HindCopper
FPO plans deferred

New Delhi, Dec. 27:
Disinvestment in the state-run Hindustan Copper, which aims to raise ₹4,000 crore, has been deferred and may now take place either in February or after the Budget, sources said.
Earlier, the follow-on-public offer (FPO) of the company, was expected to open on December 6 and close on December 9.
Meanwhile, the mines minister, Mr B. K. Handique, had indicated that the company intends to utilise the capital raised mainly for ramping up its production to 12 million tonne per annum MTPA from the current 3.15 MTPA by 2017.
This is done to meet the mandatory Sebi requirement of 10 per cent public shareholding, the minister said. The Cabinet had approved the disinvestment of 10 per cent paid up equity capital of HCL out of the Centre’s share along with the issue of fresh equity.

— PTI
Soon, clarity on norms for forestry clearances

Lack of well-defined procedures delaying multi-million dollar projects

Subhash Narayan

New Delhi, Dec 27: The Union Cabinet is all set to bring clarity and finalise procedures for forestry clearance of projects that involve large-scale displacement of tribal population. Lack of well-defined procedures for forestry clearances under the new Forest Rights Act (FRA) has resulted in project files flying between the environment and tribal affairs ministries with neither willing to take a final call on the matter.

“We have received several files from the environment ministry asking us to examine the issue of compliance with FRA. This is a dark area for us as such clearances by us are not guided under any existing regulation. We hope that the Cabinet will clarify the matter so that projects worth several billion dollars do not get stuck for want of forestry clearances,” said an official of the tribal affairs ministry asking not to be named.

“We are internally examining the issue and would consider moving a note to the Cabinet to bring more clarity on the issue,” the official added.

Industries that need to use forest land for their projects have to get forest diversion clearance from the environment ministry under the Forest Conservation Act. The ministry has recently issued a circular that makes compliance under FRA mandatory before a project’s proposal on forest diversion clearance is considered.

As compliance with FRA largely involves getting consent and settling the rights of tribals, environment ministry wants tribal affairs ministry to take the lead on the issue. The tribal affairs ministry, however, has been refusing such requests saying it neither has the necessary machinery nor is it guided by clearly laid down guidelines to issue such clearances.

The tribal affairs ministry is likely to approach the Cabinet with the plea to provide it with necessary manpower if it indeed has to certify projects for compliance to FRA.

Alternatively, it is likely to suggest that advise given by the state-level forest committee be considered final on matters pertaining to FRA.

CROSSING THE BORDERS

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Hindustan Copper divestment deferred

Disinvestment in Hindustan Copper (HCL), which aimed to raise Rs 4,000 crore, has been further deferred and might now take place either in February or after the Budget, a top official said. Earlier, the follow-on-public offer of the company was expected to open on December 6 and close on December 9, but it was deferred to January 2011. "The Department of Disinvestment and the Ministry of Mines have so far not finalised a date for the FPO and now it is likely to be either in February or after the Budget," a top company official said.

Earlier this month, Disinvestment Secretary Sumit Bose had said there would be no public offer in December this year after Shipping Corporation.
BASE METAL FIRMS LIKELY TO POST HIGHER PROFITS IN 2011

DEBASHIS MOHAPATRA
Bangalore, 27 December

Domestic base metal companies are expected to register higher profits in the calendar year 2011, as prices of metals like aluminium, copper, nickel and other metals, will see an upward trend on the back of higher demand from emerging economies like India and China, rising crude oil prices and greater economic activity in the United States.

Companies like National Aluminium Company Ltd, Vedanta, Hindalco and Hindustan Copper, among others, will see higher operating margins due to the spurt in metal prices.

“We expect all base metals, especially copper, nickel and aluminium, to witness an upward trend in 2011 on rising demand from emerging economies,” said Aurovinda Prasad, research head (commodities and currency) of Karry Comtrade.

He added rising crude oil prices, sound economic recovery of the US and weak dollar would be supportive of this trend. About the impact on domestic metal companies, he said profitability would be higher for firms in India due to better realisation.

