Hind Copper net up threefold

KOLKATA: Hindustan Copper Limited, which is scheduled to come out with a follow-on public offer next month, on Wednesday said its second quarter net profit grew threefold to ₹16 crore due to increased ore production and higher product prices. The company’s net sales during the July-September period grew 38% to ₹324.45 crore. During the first half, HCL net profit surged 3.4 times to ₹82.41 crore. HCL, which is the country’s only integrated copper producer that owns captive mines in the country, said ore production increased by 18.9% in the second quarter, while metal in concentrate went up by 0.4%.
Dhanteras sales to rise 40%: WGC

Gold sales during October 31-November 6, when Indians celebrate Dhanteras and Diwali festivals, may rise by up to 40 per cent from 56 tonnes last year despite record high prices as consumers expect more gains, a senior World Gold Council (WGC) official said on Thursday. "It's now an economical decision. The urge among consumers is to capture gold now than later as prices have continuously rallied upwards," Ajay Mittra, managing director of WGC India and the West Asia said. On November 3 is Dhanteras, when jewellers in India register the highest gold sales in a year, and on November 5, Diwali, when Indians buy the yellow metal as a sign of future prosperity. India is the largest consumer of gold.
अल्यमीनियम वायदा में विदेशी संकेतों से उछाल

अमेरिकी डॉलर कम्पनी होने के कारण अल्यमीनियम में तेजी दर्ज की गई। एमसीएस में अल्यमीनियम नकद वायदा 23.96 पीसी बढ़कर 104.75 रुपये प्रति किलो रहा है। इसके अलावा अल्यमीनियम निरस्त्र वायदा में भी 0.96 पीसी की बढ़त रही। विदेशी इंदौरों के आनन्द की उपलब्धि है कि अपनी वस्तु को अल्यमीनियम में कार्यातिक आई ही। इसलिए यहाँ के बांटदारों की संभावना थी। इसे भी विदेशी बांटदारों के नाम से महत्वपूर्ण बांटदारों की संभावना के साथ साथ अल्यमीनियम में विनिमय हुआ है।

लेख

एमसीएस में टुकड़े को बांटने के कारण लेख में निर्देश दर्ज की गई। एमसीएस में लेख निरस्त्र वायदा 0.63 पीसी निर्देश 113 रुपये प्रति किलो में आया। इस निर्देश के बाद में कार्यकर्ताओं ने अल्यमीनियम के निरस्त्र वायदा लेख में निर्देश दर्ज करने का निर्देश दिया। इसके कारण इस के निर्देशों में नहीं हो सकता।

कार्यकर्ताओं पर बड़ी मिलबंध उठाने वाले अनेक के कारण लेख की तेजी का रहा रहा। एमसीएस में कार्यकर्ताओं नकद वायदा 2.9 पीसी बढ़कर 20,980 रुपये प्रति किलो के स्तर पर पहुँच गई। इस बार के उपराईन के कंपनी के निरस्त्र वायदा निर्देश का निर्देश दिया। फिर विदेशी निर्देशों का आचार बहुत ही कम है। भगवान इस के निर्देशों में उछाल आ रहा है।

भविष्य

गुलाब के कारोबार में धनिया में नहीं होती। एमसीएस में भविष्य जनवरी वायदा 2.3 पीसी निर्देश 3,470 रुपये प्रति किलो के स्तर पर आ गया। इस निर्देशों का मानना है कि इस बार बुरौआ क्षेत्र में बढ़ते होने की संभावना के साथ भविष्य में निर्देश आ रही है। इसके अलावा जीते में आई निर्देश का भी भविष्य पर नकली असर पड़ा है।
टिन निर्यात घटाए गए चीन

चीन के वर्ष 2011 में अपने टिन उत्पादकों के निर्यात कोटे में कमी करने की प्रोपर्टी की है। चीन के वाणिज्य मंत्रालय के अनुसार उन्होंने शेयर 18,700 टन टिन उत्पादन का निर्यात करेगा। जबकि इस साल का निर्यात 21,000 टन है। हालांकि, इस साल की तुलना में अपने वर्ष 2010 टिन उत्पादन और एनीट्रा धातुओं के उत्पादन के निर्यात कोटे में कमी हो गई है। वर्ष 2011 में जलांगु दाटन का उत्पादन का कोट 15,700 टन बन गया है। चीनी एनीट्रा भारत उत्पादन के कोटे की मात्रा 60,300 टन तथा यह एनीट्रा के कोटे में कमी होने के कारण है। हालांकि, मंत्रालय ने दुरुस्त खानियों के संबंध में कोई निर्यात कोटा जारी नहीं किया है।
HSCL - Steeling the march ahead

