

Fifth round of iron ore e-auction today

Promit Mukherjee @ Mumbai

About 1.15 million tonne (mt) of iron ore will be up for grabs in the fifth round of e-auction in Karnataka where there is a ban on mining of the ore.

While miner NMDC is offering 444 kilo tonne, Sesa Goa is selling 416 kilo tonne. According to MMTC, the nodal body for the e-auction, NMDC has put on offer of 236 kilo tonne of fines and 208 kilo tonne of lumps, while Sesa Goa is offering 288 kilo tonne of fines and 128 kilo tonne of lumps.

The remaining quantity

is being offered by two smaller companies, including Mineral Exploration Ltd. The first four rounds have seen close to 26% of the total volume offered remaining unsold because of high reserve prices. "Despite large quantities being auctioned, high reserve prices and issues in timely shipment of the ore have been a cause of concern. However, as we go ahead, issues will gradually smoothen out," said Bikash Bhalotia, metals analyst with brokerage Pinc Research. About 3.4 mt ore has been sold under the e-auction that started on September 14.

PRICE CARD		
As on Oct 25	International	Domestic
METALS (\$/tonne)		
Aluminium	2,158.50	2,585.34
Copper	7,380.50	9,291.05
Nickel	19,035.00	23,126.64
Lead	1,940.50	2,262.17
Tin	21,805.00	26,661.28
Zinc	1,840.50	2,383.36
Steel-HRC	685.00	888.75
Gold (\$/ounce)	1,655.65*	1,678.61
Silver (\$/ounce)	31.67*	33.92
ENERGY		
Crude Oil (\$/bbl)	112.56*	108.99
Natural Gas (\$/mmBtu)	3.69*	3.67
AGRI COMMODITIES (\$/tonne)		
Wheat	244.12	224.88
Maize	263.47*	226.52
Sugar	724.50*	609.17
Palm oil	980.00	1,107.96
Rubber	3,773.16*	4,269.84
Coffee Robusta	1,890.00*	2,090.59
Cotton	2,160.53	2,232.10
Conversion rates: 1) 1 ounce = 31.1032316 gm 2) 1 US dollar = ₹49.51		
Notes: 1) International metal are LME spot prices and domestic metal are Mumbai local spot prices except for steel. 2) International crude oil is Brent crude and domestic crude oil is Indian basket. 3) International natural gas is Nymex near month future & domestic natural gas is MCX near-month future. 4) International wheat, white sugar & coffee robusta are LIFFE future prices of near-month contract. 5) International maize is MATIF near month future, rubber is Tokyo-TOCOM near-month future and palm oil is Malaysia FoB spot price. 6) Domestic wheat & maize are NCDEX future prices of near-month contract, palm oil & rubber are NCDEX spot prices. 7) Domestic coffee is Karnataka robusta and sugar is M30 Mumbai local spot price. 8) International cotton is cotton no.2-NYBOT near-month future & domestic cotton is NCDEX spot prices. 9) International metals, Indian basket crude, Malaysia palm oil, wheat LIFFE and coffee Karnataka robusta pertains to previous days price.		
Source: Bloomberg		
As on Oct 25, 1800 hrs IST		
Compiled by BS Research Bureau		

EXPANDING PIPELINE

A survey by Morgan Stanley shows that India is likely to receive \$80 billion of foreign direct investment (FDI) over the next 12-24 months. India has received FDI of \$48 billion over the past two years. This evidence lends conviction to the company's forecast of \$70 billion of FDI over the coming two years. The survey says that global companies see a big opportunity in India's growing market, though they consider infrastructure to be a bottleneck. India still doesn't appear to rank highly as a FDI destination. At the sector level, metals and mining, technology and auto are likely to gain market share in the total FDI inflows. Telecom has been the biggest recipient of FDI over time.