International research report also supports the view of greater momentum in base metals at the London Metal Exchange. A recent Morgan Stanley report says base metal fundamentals look strong in the coming year, with an expectation of higher prices in most counters.

It is particularly bullish on copper and mentions that though the metal currently trades around its all-time high, factors like strong demand, low inventory and the on-going supply constraint will push prices further.

Copper prices have risen around 30 per cent from $7,100 a tonne in January to $9,400 in mid-December. “Prices have seen an upward trend in the recent past and we expect it to reach around $10,000 a tonne in 2011 on rising demand. This will, of course, give us higher operating margin in the medium term,” a top official of Hindustan Copper said.

The public sector copper manufacturer, which uses less amount of furnace oil compared to its global peers, would also be protected from the rise in crude prices, he added.

Similarly, aluminium may also breach the $2,500-per-tonne mark in 2011. According to Armored Wolf, a US-based research firm, prices are expected to rise next year mainly on account of fall in inventory levels and rising demand from China, the world’s largest producer and consumer of the metal.

“Though there was some kind of dip in aluminium prices in the recent past, another round of correction is less expected. We hope a price range of $2,400-$2,500 a tonne on the back of rising crude oil prices and demand from sectors like aviation, transportation, and electronics among others,” said Muleesh Kumar, chief operating officer of Vedanta Aluminium Ltd.

Analysts also said rising crude oil prices would act in favour of domestic aluminium manufacturers. “As Indian aluminium manufacturers are more dependent on coal than on oil for production, they are protected from the rise in prices of the raw material,” an industry expert said.

However, many analysts see a lot of global factors detailing this positive sentiment.

“All depends on China, as far as the base metal is concerned. The central bank has already raised interest rates in the recent past and is expected to do it in the near future to control liquidity. So, this may impact the demand from the country,” an analyst with a Mumbai-based brokerage firm said.

He said Europe would act as a dampener next year and recovery in the US was still feeble. “Most of the metal producers in India are integrated producers with their own captive mine, cheap raw metal and power production units, etc. However, it is still early to predict higher profit margin next year, as challenges persist in the global economy,” he added.
Gold seen range-bound on lack of leads

REUTERS
Mumbai, 27 December

Gold futures are likely to tread in a range this week on lack of fresh leads, and as traders wind down for the year, amid thin volumes that may make the yellow metal vulnerable to price gyrations, according to analysts.

“We don’t expect major movements this week, as there isn’t any important data, and due to holiday season in the international market,” said Pranav Mer, senior analyst with Mangal Keshav Commodities.

The most-active February contract on the Multi Commodity Exchange was trading 0.14 per cent higher at ₹20,508 per 10 gm at 6.40 pm.

Prices are still down 1.96 per cent from their all-time high of ₹20,924, struck on December 7. “We are advising our clients to avoid large positions for the week,” said Mer, adding gold may trade in the range of ₹20,370-20,650.

However, bargain buying by the physical traders could support the prices, traders and analysts said.

Gold buying edged higher as traders hunted for bargains after overseas prices dropped about one per cent in early trades today in response to China’s interest rate increase on Saturday.

“People are still holding their old stocks, though a few bookings are going on. I covered for 70 kg at $1,384-1,386 (an ounce),” said a dealer with a state-run, bullion-importing bank in Mumbai.
Hindustan Copper divestment in Feb?

NEW DELHI: Disinvestment in state-run Hindustan Copper, which aims to raise ₹4,000 crore, has further been deferred and may now take place either in February or after the budget, a top official of the company said. "The department of disinvestment and ministry of mines have so far not finalised a date for the FPO and now it is likely to be either in February or after the budget," the official said.
खनन नीति की खामी

प्रधानमंत्री के दबाव में पार्षदों में अन्य जज्ञासा किया जाना चाहिए नै बल्कि ही कोई विकास से सम्बन्धित ना हो। केवल निर्माण के लिए है कि प्रधानमंत्री के दबाव के बाद पार्षदों को त्रस्त करने का कारण है। इसके बाद पार्षदों को क्या कहा जाए?