Once upon a time, long long ago, the country was busy building her modern temples. In those days of yore, when romance was in the misty eyes of a Nation in her infancy, Public Sector Units (PSU’s) were created with great abandon to give shape to the dreams. Those were the days when neither economic considerations, nor financial constraints were of much import as the stress was on nation building, on creating the pillars of the economy following the theories of the day.

A glaring example is Hindustan Steelworks Construction Limited (HSCL) which was established in 1964, as a construction agency of Government of India under Ministry of Steel, to mobilize indigenous capability for putting up integrated steel plants in the country. The young organization rose to the occasion and successfully met the challenge by bringing together competent human resources and mobilizing a fleet of updated construction equipment. Bokaro and Bhilai Steel plants were constructed thanks to a very great extent to the ground breaking efforts put in by HSCL.

And then dawned the darkness. Saddled with a huge pool of semi skilled labour and benefit of any work, the company maneuvered - sometime doing the mental jobs of maintaining SAIL’s staff quarters, at other times filling ash handling ponds, quietly adding up its losses and sinking under its own weight. In the private space, death would certainly have followed decay and obituaries would by now have been at least a decade old. But HSCL, the gritty survivor that it is, modded Lucifer on the face and lived on. Only to reinvent itself as an Infrastructure Entity, giving shape to India’s economic surge forward not as an also ran, but as a key constituent.

Since then there has been no looking back. In the years that followed, almost every major steel plant in India was constructed by HSCL. As the company grew in resources and expertise, it diversified in other areas like Power Plants, Mining Projects, Irrigation Projects including Dams and Barrages, Oil Refineries, Railways, Airports, Buildings and Commercial Complexes, Rural Roads, Highways, Flyovers, minor and major Bridges for Railways and Road traffic, Infrastructure for Educational Institutions, Health Centers and Hospitals etc. The Company undertook and successfully completed a number of Turn Key Projects also for various clients. Today, HSCL is an ISO 9001-2000 Company and its capabilities cover almost every field of construction activities.

Starting with a modest Rs.5 Crore in 1965-66, the Company achieved a Turnover of Rs.636 Crore in 2008-09. The Order Book also is swelling every year. The year 2009-10 began with orders worth Rs.1,367 Crore in hand. Turnover and Order Booking registered CAGR of 25% and 26% respectively during the last three years; much more than the overall industry growth of 8.3% recorded during 2007-08 and around 4% during 2008-09. The Company has so far executed orders worth more than Rs.9180 Crore since inception. The financial results also are improving with the Company earning an Operating Profit of Rs.51.32 Crore (Unaudited) during FY09.

Eleventh Plan period is likely to witness considerable investments in steel as well as in infrastructure sectors. The Company is geared up to take advantage of the bullish industry scenario and aggressively increase its business volume, the growing concern of soaring oil and steel prices notwithstanding.

Being in the Public Sector, HSCL pledges to comply with the framework of transparent Corporate Governance and considers it a primary responsibility to participate in the development of remote rural areas of the country under Govt’s Bharat Nirman Programme. HSCL is dedicated to ‘Building Optimism through Constructive Services’.

What now? Well, HSCL in its new avatar is all set to scale newer heights. Its manpower, production and capabilities have been rationalized, the books seem set to be cleared off the cobwebs and with a dedicated management at the helm, the company is all set to move aggressively into the infrastructure space and earn its laurels and laurels. With so much going for it, can an IPO be far behind? Watch this space.