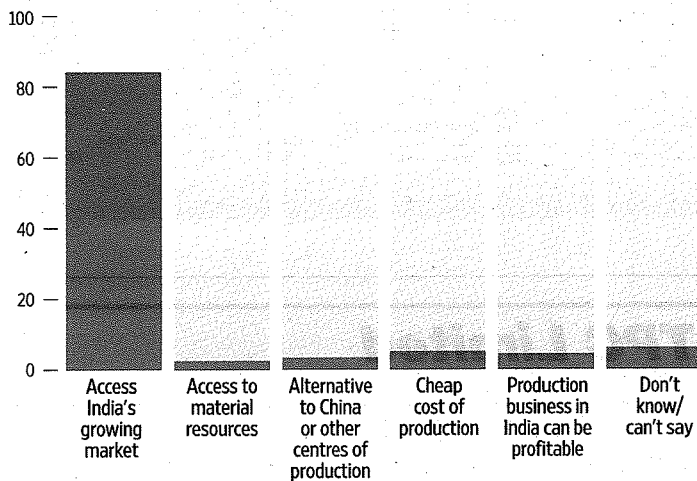
VIEW OF MORGAN STANLEY

Key driver of investment decisions at regional level

Access to Indian markets is the biggest reason.

(For 339 companies that are planning investments in India)

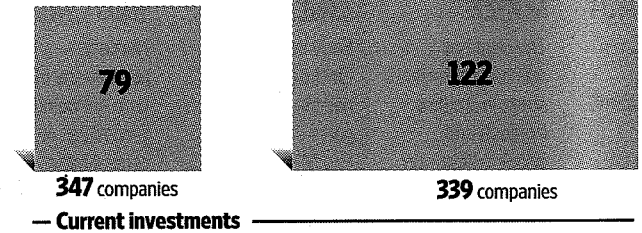
(in %)



STRONG FDI PLANS

FDI to rise by 53%.

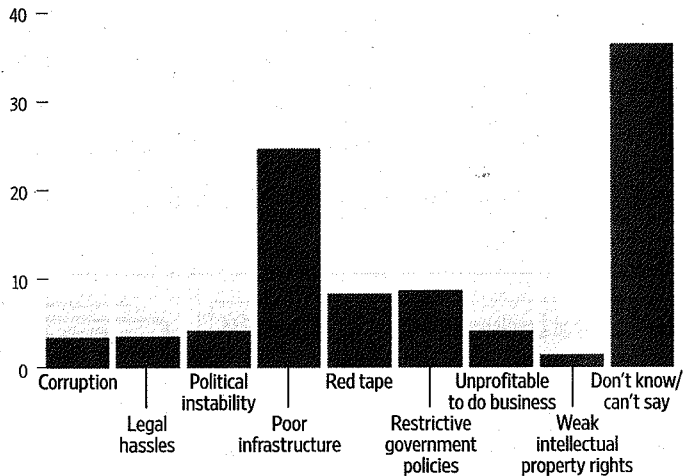
(Current Investments and future plans of global companies)
(\$ billion)



Key impediment for investment decisions

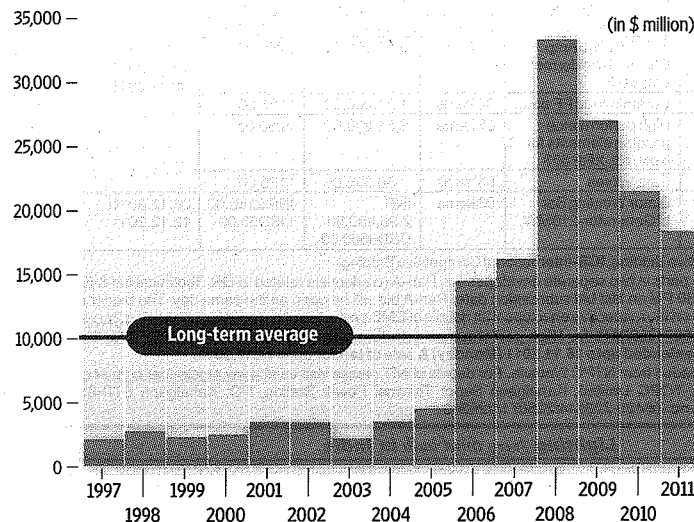
Infrastructure remains the biggest impediment.

(Global analysts' responses on behalf of all investing and non-investing companies) (in %)



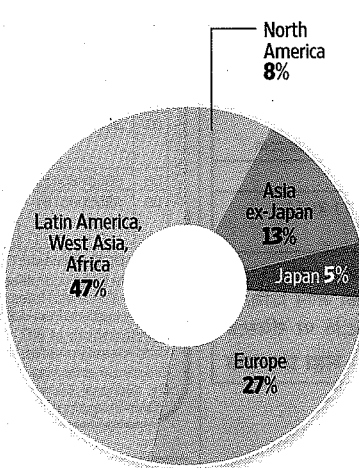
FDI inflows since 1997

Inward FDI flows at \$154 billion.