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हिन्दुस्तान डोरको 135 करोड़ रुपए का ठेका

हैदराबाद (भाग): आईएमएससीएल समूह की कंपनी हिन्दुस्तान डोर-ओलिभर को तीन आलग-आलग संगठनों से 135 करोड़ रुपये के ठेके मिले हैं।

कंपनी ने एक विज्ञप्ति में बताया कि उसे रेड जेनरल के ग्राहकों के लिए फ्रेंचाइजी डिस्ट्रीब्यूटर के रूप में दिखाया जाएगा। कंपनी को यह संबंधित है कि यहीं बाहरी बाजारों की ओर से कलेक्टिव में ग्राहकों को वितरित किया जाएगा।

इसे 16 दिसंबर में निष्पक्ष किया गया है और कंपनी ने अपने वित्तीय अड्डे में 36.5 करोड़ रुपये का लाभ का शेयर घोषित किया है।

इसके अलावा, कंपनी ने 35 करोड़ रुपये का एक और ठेके मिला है।
झारखंड-उड़ीसा ने बनाई कमेटी

झानिङ तालकों पर कमेटी लगाम

झारखंड-उड़ीसा ने जनता के लिए एक कमेटी बनाई है जिसका नाम "झानिङ तालकों पर कमेटी" है। यह कमेटी झानिङ तालकों में बसे लोगों के सुरक्षा और सुविधाओं के लिए काम करेगी।

कमेटी का निर्देशन झानिङ जिले के प्रशासनिक अधिकारियों के अधीन है। राज्य सरकार द्वारा लागू होने वाली कानूनों के अनुसार इस कमेटी का कार्य किया जाएगा।
Silver shines as investors pile in

WSJ ON COMMODITIES

BY CAROLYN CUI & ROBERT GUY MATTHEWS

BIG CREEK, IDAHO

An unexpected surge in investor demand is sending silver prices soaring—and speculators and mining companies are digging in.

In the past four months, the metal has upended forecasts, rising 51% to a series of 30-year highs, before inflation. Silver closed Thursday at $29.31 a troy ounce, up from $16.822 at the beginning of 2010.

Among the four major precious metals—the others being gold, platinum and palladium—silver is up 74% this year, on track to be the second-best performing commodity after palladium, which is up 86%. Gold, by contrast, is up 26% and copper just under 28%.

Prices are rising despite oversupply and a lackluster recovery in industrial demand. Many analysts expected those factors would keep a lid on prices in 2010. What they didn’t expect was an overwhelming flow of money into the market from investors eager to ride a commodities rally.

“This is a story almost entirely about investment,” says Stephen Briggs, senior metals strategist at BNP Paribas.

The global silver appetite partly reflects world economic improvements. Investors from the U.S. to China turned to "hard" assets such as copper and other commodities in part as a hedge against inflation worries. Silver benefits from a dual role as industrial commodity and precious metal.

Here in the mountain-ringed Silver Valley, historically one of the world’s largest silver production regions, workers are busy punching through rocks to open passages in the Crescent Silver Mine, which closed more than a dozen years ago when prices of silver dipped to $5 to $6 an
Price of silver soaring

Even if prices retreat to $15 an ounce—a level seen as recently as early this year—some prospectors say they can break even, which means development will continue. "I think we are starting a new era in mining here," says Greg Stewart, president of United Mining Group, which has an 80% interest in the Crescent Silver Mine.

Exchange-traded funds backed with silver have enabled investors to invest in a market that traditionally was harder to participate in. The largest silver ETF, the $10.2 billion iShares Silver Trust, has seen a $1.1 billion net inflow for the first 11 months of this year. In recent months, concerns about inflation, the European debt crisis and the U.S. Federal Reserve's recent moves to boost the economy have driven investors to hard assets, also benefiting silver prices.

The craze has reached the coin market. In November, silver American Eagle coins sold by the U.S. Mint amounted to 4.26 million ounces, a monthly record in the agency's history.