Suvabrat Ganguly
मिले खनन की अनुमति

नई दिल्ली में कोर्ट मंत्री गोविंदा जायस्वल ने गुरुवार को कहा है कि पश्चिमी मंत्रालय को 'नयी भारत की जोन' चीजों के लिए अधिक क्षेत्र के 90 प्रतिशत में खनन की अनुमति देने चाहिए। उन्होंने कहा कि विभिन्न मंत्री जिन्होंने किए बिल जारी के बाद कैबिनेट में एक प्रस्ताव रखा जाएगा।

जायस्वल ने कहा कि 'हमने देश के बाहर क्षेत्रों के 90 प्रतिशत हिस्से में खनन की संभावना के लिए कैबिनेट नोट जारी किया है।' (प्रमेय/एजेंसी)
Hindustan Copper IPO expected by early December

The miner and the Indian government will each sell 92.5 million shares; pricing will be decided in November

By Abhishek Shanker
feedback@livemint.com
Mumbai

Hindustan Copper Ltd, India’s monopoly miner of the ore, may start marketing its planned public offer by the middle of next month and may sell shares by early December, chairman Shakeel Ahmed said.

The pricing will be decided by a group of ministers in November, Ahmed said in an interview in Mumbai.

The stock doesn’t accurately reflect the value of the company as only a small number of shares are available, he said, without specifying the amount expected to be raised. The sale may fetch as much as ₹4,000 crore, he had said in June.

Hindustan Copper will follow the share sale in Coal India Ltd (CIL), which attracted 15 times the stock on offer this week and boosted the asset sale programme of Prime Minister Manmohan Singh.

The government is seeking to raise ₹40,000 crore from seven planned stock sales by March to rein in the budget deficit.

Hindustan Copper and the Indian government will each sell 10%, or 92.5 million shares, according to a statement on 27 September.

Institutional buyers may bid for as much as half the shares on offer, which will be conducted through a book-building process.

UBS Securities India Private Ltd, ICICI Securities Ltd, Enam Securities Private Ltd, Kotak Mahindra Capital Co. and SBI Capital Markets Ltd will manage the sale.

Hindustan Copper’s shares rose as much as 4.5% to ₹460 on Thursday in Mumbai and closed 1.60% up at ₹441.

The company expects to improve its profitability this fiscal year as copper prices gain on the London Metal Exchange and it earns an estimated ₹6,000 crore selling waste rock.

Copper may rise as much as 16% to an average ₹6,100 (₹3.6 lakh) a tonne in the six months ending 31 March, mainly on demand from China and India, Ahmed said.

Demand has been rising and a supply constraint will push up copper prices, he said. Hindustan Copper net income in the second quarter ended 30 September quadrupled to ₹56.21 crore on higher copper prices and a renewed focus on mining, Ahmed said.

The company is planning to start excavating zinc, nickel and gold apart from augmenting copper ore supplies by expanding existing reserves and restarting closed mines in India.

The cabinet in June approved stake sales in CIL and Hindustan Copper as part of the asset-sale programme.

CIL’s shares will be sold at ₹245 each, coal minister Sriprakash Jaiswal said on 25 October.
Adani Enterprises: diversification boost

Just prior to announcing its September quarter results, Adani Enterprises Ltd (AEL) reported winning coal MDO (mine-developer-cum-operator) rights for mining 40 million tonnes per annum (mtpa) in Orissa, making it the largest private sector player with 110 mtpa of coal mining under its belt. But revenue and earnings visibility from these projects would be about four years away.

For now, it is predominantly a trading entity with infrastructure presence through its 71% stake in Adani Power Ltd and around 78% stake in Mundra Port Ltd. For the September quarter, consolidated sales growth is around 8%. Around 51% of it came from trading, the share of which, however, has steadily reduced from 78% a year back and 62% in the last quarter. During the September quarter, AEL revenue from power generation was up 11% on a quarter-on-quarter basis. The increase came from the incremental 330MW capacity that came in, from 660MW in the June quarter.

Likewise, AEL’s business diversification is visible in this quarter’s segment-wise performance. While trading accounted for almost all its profit (before interest and tax) a year back, this quarter recorded 20% and 36% of its profits from the power and ports segment, with only 39% accruing from trading activity. The management says this is in line with its intent to gradually move from high-volume, low-margin businesses to those that generate higher profits.

The operating profit margin, therefore, jumped year-on-year (y-o-y) from 5% to 13%. Operating profit, likewise surged around 2.5 times to ₹726 crore on a y-o-y basis.

Yet, some analysts say it was marginally lower than expectations due to performance slippages in the ports and power segment. During the quarter, the real estate and agri-silos businesses posted losses, even as the latter constitutes a significant proportion of revenue.