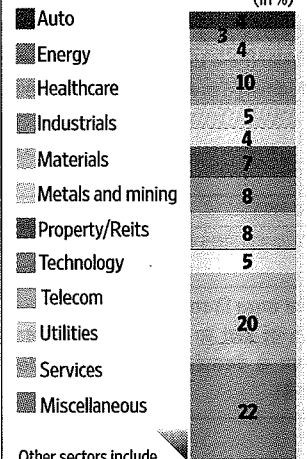
Flows into India by country

Cumulative region wise investments.



FDI Inflows by sector

(in %)



Other sectors include agriculture, retail, business services, construction electricals, electrical equipment, hotels, insurance, media, staples and transportation

Source: Morgan Stanley Alphawise Evidence Series

AHMED RAZA KHAN/MINT

Sesa Goa profit at lowest in four years

Mumbai: Sesa Goa Ltd, India's biggest iron-ore exporter, reported its lowest profit in at least four years on foreign-currency losses and higher raw material costs.

Group net income fell to ₹1.28 crore in the second quarter ended 30 September from ₹385 crore a year earlier, the Panaji, Goa-based unit of **Vedanta Resources Plc** said on Tuesday in a statement. The average profit estimate of 20 analysts surveyed by 'Bloomberg' was ₹261 crore. Net sales dropped 17% to

₹836 crore.

Sesa Goa booked a ₹230 crore foreign-exchange loss, against a gain of ₹37.7 crore a year ago, after the rupee depreciated 8.7% in the last quarter. The company's raw material cost jumped 73%. **BLOOMBERG**

Sesa Goa Q2 net at ₹1.28 crore

Sesa Goa has reported a net profit of ₹1.28 crore for the quarter ended September 30 as against ₹384.94 crore for the same period last year. The exchange loss, due to the rupee movement, stood at ₹234.09 crore as against a gain of ₹37.65 crore last year. The net sales of the company dropped to ₹855.10 crore for the given quarter versus ₹1025.71 crore in the same period last year. The company spent a total of ₹788.14 crore, which was higher by ₹191.40 crore, when compared against the same quarter last year.

BS REPORTER

Sesa Goa Q2 profit plunges to ₹1.28 cr

Firm reports ₹234 cr forex loss in Sept quarter

JHARNA MAZUMDAR

Mumbai

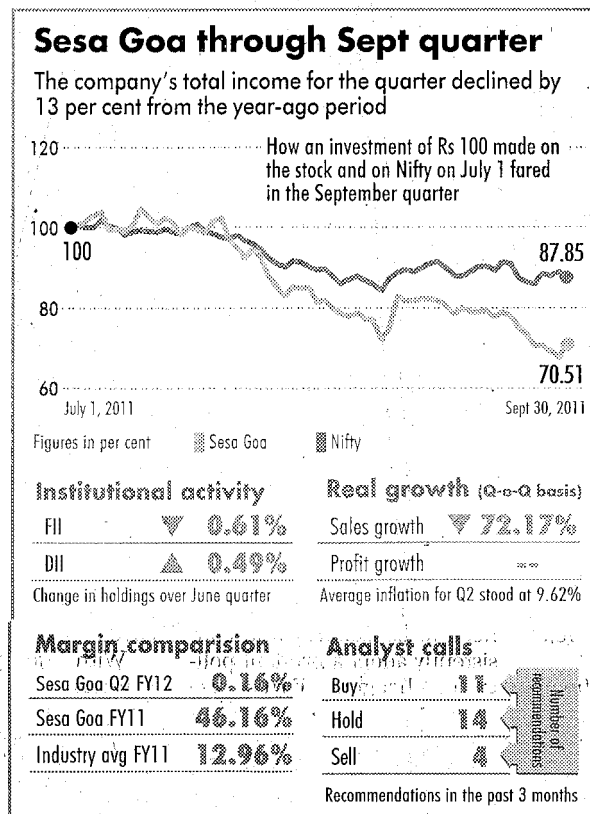
SESA Goa India's largest iron ore exporter saw its July-September net profit almost wiped out by a all round increase in expenditure even as sales fell due to a court ordered ban on mining.