Silver's reliance on investors to prop up the price could cause it to tumble suddenly. "When investor support for the metal fades, the downside is going to be pretty substantial," says Credit Suisse analyst Tom Kendall. He forecasts an average price of $30.10 per troy ounce next year as "a lot of factors that have led people to buy silver would still be there in 2011." But he cautions, "The number is only going to be achievable as long as fresh money keeps moving in."

Silver's all-time high was set in January 1980 at $48.70 an ounce, or $129.32 when adjusted for inflation.

This year investors are expected to pile a record $4.5 billion into the silver market, accounting for 24% of the world's total demand, says GFMS Ltd., a metals consulting firm in London. That's the highest level, in dollar terms, in decades.

The strength in silver prices has prompted a flurry of development around the globe and pushed anticipated production in 2010 to 733.2 million ounces, up 3.3% from 2009 levels, and up 14% since 2006.

Silver has some inherent appeal due to its industrial use in electronics, silverware and coins. And reserves are limited. According to the U.S. Geological Survey, there are fewer years of U.S. silver production left in the ground than any other precious metal including gold.

The recent price increase has been fueled by other factors in addition to investor interest. For instance, China recently abolished an exports tax rebate on metals. That has resulted in a 59% decline in silver exports.

Concerns are lingering over excess supply. The market is set to see a surplus of 64.4 million ounces in 2010, says Barclays Capital, which could curb prices. This year's surplus will be 16% smaller than 2009's but much higher than previous years.

Overall, silver production has been rising steadily in the past five years, with most of the growth coming from mines in Mexico, Latin America and Australia. Gold Corp., a Vancouver-based mining company, expects to more than triple output at its mine in Mexico, Penasquito, which is expected to produce 10 million ounces of silver in 2011, up from about 3 million ounces in 2009, according to GFMS.

Another new mine, Coeur d'Alene Mines Corporation's Palmarejo silver and gold mine in Mexico, is also ramping up to produce 9 million ounces annually. And BHP Billiton, which owns one of the largest silver mines in the world, Candington, is looking to increase production and extend the life of the mine, located in Australia.

So-called junior miners like United Mining Group are much smaller than mining giants like BHP and Rio Tinto. They often lack the capital or expertise to run a mine, which requires costly equipment and infrastructure. United Mining Group is issuing shares on the Toronto Stock Exchange to raise up to $8 million to develop the Crescent Silver Mine. Located in Idaho, it is expected to begin production in early 2012, with output just over 1 million ounces.

"The whole industry is like feast or famine," says Mr. Stewart of United Mining.

—wsj@livemint.com
Copper gains to record as China raises rates

SHANGHAI: Copper in New York climbed to a record and Shanghai gained after China raised interest rates for the second time since mid-October, spurring expectations that the government may refrain from further tightening measures in the short term. Metal for March delivery on the Comex in New York gained as much as 0.9% to $4.2985 a pound, the highest ever, and traded at $4.2923 in Shanghai. The contract earlier dropped 1.3%. Copper in Shanghai advanced 0.5% to 69,270 yuan ($10,453) a ton. The London Metal Exchange is closed on Monday and Tuesday for public holidays. "Following the two interest-rate hikes and three reserve requirement ratio hikes in the past two months, we may not see further tightening moves at least in the next couple of weeks," said Zeng Chao, an analyst at Everbright Futures.
Hindustan Copper divestment deferred

MUMBAI: Disinvestment in state-run Hindustan Copper to raise ₹4,000 crore has been deferred and may now take place either in February or after the budget, a top official said. Earlier, the follow-on-public offer (FPO) of the company was expected to open on December 6 and close on December 9 but it was deferred to January next year. “The Department of Disinvestment and Ministry of Mines has so far not finalised a date for the FPO and now it is likely to be either in February or after the budget,” the official said. The FPO proceeds will be utilised for expansion projects of the company, the official said. Mines minister B K Handique earlier this month had said the company intends to utilise the capital raised mainly for ramping up its production to 12 million tonnes per annum (MTPA) from current 3.15 MTPA by 2017.
Devising a right policy