AEL’s consolidated net profit surged 3.4 times y-o-y to ₹509 crore. This was buoyed by “other income” (non-recurring) of ₹223 crore, which was on account of the massive $1.2 billion (₹5,340 crore today) raised through the qualified institutional placement route during the quarter.

Improved performance with revenue gradually flowing in from its diversified infrastructure projects had a positive impact on AEL, which rose 1.3% to ₹685.20 apiece on the Bombay Stock Exchange. The project pipeline is strong with around 0.26Gw to be commissioned by fiscal 2014, besides becoming a large coal MDO. But, for investors, that is a long while away.

VATASALA KAMAT
Clinton to press China on rare-earth minerals

Clinton says recent restrictions must serve as an alert for the U.S., allies

BY JAY SOLOMON
HONOLULU

U.S. Secretary of State Hillary Clinton said she will press China this week to clarify its policy on the exports of rare-earth minerals amid fears Beijing could use them as a political weapon.

Mrs. Clinton, en route to Asia for a key regional summit, stressed following a meeting with her Japanese counterpart in Hawaii that recent Chinese restrictions on sales of the important commercial inputs must serve as a "wake-up call" for the U.S. and its allies to diversify their sourcing.

China is estimated to supply about 97% of the global demand for these metals, which are essential for the production of computers and other electronic products.

"Because of the importance of these rare-earth minerals, I think both the minister and I are aware that our countries and others will have to look for additional sources of supply," Mrs. Clinton said at a joint press conference with Japanese Foreign Minister Seiji Maehara.

Tensions between China and Japan have increased in recent months, fueled by a dispute over islands jointly claimed by the two Asian nations.

In July, Beijing announced a drastic curtailment of its export quotas for these minerals, as well as a crackdown on smuggling, which began to be felt in subsequent months. China says the limits reflect its growing environmental awareness, are perfectly legal and won't be used as a policy tool. The moves nevertheless raised fears that China was seeking to pressure Japan and other industrial powers.

In Beijing Wednesday, China's Foreign Ministry said it wouldn't use its dominance in rare-earth minerals as a "bargaining tool" with competing nations. Mrs. Clinton said she would seek to clarify this position during her scheduled bilateral meeting Saturday with China's state councilor, Dai Bingguo, on China's Hainan island.

"I would welcome any clarification of their policy and hope that it means trade and commerce around these important materials will continue unabated and without any interference," Mrs. Clinton said. Mrs. Clinton said she would also use her meeting with Mr. Dai to prepare for Chinese President Hu Jintao's upcoming state visit to the U.S.

Mrs. Clinton is embarking on a seven-nation Asia-Pacific tour that U.S. officials say serves as a symbol of the Obama administration's commitment to remaining a regional diplomatic and economic player.

On Saturday the U.S. secretary of state will join Asian leaders for the East Asia Summit in Hanoi.

Mrs. Clinton's Asia trip didn't initially include a stop in China. But U.S. officials said the wide range of issues currently facing the U.S.-China relationship made it imperative for the chief American diplomat to hold additional discussions with Mr. Dai.

Washington and Beijing have jostled in recent months on issues ranging from the value of China's currency to territorial disputes in the South China Sea.

---wsj@livemint.com
NMDC Q2 net up

IRON ore producer NMDC Ltd on Thursday reported a 78 per cent jump in net profit in the second quarter of this fiscal due to a rise in mineral prices vis-a-vis the year-ago period. The firm had posted a profit of ₹770.85 crore for the year-ago period. NMDC clocked a revenue of ₹2,459.98 crore in the quarter against ₹1,390.13 crore in the year-ago period.
‘Allow mining in 90% no-go zones’

Press Trust of India

NEW DELHI: Coal minister Sriprikash Jaiswal on Thursday said mining should be allowed in 90% of the areas classified as no-mining zones by the environment ministry and a proposal will be tabled before cabinet soon after ascertaining the views of different ministries.

“We have circulated a cabinet note on the possibility of mining in 90% of the forest area of the country. This excludes the 10 per cent dense forest area,” Jaiswal told reporters here.

The proposal clearly states that the firms undertaking mining operations in forest areas would be mandated to go for “afforestation” in the region to mitigate the impact of such projects on the environment.

“For every tree cut, companies have to plant three such trees. Coal India is doing such things voluntarily,” Jaiswal added.

