्न कंपनियों और सार्वजनिक कंपनियों के बीच हिस्से तक का बेदखल नहीं किया गया है। इसलिए नोटिस को भेजता से नहीं लेने चाही एक चक्कर नोटिस पर एक समान कार्रवाई की जाएगी। हालांकि अभी तक किसी भी कंपनी के नोटिस के जवाब नहीं हिरा है।
खुलासा ✦ स्टील परियोजनाओं के लिए विदेशी साझीदार की तलाश

सेसा गोवा 30,000 करोड़ करेगी निवेश

प्रेत ✦ नई दिल्ली

बेंगलुरू की कंपनी सेसा गोवा ने लगभग 30,000 करोड़ रुपये का निवेश कर दी है जिसे शासकीय में दैनिक व्यवसाय में उनकी प्रेयोजन का है। इस निवेश को कंपनी के लिए यह नया कमांड के संस्थान से नए अवसर का संस्थान है।

इसके शासकीय संस्थान ने कंपनी के प्रचार निर्देशक मै. युसुफ ने बताया कि कंपनी ने उद्योग संस्थान को पहले विद्युक कर निवेश किया है जिसे बेंगलुरू पुलिस को कंपनी स्टील संस्थान में स्केल अधिकार के लिए एक है।

इसकी संस्थान ने इसके लिए निवेश किया है। यह अवसर नई दिल्ली के स्केल अधिकार के लिए नया अवसर है।

उद्यमी के स्केल अधिकार के लिए नया अवसर है। यह अवसर नई दिल्ली के स्केल अधिकार के लिए नया अवसर है।
Rio, Australia in
mine tax talks

BLOOMBERG
Melbourne, 24 October

Rio Tinto Group, the world’s third-largest mining company, will continue talks to resolve the issue of Australia’s mining tax after the government said it won’t offset any future increase in royalties demanded by state.

“II just see continued engagement,” Rio’s Chief Executive Officer Tom Albanese said on Australian Broadcasting Corp’s “Inside Business” programme. “I am quite confident that the government, that the transition committee, will work through this, and a number of other points that will come along the way before final implementation.”

BHP Billiton Ltd, the world’s largest mining company, and Rio are considering abandoning a mine tax accord reached with Prime Minister Julia Gillard in July, claiming the government is seeking to renegotiate on an undertaking to refund future increases in state royalties, the Australian newspaper reported on October 20. Resources Minister Martin Ferguson says increased state royalties won’t be offset by cuts to the proposed 30 per cent levy on iron ore and coal. Australia is the world’s largest shipper of the commodities.

Australia’s government and companies hold differing views on the deal, Drew Clarke, secretary of the nation’s resources department, said October 20. The transition committee set up by the government and chaired by former BHP Chairman Don Argus will “interpret” the terms of the accord as it talks to mining companies, Clarke said.

“There’ll be details to work through, but they’ll be in the spirit of the agreement that had been signed off in July,” Albanese said yesterday. The accord allowed him to approve more than $6 billion in spending on Rio’s iron ore mines in the Pilbara region of Western Australia, he said.

Rio has gained 26 per cent in Sydney since the tax was agreed on July 2 and BHP has risen 12 per cent. That compares with a 10 per cent gain in Australia’s benchmark In-

The Association of Mining and Exploration Companies Inc wants the tax dropped.

dect. Rio, the world’s second-largest iron ore producer, last week approved a $3.1 billion expansion of its iron ore operations. BHP, the third largest iron-ore producer, is working on an annual doubling of output to 240 million tons by 2013. It’s spending $4.8 billion on the fifth part of the so-called Rapid Growth Projects that will add 50 million tons.

“We’ve got good faith that what we’ve signed is what will be implemented,” BHP’s Chief Executive Officer Marius Kloppers told reporters in London on October 21. “These royalty agreements cater for the continued investment and expansion of our businesses.”