Thanks to a foreign exchange loss, the company said its net profit in the second quarter ended September, 2011, fell 99.6 per cent to Rs 1.28 crore missing the average profit estimate of Rs 261 crore as per Bloomberg estimates.

Sanjay Jain, an analyst at Motilal Oswal said high foreign exchange losses have dragged down the company's profits. In the quarter ended September, 2011, Sesa Goa reported a foreign exchange loss of Rs 234.09 crore. SP Tulsian, an independent analyst said, "normally the second quarter results remain weak for mining companies as mining activities almost stops during monsoon."

The company's total income for the quarter declined by 13 per cent, from a year ago, to Rs 789.74 crore. In separate orders in July and August, the Supreme Court ordered mining bans in Karnataka, pending probes into environmental breaches by miners including Sesa. The company also lost production in Orissa after its lease for the Thakurani mine ended in November, 2010. The mines in Karnataka and Orissa produced more than 30 per cent of Sesa's annual output, said Bloomberg.

Total expenditure in the quarter rose by 32 per cent from a year ago to Rs 788.14



crore. The company's raw material cost for the quarter was up 73 per cent in the quarter to Rs 150.70 crore.

"The sharply deteriorating iron ore prices in the international market are a cause of concern. In the last one month iron ore prices have dropped by 25-30 per cent and since the company mainly exports it is a cause of concern for the company," said Jain. In the quarter ended September, 2011, Sesa Goa benefited from a 28 per cent rise in iron ore prices at Tianjin port in China. The dragon state is the worlds largest buyer of iron ore.

Tulsian said the mining ban in Karnataka is also a

cause of concern for the company. "We expect to start work on our Karnataka mine from the next quarter," Prasun Kumar Mukherjee, managing director at Sesa Goa told Bloomberg.

The company said in a statement that in the quarter Sesa Goa bought 51 per cent stake in Western Cluster, Liberia for a cash consideration of \$90 million (Rs 451 crore). Western cluster has attractive mining assets having long mine-life with access to potential iron ore resources over one billion tonnes, said a company press release.

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**Sesa Goa net down to
₹1.28 crore**

MUMBAI: Vedanta group firm Sesa Goa on Tuesday reported a little over 99 per cent plunge in net profit to a meagre Rs 1.28 crore for the second quarter ended September 30, 2011, due to lower realisation from iron ore and foreign exchange losses.

PORTS TO PART WITH MINERAL INFO

Bhubaneswar: Under mounting pressure from the state and Union government, authorities of Paradip, Vizag and Haldia ports on Tuesday agreed to part with all the required information on the export of minerals from Orissa by various parties.

A high-level meeting held under the chairmanship of chief secretary Bijay Kumar Patnaik, it was decided that all ports would furnish detailed accounts of mineral exported from their ports.

Copper steady; traders tense ahead of EU summit

Reuters

London, Oct. 25

Copper prices steadied on Tuesday, falling from one-month highs earlier in the day as some investors grew nervous ahead of an EU summit that many had hoped would deliver a convincing plan to deal with the Euro debt crisis.

Benchmark copper on the London Metal Exchange traded at \$7,600 a tonne in official rings, little changed from a \$7,635 close on Monday.

UNDERPINNING

Also underpinning copper was data on LME stocks, seen as an indicator of demand.

The latest figures showed stocks fell 5,125 tonnes to total 439,150 tonnes, the lowest

since early April, while cancelled warrants — material set to leaveware houses — stood at almost 15 per cent of stock.

Added to this, the discount for cash copper over the three-month benchmark price has narrowed to just \$5.50, a level not seen since June, reflecting that near term supply is getting less easy to come by.

Zinc was untraded in rings but was bid at \$1,858 a tonne from \$1,876 on Monday's close, while tin traded at \$22,250 in official rings from \$22,500.

Lead, untraded in ring, was bid at \$1,985 from \$2,019, and aluminium traded at \$2,220 from \$2,218 while nickel changed hands at \$19,875.