Last month, a PMO-appointed panel had decided to refer the row between the coal and environment ministries over classification of nearly half of coal-bearing areas in the country as no mining zones to cabinet. The government wants to ascertain the availability of domestic coal and for that, “a clarity is needed on the issue of no-go and go mining areas,” an official source said.

The Environment Ministry has declared about half of the coal-bearing forest areas in nine coalfields as no mining zones or "no-go" areas, which has irked the coal ministry, which says the country could see a coal shortage of 500 million tonnes in the next few years on account of such a classification.

Jaiswal has already met Prime Minister Manmohan Singh and sought a speedy solution to the row.

Some coal blocks allotted to companies like Hindustan Zinc, Ultra Tech and Essar, along with a few blocks allocated for upcoming ultra-mega power projects, fall in the no mining zones.

The PMO has been mediating on the issue for the past two months in the hopes of finding a solution.

In July, a high-level inter-ministerial panel had recommended that mining should be allowed in as many as 77 coal blocks that were made a no-go affair by the Environment Ministry. Now, as many as 125 blocks are labelled as ‘no-go’ areas, down from 230 earlier.
Jaiswal on mining

NEW DELHI, 28 OCT: Coal minister Mr Sripakash Jaiswal today said mining should be allowed in 90 per cent of the areas classified as no-mining zones by the environment ministry and a proposal will be tabled before Cabinet soon after ascertaining the views of different ministries.

"We have circulated a Cabinet note on the possibility of mining in 90 per cent of the forest area of the country. This excludes the 10 per cent dense forest area," Mr Jaiswal told reporters here. pti
Welcome home Goddess Lakshmi this festive season with paper gold to maximise your returns from the yellow metal

Here are some reasons why investing in Gold ETFs makes better sense than sitting on physical gold

- They can be bought at the prevailing market rates
- No stock cutback will come into play at the time of selling ETFs
- Storage costs are nil
- Quality is impeccable
- The minimum holding period for Gold ETFs to be considered as long-term capital assets is only 12 months

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Preeti Kulkaari (With inputs from Vijaykant)

Investing in stocks in the new year

As on October 18, 2013
Source: Reuters and Motilal Oswal
Go For Gold ETFs This Diwali

Welcome home Goddess Lakshmi this festive season with paper gold to maximise your returns from the yellow metal

T he glitter of Diwali is never complete without gold. For most people, buying even one gram of the yellow metal is an integral part of the elaborate ritual of welcoming Goddess Lakshmi home.

If you go on your shopping spree this Diwali, it would be wise to pay heed to what the financial wizards have to say about the coveted metal, which has traditionally been defying gravity for quite sometime now.

Of course, experts say you can always buy gold if you like wearing jewellery or want to buy the yellow metal for investment purposes.

There is no such thing as a bad time to buy gold, they say. But they would like you to consider a host of options including branded gold bars and coins. ETFs before you reach out for your wallet. The idea is to maximise your returns from these purchases, as some of them offer tax benefits and the process of selling them is less cumbersome.

Any Time Is Good Time: "If an investor wants to buy gold for auspicious reasons, there is very little we can say here. But otherwise an investor can hold on till the prices soften," says Kartik Jhaveri, director, Transend Consulting, a wealth management firm based in Mumbai. The same rule applies to timing the purchase, too. Since most people have a particular date to their mind when buying gold, there is hardly anything they can do about timing their purchase to line with a fall in prices. "For most investors, any time is the right time to buy gold. The underlying assumption here is that one will stay put for at least five years. Gold prices keep fluctuating. Prices typically fall in July and August and start increasing by October. Instead of timing your purchase, it is better to have a staggered approach to buying gold," says Rishi Nathany, certified financial planner, Touchstone Wealth Planners.

"Given the global scenario, which is uncertain and complicated, gold is going to benefit and prices will continue to go up. They cannot keep rising forever, but at the moment, it is not a bubble. If your objective is investment, you can look at increasing your exposure to gold," says Praveen Singh, commodity analyst, Sharekhana.

How, When & In What Form?: More than the timing and prices, investment experts are more concerned about what form individuals should buy gold. For example, the commonplace idea about buying gold is getting a pretty piece of jewellery. Nothing wrong with that — after all, you cannot admit a gold coin or a bar the way you would a beautiful piece of jewellery. However, experts are not bewitched by aesthetics — they are solely concerned with bar numbers. According to them, jewellery is the least preferred option, followed by unbranded coins and bars. The most preferred modes of purchases, according to them, are gold exchange-traded funds, branded bars, coins, jewellery — exactly in their order of preference.