Project funding

The process of completing the tax agreement has been “extremely difficult” for mining companies and has threatened access to project funding, the Association of Mining and Exploration Companies Inc said October 16. It said it wants the tax dropped.

Under the Australian constitution, the country’s states and territories own mineral resources, the Association’s Chief Executive Officer Simon Bennison said. The tax may face a High Court challenge on the grounds that it could be unconstitutional, Peter Chilton, an investment analyst at Constellation Capital Management Ltd, which owns shares in BHP and Rio, said on October 22.
GoM approves strong central mining regulator

SUDHEER PAL SINGH
New Delhi, 24 October

The Union government has decided on substantive teeth to the National Mining Regulatory Authority (NMRA) to be set up under the new mining legislation.

The draft of the Mines and Minerals (Development and Regulation) Bill, 2010, finalised by a 10-member Group of Ministers (GoM) after consultations over the past six months, has sought to give wide powers to the NMRA, from investigating illegal mining cases to settling disputes of jurisdiction between the Centre and the states. A final meeting of the GoM is likely soon, to formally approve the draft, after which it would be introduced in the winter session of Parliament.

“The NMRA shall have powers to authorise investigation and launch prosecution against any person for offences under the Act, relating to mining for any mineral without license, undertaking of mining or exploration activity outside the area granted under licence, storage or export of illegally raised minerals without lawful authority,” Section 61 of the draft Bill states.

The Bill lists as many as 16 powers granted to the mining regulator under the legislation. These powers, in addition to those mentioned earlier, include reviewing royalty rates, suggesting penal action for failure to pay royalty, advising the Centre on issues of increasing transparency in grant of mineral concession, supporting investment, recommending the amount of fee levied on miners, advising on models on competitive bidding of minerals and laying down quality standards.

‘Central monitoring needed’

Asked on the thinking behind putting in place a strong central regulator despite the concerns over states losing their traditionally held ownership and control over minerals, a senior central government official closely associated with the drafting said: “There has been a perception that wherever minerals are not regulated in the best interest of the nation, the central government has a duty to intervene.”

The official said the need to induce greater central control had been felt across the political spectrum. “In the previous session of Parliament, there was a sentiment cutting across party lines in both the Houses that because minerals are national wealth, in addition to the mining leases entered into by the state governments, the Centre has a duty to ensure that conservation of minerals happens in the national good,” he said.

The sharp teeth the new legislation seeks to provide to the regulator is in marked contrast to the current situation, where the Indian Bureau of Mines (IBM) serves as a sector regulator, but a toothless one.

The NMRA will have its head office in New Delhi and will consist of a full-time chairperson, along with nine members. The chairman will have “special knowledge and experience of not less than 4 years in law relating to mines and mineral concessions,” the draft Bill states. It also states that for the selection of the chairman and members, a screening committee headed by the cabinet secretary will be set up once the Act comes into force. The screening committee will have the secretary of the mines ministry and the law ministry as members. NMRA will also have benches, consisting of a chairperson and a member, spread across the country.
Post failed-BHP deal, Rio 'moving on'

Mr Tom Albanese

Agence France-Presse
Sydney, Oct. 24

Mining giant Rio Tinto said on Sunday it was focused on a massive ramp-up of its Australian iron ore operations, following the "disappointing" collapse of a lucrative tie-up with rival BHP Billiton.

The Rio chief, Mr Tom Albanese, said both companies had done "everything we could" to get the regulatory approval necessary to merge their iron ore projects in the mineral-rich Pilbara region — a deal they ultimately abandoned on Monday.

PILBARA EXPANSION

"Once we heard from the regulators we both recognised this is just getting too hard so we unfortunately — because I'm disappointed — terminated that agreement last week," Mr Albanese told ABC television.

"And we're moving on — we're moving on by expanding our operations in the Pilbara.

Rio announced a $3.3 billion ramp-up of its Pilbara projects on Wednesday, targeting production capacity of 283 million tonnes a year in 2013 and 333 mt by 2015 from 220 mt currently.