Minerals export: Haldia, Vizag ports agree to share data with Orissa

Press Trust of India

Bhubaneswar, Oct 25

In a fresh effort to curb illegal mining in the state, the Orissa Government and authorities of different ports today resolved to work in tandem by sharing information regarding export of minerals on regular basis.

"Authorities of Haldia and Visakhapatnam ports today agreed to share information on export of minerals through their facilities from November," the Chief Secretary, Mr B.K. Patnaik, told reporters after meeting with the authorities of Paradip, Haldia, Visakhapatnam and Dhamra ports here.

Stating that Paradip Port Trust had been fully cooperative with the State Government, the Chief Secretary said,

"Henceforth, the authorities of Haldia port and Visakhapatnam port will also submit details of the minerals being exported through their facilities every fortnight."

TWO ABSENT

Though two more Andhra Pradesh-based ports such as Kakinada and Gangavaram were invited to join the meeting, they did not turn up today, he said adding bulk of iron ore was being exported to foreign countries through ports at Paradip, Haldia and Visakhapatnam.

Today's meeting was significant as it was convened barely a week after Orissa government drew attention of the Cabinet Secretary and the Ministry of Mines alleging that the port authorities of Haldia

and Vishakhapatnam were not sharing any information on the volume of iron ore being exported by using their facilities.

PARADIP MODEL

"Among others, the port authorities were asked to keep information on which vehicles carried how much cargo to their berths from which place, name of consigners and photocopies of permit," a senior official of Steel and Mines Department said adding the port authorities would submit information to the Deputy Director of Mines every fortnight.

Port authorities of Haldia and Visakhapatnam were also told to adopt the model being implemented by the PPT while exporting raw materials.

ILLEGAL MINING PROBE

Lokayukta report indicts over 700 Karnataka officials too

KESTUR VASUKI ■ BANGALORE

A part from politicians, a number of Government officials have also been indicted by the Lokayukta report on illegal mining in Karnataka. In fact, the report has directly indicted more than 700 officials, including some IAS and IFS officers.

As part of an exercise, the Sadananda Gowda Government had constituted a committee under Additional Chief Secretary K Jairaj to go into the details of the Lokayukta report to find out about the officials' involvement. The high-level committee on Monday submitted its report to Chief Secretary SV Ranganath which has found direct involvement of these officials in the illegal mining scam. According to sources, the 317-page report

has recommended action against 617 officials.

Of the 787 officials named in the report, 150 have now passed away. The committee had directed Departments of Revenue, Mines and Geology, Police, Commercial Tax, Forest and Transport to serve notices on their officials indicted in the report and seek their replies. Most of those who had replied to the notice had rejected charge of having received bribes from an aide of arrested mining baron G Janardhana Reddy, now in judicial custody in Hyderabad.

Sources said the committee has recommended stringent action against some officials, including dismissal, but could not specify the number. The panel recommended introduction of e-permit system and e-weighing bridges to check illegal transport of iron

ore and over-loading in connivance with officials. It also suggested that the Government should set up a monitoring committee to oversee whether licensed mines have been adhering to the rules while mining iron ore with a view to curb illegal mining.

Talking to *The Pioneer*, Jairaj said a further probe was required to find out more on their involvement. He said "the expert committee has recommended further investigation against officers to allow them to be heard fully. Many of the Government officers have so far denied playing active role in the scandal despite being indicted.

In another development, the Chief Minister has rallied behind Jan Chetna Yatra and said it would help in rooting out corruption.

Talking to reporters in

Sullia near Mangalore on Monday, he said "The Jan Chetna Yatra of LK Advani is aimed at rooting out corruption from society and at this juncture, the State Government is not embarrassed to welcome the yatra and carry its message throughout the State," said Gowda at the BJP workers' meeting.

"In fact, the yatra is a golden opportunity for the party to send a strong message against corruption in the State even while some politically-motivated complaints have landed the BJP in an awkward position. But this phase will end soon and the party will emerge as clean as it was," added Gowda.

He also said that as per the recommendations of the Jairaj committee, action would be taken against officials who are involved in illegal mining.

Nod for GSI restructuring

Special Correspondent

NEW DELHI: The Union Cabinet on Tuesday approved the restructuring of the Geological Survey of India (GSI), which includes rightsizing its strength by filling up posts over a 10-year period.