It is normal to find gold on the end use of gold. If parents are investing in gold to make some jewellery for their children, I would advise them to invest in coins/bars," says Jhaveri. "If it's for retirement or just another investment, I would recommend ETFs as they act like quasi cash.

"While many banks are promoting gold coins and bars in a big way, you need to know that they do not buy back gold. So, when you wish to sell them, you have to deal with goldsmiths, who may deduct a huge margin amount. Besides, you will also have to incur storage expenses," says Vicky Mehta, senior research analyst, Mottinger India.

The way out seems to be buying coins, jewellery priced-off from branded outlets.

"Banks also sell gold coins and bars, but many times we have observed that their prices are higher than ours," says a senior official of a branded jewellery store.

Aditya Sandeep Kulkarni, senior vice-president, retail and marketing, Tanishq: "While banks do not buy back gold, we accept gold coins and bars. Typically, the charge of making charges of 4-6% if the payment is in cash. The charges are usually waived off if gold is exchanged for jewellery instead."

However, no pretexts for guessing the preferred mode of investment for the number wizards. Gold ETFs. "Gold exchange-traded funds (ETF) are a smart way of investing in gold. Although the investor will need a demat account, the advantages include zero storage costs, assurance of quality and facility to purchase units online. While choosing a gold ETF or any ETF, ask your financial advisor to look for the one with a lower expense ratio and minimum tracking error, as it may be difficult for a lay investor to grasp these technical terms," says Mehta.

Another advantage of gold ETFs over physical gold is the transaction tax. Investments in gold ETFs are considered for long-term capital gains after a period of 12 months from the date of purchase. In the case of physical gold, the commensurate period is three years. "Gold ETFs have paid an average one-year return of 19.5% (as on October 27, 2010). They logged a three-year compounded annual return of 23%.

Rishi Nathany is the only exception to this rule. His first recommendation is 8-gold, an initiative by National Spot Exchange, which is yet to become popular with investors. "The clearing and settlement takes place on a T+2 basis. The biggest advantage is the transparency pricing and lower costs," says Nathany. His second preference, of course, are gold ETFs, which attract a fund management charge of 1%.

On A Sober Note... Sure, gold may burn bright as long as clouds of uncertainty hover over the global economy. However, don't expect gold to blare with the same intensity forever. Remember, the yellow metal is always used as a hedge and is mostly used as a shock absorber in a portfolio when everything else goes wrong. "At any point of time, I wouldn't ask investors to look at an exposure beyond 10% of their portfolio. Also one should stay invested up to 10 years to maximise gains," says Jhaveri.

Preeti Kulkarni
(Writing inputs from Vishayani)

\[ \text{If you have } 50,000 \text{ to invest in gold, here's what you can buy.} \]

<table>
<thead>
<tr>
<th>Source</th>
<th>Form</th>
<th>Quantity</th>
<th>Total Weight</th>
<th>Purity (carat)</th>
<th>Price ($)</th>
<th>Buyback Option</th>
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<tr>
<td>HDFC Bank</td>
<td>Gold Bar</td>
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<td></td>
<td>Gold Coin</td>
<td>4</td>
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<td>No</td>
</tr>
<tr>
<td>Tanishq</td>
<td>Gold Coin</td>
<td>4*</td>
<td>22 g</td>
<td>99.99%</td>
<td>49,529</td>
<td>Yes, with cutbacks</td>
</tr>
<tr>
<td>Benchmark AMC's</td>
<td>Gold ETF</td>
<td>26*</td>
<td>99.99%</td>
<td>49,066</td>
<td>Can be sold on NSE &amp; BSE</td>
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</tbody>
</table>

\[ \text{Each unit represents 1 gram of gold} \]

\[ \text{2 coins of 10 gm each and 2 coins of 1 gm each} \]
Hind Copper eyes US anchor investors

Kolkata, Oct 28: Government-owned Hindustan Copper, which is scheduled to hit the capital market in the second week of December to offload 20% stake with a follow on public offer, is likely to rope in anchor investors from the US and Singapore.