"I think the single best thing that we could be doing for Rio Tinto shareholders is to get as many tonnes developed in Pilbara and that's exactly what we're doing," Mr Albanese said.

Rio was on track to expand its Pilbara business by more than 50 per cent in the next five years, he added, a "massive change, massive project."

The iron ore joint venture, estimated to deliver $10 billion in savings, was the second failed deal with BHP, which made a hostile $147 billion play for Rio that lapsed in 2008 due to the financial crisis.

It also follows the Anglo-Australian giant's expensive and unpopular takeover of Canada's Alcan and snubbing of a $19.5 billion cash injection from Chinalco in June 2009.

Mr Albanese insisted that the company was on track, dismissing suggestions it had been "three strikes" for Rio.
Mining lessons in leadership

Able leadership and team spirit kept the 33 trapped miners focussed on the goal of escaping from their underground prison.

On August 5, 2010, a portion of the San Jose coal mine in Chile collapsed leaving 33 miners trapped at a depth of half a mile from the surface. With no communication links with the external world, the miners' whereabouts could not be ascertained, leading to doubts about whether they were alive. It was a traumatic wait for the helpless families of the miners even as the world watched anxiously.

The first sign of hope emerged on the 17th day when a communication link showed that all the 33 miners were alive. Thereafter, a meticulous rescue plan was initiated with international help, culminating in the rescue of the entire team, ending a 69-day underground ordeal.

How the 33-member team fared during the 69 days is of immense interest to the world. Information on the miners' story may trickle in, in bits and pieces over a period of time, or till a consolidated version comes out as a book or a movie.

SURVIVING THE FIRST 17 DAYS

Social science research indicates that in any crisis situation threatening survival, animal instincts such as individual survival, dominate empathy and collective spirit leading to inter-personal conflict and intra-group dynamics, especially in sharing resources for survival.

A five-member sub-group employed by a different contractor was initially on its own exploring escape routes, but ended the division on advice from the sub-contractor boss. There were also unconfirmed reports of a few incidents of fist fights.

PLANNING AND PREPARATION FOR RESCUE

Shift leader Luis Urzúa seems to have played a critical role during the 69 days. He built the team, nurtured it, optimised all the available resources, and engaged all the members fruitfully towards the common goal of survival and escape.

He helped maintain their morale against all odds, acting in a single voice with the rescue team and in reassuring the anxious families.

Leadership by taking charge and by involving all members.

If every member had wanted to be in control of the situation instead of listening to one leader, the miners would never have survived. As Jena McGregor explains in her column in the Washington Post: “Everything was voted on... We were 33 men, so 16 plus one was a majority, said Leader Urzúa.”

Leadership by credibility

According to a former employee, Robinson Marquez, Urzúa had credibility as a protective and caring leader for his team. The miners, at Urzúa's urging, reportedly ate one teaspoon of tuna and a half-glass of milk each 48 hours, proving that followers would make any sacrifice if their leader had credibility.

Leadership by sharing leadership

Urzúa organised work assignments for the crew, assisting with the plan to get out of the mine and ensuring that no one ate a meal until everyone received their share. The oldest miner, Mario Gomez (63 years), attended to the spiritual and mental health of the men in constant consultation with psychologists on the surface. Yonny Barrios, based on the nursing training he had received 15 years ago, administered tests and health screenings for his friends on behalf of the doctors monitoring the situation above the ground.

Leadership through a common mission

Urzúa constantly emphasised that all of them had a common goal—that of getting out together and surviving till then. He made everyone eat their paltry rations at the same spot at the same time.

By the end, none of them cheated and the miners had bonded so well that they asked their rescuers if they could all remain on the site until the last man was brought to the surface.

Leadership by belief in self and in his team

Urzúa had a strong belief in self and in his team's ability to attain the goal. In addition to rationing food, he had the men use the heavy equipment in the mine for fresh water. This equipment was used sparingly because it could foul their air. He also had men map their tunnel and build a toilet.