The news report, “Montek questions MoEF’s ‘go, no-go’ idea” (IE, December 22), pointed out that India’s growth plans may be hit if coal-bearing areas remained out of bounds for mining. Not only for coal, it may be for other minerals like iron and bauxite also. Just as roses are protected by thorns, our natural resources are protected by forests. Just as we pluck roses without harming the plant, we must be able to exploit our natural resources without harming the forests. It is said that many projects are held up due to the hyper-activism of the MoEF. So it is necessary that the MoEF thinks of revising its strategy so that we can take advantage of our natural resources by causing least damage to our forest wealth. Instead of the ministries fighting each other, the government should devise a right policy that may help development without much harm to the environment. Technology can play a great role in this regard.

Adili Kundu
Kozhikode
Rare earth shock

A new report released by the US Energy Department paints a grim picture on future supplies of rare earths, which have shot into prominence due to artificial shortages triggered by China's sovereignty dispute with Japan. According to this official American prognosis, it could be 15 years before the US can free itself from dependence on China for medium and heavy rare earth elements that are essential components for manufacturing electric motors, fluorescent bulbs and a host of other green technology products.

The prediction has alarmed American green energy companies, which are already being outcompeted by Chinese firms owing to the latter's massive production and export subsidies. Attaining self-sufficiency in raw materials critical to one's core industrial base is not a new notion in national security circles, but it has suddenly acquired a panic feel to it as a result of China's export controls that sprang from a territorial spat with Japan earlier this year.

The US, the European Union and Japan have all recently suffered worrysome cuts of varied amounts in rare earth shipments from China, which stands accused of holding importers by the scruff of their necks through blackmail. The weaponisation of commodities by a monopolist to extract territorial or political concessions from its customers was first felt by the advanced industrialised economies in the 1970s during the two 'oil shocks', when Arab countries and Iran held back oil exports amid war and revolution in the Middle East.

In the rare earths case today, motives ranging from grabbing islands in the East China Sea — whose ownership China contests with Japan — to preparing local Chinese corporations for dominating world markets are driving Beijing's confrontational stance.

China accounts for a whopping 96.98% of global supplies of some rare earth elements, a commanding position achieved through exploitative labour and environmental policies. From around 1990, the logic of outsourcing — which has cost minimisation at its root — enabled Chinese mines with the worst safety standards and worker casualties to overtake their American counterparts in unearthng and processing rare earth elements. Up to the decade of the 1980s, Mountain Pass mine in California single-handedly generated 70% of the world's rare earth supplies. This became ancient history once the Chinese offered the same at much cheaper rates and became the world's preferred supplier.

SREERAM CHAULIA

Now that the Chinese policy of leveraging their rare earth supremacy for bargaining and linkage on other foreign policy issues has come to the fore, reviving long-abandoned industrial capacities for these precious inputs has become a major public policy concern for Japan, Germany and the US. However, rebuilding or freshly investing in hollowed-out industries is only a medium-term possibility because western economies not only have abandoned their mining in investment terms but also in scientific R&D. The US Energy Department grimly noted that "there are thousands of rare earth researchers in China and dozens in the United States."

What can jittered dependents do when their assured market-based supplies dry up and they cannot themselves become self-reliant any time soon? The Japanese, whose automobiles, electronics and defence industries are enduring the biggest blows from China's hostage-taking strategy, are sewing up bilateral deals with rare earth producers in Australia, Mongolia and the US. "Urban mining" of electronic waste—from used-and-thrown cell phones to motherboard for semiconductors—has also begun in earnest desperation.

In a treacherous world where dependence lurks not far below the surface of interdependence, China has reduced its political rivals to ragpickers and recyclers! The Financial Times cited a smug Chinese rare earth consultant mocking Japanese efforts to break free of Beijing's stranglehold as follows: "After you sign the contract (with non-Chinese suppliers), getting the product is not such a simple matter."

By abusing its monopoly power in the rare earths market, China has shattered confidence that free trade will meet everyone's needs while enabling specialisation based on comparative advantage. With China climbing to the helm of world affairs, a prolonged spell of economic nationalism and cutthroat behaviour lies in store. From the liberal world of mutual help, we are headed back to the 'self-help' ways of the jungle.