Hindustan Copper CMD Shakeel Ahmed told FE that a team comprising mines ministry, department of disinvestment and Hind Copper officials along with the merchant bankers—UBS, SMC Capital, Kotak Mahindra, Bank of America, Merrill Lynch, ICICI Securities and SBI Caps, has started scouting for anchor investors from September.

“We have identified some investors in the US, Singapore and Australia but investors are likely to be roped in from the US and Singapore,” Ahmed said, adding that a final decision on anchor investors is yet to be taken.

An official said if anchor investors are allowed to invest through qualified institutional placement, then 15% of the total offer can be reserved for them. But the final limit would be declared by Sebi and the call on anchor investors would be taken seven days before the issue, the official said.

In fact, with the follow on public offer on the anvil, Hind Copper’s second quarter results have shown huge improvements with profit after tax going up at Rs 56.21 crore against only Rs 15.10 crore during the corresponding period last fiscal. The six month’s results also show a leap in profits from Rs 15.10 crore during the second quarter of FY10 to Rs 82.41 crore in the second quarter of FY11. According to Ahmed, the company’s improvement in results have been mainly due to its exit from low margins, high risk businesses coupled with higher production of copper ore & metal in concentrate and higher price realisation from LME.
Copper at 27-month high on tight supply

Our Bureau
Mumbai

TIGHT supplies due to constraints in copper mining, a weak dollar and potential exchange traded fund flows into copper as an asset class have pulled up the prices of the red metal to a 27-month high. While the price spike would inflate costs of power equipment where copper is widely used, it is not likely to benefit copper smelters such as Hindalco and Sterlite, say industry executives and analysts, who added that integrated companies such as Hindustan Copper would gain from the high London Metal Exchange price.

Copper for delivery in three months was up 0.5% to $8,342 a tonne on the London Metal Exchange, as the dollar fell 0.7% on concerns that the US's Federal Reserve bond buying programme would fall short of expectations. "Copper has beaten all predictions and is one of the few commodities to have reached pre-liquidity crisis levels," said Shakeel Ahmed, chairman of the state-owned Hindustan Copper. The company has scheduled a follow-on public offer in early December where it intends to sell about 20% of its equity capital.

In July 2008 — the period when globally commodities were riding a record boom before facing the worst ever crisis since the Great Depression — prices of copper were at $8,900 per tonne on the LME. On October 28, the metal was at $8,342, after crossing $8,500 last week.

The price spike will imply higher cost of power equipment. According to the Indian Electrical Equipment Manufacturers Association, since copper content in such equipment is almost 25% of the total cost, the rise in prices will lead to almost 13% increase in final cost. "Copper is one of the main inputs for various power equipment, so it will mean higher cost for all such products," said IEEEMA director-general P V Krishna.

The rise in copper prices was also caused by a shifting of investments from currencies. International agency reports said that the US dollar index, a six-currency gauge of the greenback’s strength, fell 0.7% on concern that the Federal Reserve’s bond buying program will fall short of expectations. A weak dollar makes metals priced in the currency cheaper.

It is also said that tight copper supplies will keep prices firm. There is still some uncertainty about Sterlite Industries's Tuticorin plant after a Madras High Court directed the company to temporarily shut due to violations of pollution norms. Although the company managed to get a temporary reprieve from the Supreme Court, a closure of the unit will also impact India's usage as Sterlite accounts for almost 40% of the total requirement.

Workers at Anglo American Plc and Xstrata Plc's Collahuasi copper mine in Chile are reported to continue wage negotiations after rejecting a company offer on Wednesday. Chile is the world's largest copper-producing country and the mine, the fourth-biggest in the world, produced 525,000 tonnes last year. This is almost 3.2% of the global output.
Coffee growers eye people who lost jobs after iron mining ban

KARNATAKA coffee growers who have been complaining of a chronic shortage of farmhands may finally have an answer in the upcoming harvest season. Many people who have lost their jobs following the Karnataka government's decision to ban iron ore mining and shipment can be drafted for work on plantations. While there is no data on the number of potential recruits, most of the labourers are from north Karnataka, notably the Bellary-Hospet iron ore belt.