Leadership through hope

“Let us be patient and wait with hope and trust in God.” That seemed to be the mantra.

The miners' strong faith-based values guided them through the ordeal. Urzúa, who never used to pray earlier, started praying. “There are actually 34 of us (and not 33), because God has never let us down here,” says Jimmy Sanchez, a miner, said.

When a shaft to provide them relief materials was completed, the men asked for religious items, including Bibles, crucifixes, rosaries, statues of the Virgin Mary and other saints.

Pope Benedict XVI sent each man a rosary.

Leadership by sharing credit

After their rescue, rather than hogging the limelight, Urzúa made another miner narrate the experience. While miners in and out of the shaft talked about Urzúa's leadership, Urzúa himself spoke about the skills and welfare of his men.

Leadership by honest communication

The miners were told that their rescue would need time and the miners accepted it. Honest communication regarding the progress of the rescue effort and the possible dates helped in boosting and nurturing the morale of the miners.

GLOBAL LEADERSHIP

The Chilean rescue was truly a multinational and multidisciplinary affair with contributions from a variety of companies and institutions around the world. The rescue capsule was designed by an Austrian firm. The cranes used in the rescue were from China and experts from NASA and other American agencies helped sustain the 33 miners while they were underground and an American company from Pennsylvania supplied gas which flowed through half-a-mile of rock. Geologists, psychologists and other experts from several different countries offered advice.

THE RESCUE PHASE

Urzúa came up out of the mine last, not only because he insisted on it but also as the miners decided on a system where the strong and more experienced would go first to help pave the way for the others and tackle any unforeseen problems. The weakest would go next so that they could be helped and rescued by those behind them and those ahead. This was to ensure that there would be a human safety net for those who were the weakest. Unity helped the miners survive for 69 days underground, including more than two weeks when no one knew whether they were alive.

POST-RESCUE PHASE

The media interest and attention the miners have received so far is likely to die down with time. The spectre of unemployment may gradually arise in their minds due to the closure of the mine.

(The writer had earlier worked in the HRD function of GSK and the TVS group and is a former secretary of the NHRD Network. Mail: pvrmurthy@exclusivesearch.com)
Sariska mining leases to stay

Jaipur: The Rajasthan government has refused to cancel new mining leases in the Sariska range despite Union forests minister Jairam Ramesh asking CM Ashok Gehlot to end mining in the Aravallis and cancel new leases. Earlier, the Supreme Court had ruled: "No mining in Aravallis till further orders".

On October 21, TOI had reported that new mining leases were issued near Sariska wildlife sanctuary. The next day, Ramesh had asked Gehlot to cancel the leases immediately. In a letter to TOI, the state mines department claimed the newspaper report was not based on fact.

According to the letter, "The orders of the Supreme Court passed on February 2, 2010, are being fully implemented. The court has restrained mining in cases of such mines where the renewal application is pending but the leasees are doing mining as per the deemed provisions of rule 24A of Mineral Conservation Rules, 1960. The mining in such cases has been stopped completely."
Record high prices
no bar for gold sales

Before Karva Chauth And Diwali, Delhi Splurges

TOKHRI: Gold prices have been escalating steadily, having touched their highest ever this year. However, that has done little to dampen the spirits of Delhiites, who are investing in the precious metal. With just one day to go for Karva Chauth and less than a fortnight for Diwali, gold sales in Delhi are touching a new high.

City jewellers report that so far sale of both gold and silver has been better than last year, and this time new trends are being reported with more and more people purchasing gold with long-term investment in mind. Sale of silver items is also shooting up tremendously.

It’s boom time for jewellers in Delhi with more and more people crowding showrooms to purchase jewellery. The price of 10g gold (99.9% purity) is between Rs 20,800-Rs 20,900 and jewellers say the cost will remain consistent for the next several weeks.