The author is vice-dean of the Jindal School of International Affairs
Gold hits 1-wk low,

India gold buying edged higher on Monday afternoon as traders hunted for bargains after overseas prices dropped about 1% in early trade in response to China's interest rate increase. People are still holding their old stocks, though a few bookings are going on, said a dealer with a state-run, bullion-importing bank in Mumbai. International spot gold fell to a 1-week low of $1,371.10, before recovering to $1,384.00 an ounce, down over $1 from the previous close.
Hindustan Copper divestment deferred to March

Disinvestment in Hindustan Copper, which aims to raise Rs 4,000 crore, has further been deferred and may now take place either in February or after the budget, a top official said. Earlier, the follow-on-public offer (FPO) of the company was expected to open on December 6 and close on December 9 but it was deferred to January next year.
Honing the Russian market with scale and size

Carborundum outlines key takes from its venture; to jack up Volzhsky Abrasive Works operations

M. Ramach
Recently in Volgograd (Russia)
On a cold, winter morning in 2006, K. K. Irkhin, Managing Director of Carborundum Universal India Ltd (CUMI), arrived at the office of Mr Nikolay Makeyev, Governor of Volgograd Oblast, a southern Russian region, near the Caspian Sea. It was a country visit, as CUMI was looking to buy an old factory that made silicon carbide (SiC) and grinding wheels, in the nearby town of Volzhsky.

The Governor asked Mr Srinivasan a simple question: When will you close down silicon carbide production? (You make SiC by fusing petroleum coke and sand—in a furnace. The process has traditionally been believed to be polluting.) Whatever Mr Srinivasan’s response was, it must have convinced the Governor that there was no need to close down the plant—CUMI not only took over Volzhsky Abrasive Works in 2007 for $43 million but also hopped on and is gearing to increase its output by another $75 million in building a new plant in the region.

The acquisition of Volzhsky Abrasive Works by the Chennai-based Murugappa group—a group known for its conservation approach to business—a study of which ought to provide a sensitive model-closing precedent for companies that wish to acquire plants in Russia. Considering that if you look around, you may see something good in the utilization of places. Take Volgograd, for instance. It is a typical Russian town with broad roads, rows of busy buildings and a general sense of any reminder that Russia still has millions of Cold War movies showing the take over of the state—but with a very untypical history. Stallings, as it was known before World War II, was the scene of one of the fiercest battles in the Second World War, where two million people died in the winter of 1943, and decisively changed the course of the War.

DIAMOND JUBILEE

It was the post-War resurgence that the resource-rich province saw the construction of Volzhsky Abrasive Works (VAV) in 1961. In 2011, the plant will celebrate its diamond jubilee.

The factory, all black and gritty, looks nothing like the lush-lushpainted, painted-and-strewn formal manufacturing plants, but an obvious conjecture is that is why the Murugappa group got the 65-hectare, profile-making plant for $43 million. In the bleak brick walls and smoke-spewing chimneys, the group’s officials spotted the kernel of excellence in the unit, consisting of access-to-low-cost raw material and energy, dedicated workforce of 680 people, proximity to markets, and important, synergies with operations back home. The first thing we decided was that not one employee would be relocated,” recalls Mr Srinivasan.

Oficials of Carborundum Universal realized that it was easy to modernize (and thereby also address the emissions problem) the plant. The prime task will be to gain the confidence of the people. Russians have little connection with Indians and, therefore, establishing rapport was key. Before the acquisition, we went to India and visited all of Carborundum Universal’s plants,” recounts Mr Sergey Kostrov, Director-General, VAV.

QUANTUM CHANGE

Since Carborundum took over, the plant has seen a 37 per cent increase in the production of 200 million rupees as taxes and levies, up from 60 million rupees before the takeover.

In 2007, VAV made a post-tax profit of $3.5 million. In the current month, it will make $8.1 million—up three times in three years. Notably, everything turned there has been piloted back into operations. But the story does not end here. In fact, what ends is only the phase of ‘incremental change’. Quantum change is about to begin now.