"The cadre restructuring will address acute stagnation, improve career growth and will consequently attract talent to the sector. The aim is to achieve the full recommended strength for the GSI," said an official statement issued after the Cabinet meeting.

Mission mode

It approved constitution of geophysics, chemistry and engineering science, and technology streams as organised services so as to bring them at par with the geology stream. "The restructuring will also facilitate the GSI to effectively function in mission mode with well

defined objectives, encourage individual and group development and facilitate specialisation."

The Cabinet approval was based on the recommendations of a high-power committee set up by the Ministry of Mines to review the GSI's functioning and assess its capacity and capabilities to meet emerging geosciences challenges, both national and global.

The recommendations, when implemented, would immensely enhance the GSI's capacity and capability in addressing emerging challenges, especially in augmenting the resource base, both for essential and strategic minerals. "It will also facilitate the GSI to undertake issues having immediate societal relevance like climate change, glacial retreats, desertification and coastline changes as well as geogenic issues."

JSW considers bid for Australian coal miner

Bloomberg

Oct. 25

JSW Steel Ltd is considering a bid for New Hope Corp, the Australian coal producer valued at A\$5 billion (\$5.2 billion), two people familiar with the plans said.

The company is studying the assets and may make an offer, according to the people with knowledge of the plan, who asked not to be identified because the discussions are at an early stage. JSW will look at ways to raise money to fund the acquisition either on its own or through a venture, one of the people said, without giving details.

Buying New Hope, based in Ipswich, Queensland state, would give JSW thermal-coal mines and an export terminal. New Hope, which operates the Acland coal mine in Queensland, said on October 5 that selected groups will be invited to submit offers in a process that is likely to take months.

ENERGY TO BENEFIT

"The New Hope asset is very big and will help the energy unit of JSW to secure raw material," said Mr Abhisar Jain, an analyst at Centrum Broking Pvt Ltd in Mumbai. "It will be a huge task for someone like JSW to raise money for such an asset."

JSW shares rose 2.43 per cent to Rs 600.70 at the close in Mumbai. The stock has plunged 50 per cent this year.

आरटीआई में मांगी थी खनन नीति की मंजूरी वाली कैबिनेट बैठक की सूचना

कैबिनेट बैठक की सूचना देने से इनकार

भास्कर न्यूज़ | जयपुर

सूचना के अधिकार का मखौल सरकार के विभाग ही किस तरह से उड़ाते हैं इसका नजारा खान विभाग की ओर से जारी एक पत्र के जवाब से जाहिर हुआ है। खनन नीति के संबंध में कैबिनेट कार्यवाही देने के मामले में खान विभाग ने जानकारी देने से ही इनकार कर दिया है। वैसे खनन नीति और उसका एजेंडा पहले ही सार्वजनिक हो चुका है। खनन नीति भी राज्य में लागू हो चुकी है। विभाग ने सूचना देने की निर्धारित एक माह की अवधि बीत जाने के बाद भी निर्धारित शुल्क की मांग कर दी है। सूचना के अधिकार अधिनियम में कैबिनेट बैठक के बारे में भी जानकारी मांगने और देने का प्रावधान है। इसके लिए उसी प्रक्रिया से आवेदन किया जा सकता है, जैसे सामान्य जानकारी के लिए किया जाता है।

वो सब, जो आप जानना चाहते हैं

क्या सूचना मांगी थी

आरटीआई कार्यकर्ता लक्ष्मण सिंह ने 19 अगस्त, 11 को आवेदन कर खनन नीति को बनाने से लेकर अंत तक की कार्यालय टिप्पणी की प्रति, पत्रावली और अन्य दस्तावेजों के साथ कैबिनेट नोट की फाइल की प्रति मांगी थी। आवेदन में यह भी आग्रह किया गया था कि अगर ये जानकारी उनके विभाग से संबंधित न हो तो अन्य विभाग को स्थानांतरित कर दी जाए।

प्रावधान क्या

सूचना का अधिकार अधिनियम, 2005 की धारा 8 (झ) में प्रावधान है कि कैबिनेट बैठक की जानकारी दी जा सकती है। बैठक के दौरान किए गए विचार विमर्श, निर्णय और अन्य कार्यवाही की जानकारी दी जा सकती है।