“Even though gold prices have increased significantly in the last several weeks, it has not been reflected in the sales. In fact, we have more customers than usual,” said an official from a top jewellery store in south Delhi. Factors like Diwali being round the corner and the marriage season having started have helped in boosting sales. Delhiites have already started making use of weekends to do some gold shopping.

Stall owners at the ongoing MMTC gold festival in the city say there is nothing to show that gold is too expensive as sales are at an all-time high. Silver is also a huge favourite this time. “Besides jewellery, people are investing in gold and silver bars as well. Apart from the usual ornaments, people are buying medallions and coins as well. Price is not a deterrent as most people feel that the price of such items will only increase further; and are thus investing more,” said an official at the exhibition. MMTC officials say they saw a record sale of about Rs 5 crore just on the first day of the exhibition.

“MY daughter is getting married in December and we’re busy buying some gold ornaments for her. We do not want to postpone the gold shopping any more as prices seem to be increasing every day,” said R K Arora, a businessman from Karol Bagh.

Many people were enthralled with the Mughal style jewellery at the Rajasthan stall and the Nizam jewellery at the Hyderabad stall. Many attended the exhibition not to buy jewellery but to get a feel of the gold market.
Maha govt puts toxic mines on tourist map

Viju B | TNN

Mumbai: Unmindful of the ecological havoc being wreaked across the state, Maharashtra government has put its greenery-wrecking toxic mines on the tourist map.

The Maharashtra Tourism Development Corporation (MTDC) has selected a bauxite mine in Amboli, along with a waterfall and the coastline, as a tourist hotspot and is promoting the visit to the mine as a “pleasant and different expedition” for visitors.

The state has taken this green-hostile move in spite of Sindhudurg being declared as the first eco-tourism district in the country 13 years ago and since then, being featured as a “green haven” in the state’s Maharashtra Unlimited campaign. When TOI asked tourism department officials if they had now shifted their focus from trying to save the forests to showcasing toxic mines, they admitted that it was a gross blunder. “It’s a big mistake,” said MTDC general manager Vijay Chavan, adding that the department was all for promoting eco-tourism in Sindhudurg and not mining business there. “We’ll remove that bit of information from the MTDC site immediately.”

Environmental activists are shocked that the MTDC, which is supposed to promote eco-tourism, is showcasing nature-destroying mines. “States like Goa and Kerala, which have similar landscape and climate, are trying to push the green cause ahead through tourism and it also generates local employment. In contrast, politicians here support the mining lobby,” said NGO Vanashakti project director D Stalin.
1 mining lease just 20km from Sariska

Jaipur: Rajasthan government's refusal to cancel new mining leases in the Sariska range seems to go against the SC ruling on the matter. The SC order had said, "There are about 261 mining leases in Rajasthan. Some of the mining leases have been renewed after 16.02.2002, though it was not strictly permissible as per the order passed on that date."

However, the mines department's letter claimed that the "state government never pleaded before the SC that Rule 24A of the Minerals Concession Rules, 1960 provides definition of Aravali Hills". The mines department admits that one of the mining leases (127/07) was barely 20km from Sariska tiger reserve. In fact, the state has said that leases have been given to mines "30-40km from Sariska tiger reserve". A list of 17 such mining leases issued recently has been attached with the letter.
HINDUSTAN ZINC

RESEARCH: ICICI DIRECT
RATING: ADD
CMP: ₹ 1393

Hindustan Zinc posted a good set of numbers for Q1FY11. The topline came in at about ₹2,201 crore against the expectation of about ₹1,973 crore posting a y-o-y and q-o-q growth of 21% and about 12% respectively. This was on the back of a substantial rise in average realisations due to higher LME prices. The bottomline grew 1.5% and 6.5% y-o-y and q-o-q respectively, to about ₹949 crore compared to the estimate of ₹838 crore. Despite negative interest costs, higher depreciation dented the PAT margin. Expansion projects of the company are on track and would help volume growth, going forward. A sharp fall in the US dollar helped base metals price to see a substantial jump in the past three or four months. On the back of this, RZL's realisations for zinc in Q2FY11 rose 3% and 8% q-o-q and y-o-y respectively. Total zinc and lead sales volumes also rose by 25% and 6%, respectively y-o-y and q-o-q mainly due to the 39,000-tonne contribution from the newly commissioned 410 ktpa zinc smelter at Dariba. The company expects its 100 ktpa lead smelter to be commissioned during Q3FY11E.
Metal firms expect lower growth in Q2