The downstream operation of producing abrasives from SiC is fairly simple—it, the powered SC with resins and press the mixture into grinding wheels.

SYNERGIES

Alongside, a lot of information technology is being brought into areas such as inventory management and even manufacturing. ‘Carborundum has experience in automation. We are leading in plants to bring it (automation) here”, Mr Kostrov said.

Carborundum’s international alliances have also helped VAV. For instance, VAV does not produce coated abrasives. Carborundum does in India, but does not have a presence in Russia. With this, VAV plans to export the plant's Carnot, for Zirconium and India for brown fused alumina. Besides, it has operations in China, Australia and Canada—giving wide scope, with some local value addition.

The Murugappa group company is configuring its various manufacturing units into ‘centres of excellence’. VAV is the ‘centre of excellence’ for silicon carbide, its South African joint venture, Fostler, Zirkonzahn and in India for brown fused alumina.

Since Carborundum took over, salaries have gone up 27 per cent; the provincial government got 200 million rupees as taxes and levies, up from 80 million rupees before the takeover.

diamond jubilee and given the technology, it may be good for another 30 years.

LESSONS FROM TAKEOVER

There are some fundamental lessons from this takeover. ‘You should never takeover small companies,” observes Mr Srinivasan. “You do that, you will find managing the environment trying.’

Mr Srinivasan lists three factors as the key if you are eyeing opportunities in Russia. First, “getting the right people. Second, with some local sales.” Crucially, the Chennai-based Super Auto Forge, a leader in cold-formed auto components, was among the first to set up shop in Russia, investing about a million dollars. Its experience is invaluable.

Second, go with a long-term objective. No quick-buck strategy will work. Third, go with a strategy to demonstrate your commitment to the place. Resources, both physical and human, are plentiful. At the current pace of growth; there is abundant goodwill for India. Carborundum’s VAV acquisition has shown that in the beginning you may face cold weather, but a tough Governor, but it can be done.
Hindustan Dorr
wins Rs 135-cr
order

Press Trust of India
Hyderabad, Dec. 27

Hindustan Dorr-Oliver, city-based infra major IVRCL Group Company today said it bagged an order worth Rs 135 crore for their mineral and water division.

The company, in a statement, said it bagged an order worth Rs 63 crore from Heavy Water Board, GoI towards designing, engineering and manufacturing at the Department of Atomic Energy at their Kalpakam facility and the completion period of the project is 16 months.

Another order worth Rs 36.5 crore is for complete ETP plant for the first-ever aromatic complex from ONGC-Mangalore Petrochemicals Ltd. The order is for complete effluent treatment plant of capacity 200 cum/hr for the atomic SEZ.

The project is expected to be executed in 20 months.

PIPING SYSTEM

The third order worth Rs 35 crore from Bharat Aluminium Company Ltd (Balco) at Korba towards completion of in-plant air and water piping system, similar to the two earlier projects from Vedanta. This contract is expected to be executed within a period of 10 months.

HDO is already been associated with Atomic Energy division and a project worth Rs 441 crore is already under execution in Kadapa district, Andhra Pradesh. The plant will be commissioned in 2011.

The company has also made a 100 per cent acquisition of UK-based Davy Markham in early 2010. The company, as on date, has Rs 4,500 crore of order bids under process.
Copper surges to record

Bloomberg
Dec. 27

Copper futures rose to a record as inventories declined in China, the world's largest user, bolstering speculation that demand will outpace supply. Stockpiles monitored by the Shanghai Futures Exchange fell 5.8 per cent last week, the biggest drop in almost three months. As of September 30, global consumption exceeded output by 436,000 tonnes this year, the International Copper Study Group said last week. That compares with a deficit of 56,000 tonnes in the same period last year, the group said.