Falling Numbers
Estimated Q2 growth of metal companies

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**growth rate for standalone companies
**growth rate including consolidated result of Hindalco & Tata Steel
*from loss to profit

B G SHIRSAT
Mumbai, 24 October

Ferrous and non-ferrous metal companies are expected to post only single-digit growth in sales and profit in the quarter ended September, due to a decline in steel prices, flat London Metal Exchange prices and higher input cost.

The cost of coking coal rose 7.5 per cent in the quarter. However, the consolidated performance of Tata Steel and Hindalco is likely to push profit of the sector by a little over 150 per cent.

Domestic steel companies are likely to show eight per cent rise in net sales due to lower realisations, as prices decline in the first two months of the second quarter. However, during the past month, with production cuts announced in China, steel prices have rallied by $50-100/tonne in various regions.

Steel Authority of India (SAIL) and Jindal Saw are expected to show declines in net sales, while standalone Tata Steel is expected to show an 18 per cent rise in sales. On a consolidated basis, Tata Steel is expected to drive the sector’s profit growth rate by a robust 875 per cent. With recovery in global steel prices, Corus, its European arm, will remain profitable in the second quarter.

Operating margins are expected to decline by 50 basis points due to margins’ pressure on SAIL, JSW Steel and Jindal Steel & Power. SAIL has the worst cost structure due to high employee costs, which squeeze margins in times of falling steel prices. So, operating margins should decline by 800 basis points, analysts expect. Tata Steel is lined up for a good show, with an over 800-bps rise in margins. The aggregate net profit of the sector is expected to go up by only four per cent, despite an expected 67 per cent net profit growth for Tata Steel. SAIL and JSW Steel are likely to post 20-30 per cent decline in net profit.

In the non-ferrous segment, most companies are likely to report flat numbers, quarter on quarter, as price and costs have remained largely constant in the second quarter. Sales are expected to rise around seven per cent and profit is expected to move up around 19 per cent. The operating margins are expected to show a significant rise on the back of a 350-bps margins’ increase for Hindalco and Sterlite Industries.

Hindalco sells 54 per cent of its aluminium production as value added products, which helps the company to sustain realisations. On a consolidated basis, Hindalco is expected to show pressure on margins but net profit may go up by over 100 per cent, on account of a turnaround by Novelis.
उद्धव में नालको
परियोजना दली

नई दिल्ली, (भारत): सर्वोच्च नौकर के उद्धव में नालको की परियोजना को वापस लौटाया जा रहा है। इस परियोजना में 10,000 करोड़ रुपये का निवेश किया जा रहा है। नालको के केन्द्रीय एवं प्रदेश सरकारें ने सहयोग में जोड़ा, "इस नीति का लाभ था 2012 तक पूरा करना चाहिए है और इसे हमारा 2017 तक पूरा करने का इरादा है। नौकरियों के लिए उद्धव में नालको सरकार से कुछ परियोजना संबंधी मंजूरी का इंतजार कर रहे हैं। हमें अपनी लंबी संस्था तय करना है।" देश को प्रधान मंत्री नरेंद्र मोदी ने इसी साल अपनी 50,000 करोड़ रुपये की बड़ी संस्था बनाने की योजना किया है। देश के राष्ट्रीय केन्द्र के चार प्रमुख बनाए गए ऑनलाइन बैंकिंग प्लाटफॉर्म में इकाइया बनाए हैं।