Copper futures for delivery in March rose 0.9 cent, or 0.2 per cent, to $4.2675 a pound at 11.01 a.m. on the Comex in New York. Earlier, the metal reached $4.2988, the highest ever.
Kolkata, Dec. 27

A documentary produced and directed by journalist Mr Paranjit Guha Thakurta throws light on environmental and livelihood issues plaguing the Bellary belt of Karnataka and Anantapur in Andhra Pradesh by the powerful mining mafia. The documentary 'Blood and Iron', presents a comprehensive picture of the money, politics and greed of the mining mafia in the area. It also depicts the influence of local politics on the powerful mining lobby in Bellary and Anantapur region. Mr Guha Thakurta said in an email interview to PTI. The documentary uses news clippings, interviews with prominent personalities, academics and political activists to outline how mining has ruined the once verdant Bellary. It makes a chilling point about the nexus among criminals, businessmen and politicians that drives, even sustains, illegal mining. — PTI
Lanco Infratech to hive off power ops ahead of listing

Diversified Infrastructure Company To Come Up With IPO In 2012

Rachita Prasad
Mumbai

DIVERSIFIED Infrastructure company Lanco Infratech is hiving-off its power business into a separate company with the aim of hitting the capital market with an initial public offer in 2012 for financing growth plans, chief financial officer J Suresh Kumar told ET.

The company, which has moved its headquarters from Hyderabad to Gurgaon to be closer to the decision makers, has an operational power generation capacity of 2,100 megawatts (mw) under eight special purpose vehicles or SPVs. It plans to raise its capacity to 4,000 mw by 2011 and subsequently to 15,000 mw by 2015.

"We are already going through the process of transferring all our investments in power to an holding company. We are busy creating a management and finance team for the company," Kumar said.

The power business currently accounts for around 55% of the company’s revenue. Lanco Infratech operates in the infrastructure space both as a developer as well as a contractor of primarily power and road projects.

"Given the way growth opportunity is shaping up there will be a need for us to de-risk business model slightly rather than taking more debt on our balance sheet," the finance head said.

The company has a gross consolidated debt of around Rs 16,000 crore, being serviced at an average interest rate of 10.0-10.5%.

It would be raising debt of another Rs 7,300 crore by January for the financial closure of a 1,320 mw unit at the coal-fired Amarkantak power project in Chhattisgarh and a 742 mw unit at the gas-fired Kondapalli power project in Andhra Pradesh. Power Finance Corp is the lead banker for the loan being raised for Amarkantak project, while Axis Bank for the Kondapalli unit loan. Besides the investment on power projects, the company is also looking at significant investment on fuel linkages given that its capacity expansion target would see coal requirement rising to up to 60 million ton per year by 2015 from 3-6 million ton now.

"We believe Coal India will give us 70% of our requirement; for balance we would have to look at various sources like greenfield and brownfield mining assets," Kumar said.

Earlier this month, Lanco announced acquisition of Australia-based Griffin Coal Mining Company Pty and Carpenter Mine Management Pty (Griffin Coal), which has an estimated coal reserve of 1.1 billion ton, for Australian dollars 750 million. The company may invest up to Australian dollars 1 billion to develop mining and evacuation infrastructure to scale up Griffin’s output to 20 million ton a year from 4 million ton now. "We would rather own assets and make sure we are insulated from price and volume volatility," Kumar said.
सोने में सुधार
चांदी पड़ी नरम

चाँदी की कीमत चेतावनी देने वाले प्रेस इनफर्मेशन ब्युरो के अनुसार चांदी में 10 ग्राम और चांदी में 10 ग्राम का सोना उत्तम रूप से सुधार हुआ। यह चांदी के तेल के कुछ नए रूपों के साथ 20,720 रुपये प्रति 10 ग्राम पर हुआ। चांदी के 50 रुपये का सोना भी 44,800 रुपये प्रति किलो ग्राम के अंतर पर आ गया।

सोने की कीमत के अनुसार चांदी की कीमत भी उत्तम रूप से सुधार हुई। चांदी के 10 ग्राम का सोना उत्तम रूप से सुधार हुआ। इसके अलावा 10 ग्राम के अंतर पर 1371.10 डॉलर प्रति ग्राम तक चला गया। अन्य देशों में, यह वहाँ 1384.80 डॉलर प्रति ग्राम पर हो रहा।