"We are getting enquiries to recruit them during the ensuing harvest season, notably in Chikmagalur and Hassan districts. These enquiries reflect change in the availability of farmhands," said Mr. NK Pradeep, president of the Karnataka Growers Federation. Balliguppe-based planter BA Jagannath said it was difficult to find labourers even if planters were ready to pay more than what is normally paid even under the National Rural Employment Guarantee Programme. "We pay at least ₹30-40 daily more than what is paid under the NREG. With Diwali just round the corner, the labourers want additional money to spend," he added. B Subramani, president, Kodagu Coffee Growers Co-operative Society, said: "Robusta harvest should commence from the middle of November. We have been employing people from Orissa, Bihar and Jharkhand and there is no reason why we should not be employing them (the north Karnataka labourers)."
Mining Bill digs multiple options for the displaced

Nistula Hebbar & Rishi Raj

New Delhi, Oct 28: The draft mining Bill mandating miners to share 26% of profits with local people displaced by projects will be modified further. The Bill is likely to now include a range of options for the people, like job/s for family members, annuity; a 30-year lease on the land, outright cash settlement or a combination of all or few.

The draft Bill is currently with the group of minister headed by Finance minister Pranab Mukherjee and has seen a consensus on the 26% profit-sharing part so far. However, government sources say a view has emerged upon further discussions that giving only the profit-sharing option to people affected by a project would be seen as "coercive", and therefore it is better to offer them a bouquet of choices so that they could make the choices as per their preferences.

"Our objective is to ensure that local people are also part of any development project. However, having only the 26% profit-sharing clause in the Bill would be like thrusting down what the government thinks is best. It is possible that somebody may not want profit sharing but is interested in a job instead, or someone else may want an outright cash settlement," sources said.

Continued on Page 2
Mining Bill...

Apart from placing better options before the people, expanding the scope would also come as a big relief to some steel companies like SAIL and Tata Steel who are opposed to profit sharing and have found support from the steel ministry. The problem voiced by these companies is that their captive iron ore mines are vertically integrated with their steel manufacturing facilities, and therefore do not have separate profit and loss accounts. In such a scenario, it would be difficult for these companies to share profit with the local people from their existing mines. The problem could be resolved by asking the companies to hive off their captive mines into a separate entity, but so far the government has not taken any step towards it. Even if it were to, the move would be opposed by the companies since vertical integration suits them from pricing and profitability point of view. However, a variety of options gives these companies a chance to convince the local people to accept other forms of compensation.
Copper advances on weakening dollar

LONDON: Copper rose in New York and London as a weaker dollar stoked demand for industrial metals as an alternative investment. The US Dollar Index, a six-currency gauge of the greenback’s strength, dropped as much as 0.7% amid reduced concern that the Federal Reserve’s bond-buying programme will fall short of expectations. Copper on Wednesday slid the most since July 16 in London after posting the biggest advance in two weeks on October 23. December-delivery copper gained 2.45 cents, or 0.6%, to $3.80 a pound at 7:48 a.m. on the Comex in New York.
Gold gains on investor demand

Bloomberg
Oct. 28
Gold gained for the first time in three days in New York as a decline in the value of the dollar supported investment demand.

Gold futures for December delivery added $7.80, or 0.6 per cent, to $1,330.40 an ounce at 8:11 a.m. on the COMEX in New York. The metal for immediate delivery in London was 0.4 per cent higher at $1,330.21. Spot prices reached an all-time high $1,387.35 on Oct. 14.

Bullion rose to $1,326.50 an ounce in the morning fixing in London, used by some mining companies to sell output, from $1,324.50 at previous afternoon fixing. Silver for December delivery in New York gained 1.4 per cent to $23.72 an ounce. Platinum for January delivery added 0.3 per cent to $1,683.50 an ounce. Palladium for December delivery was 0.9 per cent higher at $624.70 after Wednesday reaching a nine-year high of $639.80.

Bullion rate

Mumbai: Silver spot (999 fineness): Rs 36,605; standard gold (99.5 purity): Rs 10,310; pure gold (99.9 purity): Rs 19,405.

Chennai: Bar silver (a kg): Rs 36,005; retail silver (a gm): Rs 38.50; standard gold: Rs 19,560; retail ornament gold (22 carat): Rs 1,800.
Weak dollar lifts copper

Reuters
London, Oct. 28

Copper rose on Thursday as the dollar slipped, with investors awaiting next week’s key US Federal Reserve talks on monetary easing and as the prospect of a mine strike in Chile lent support to the metal.

Three-month copper on the London Metal Exchange rose to $8,345 a tonne by 09:46 GMT, versus $8,300 at the close on Wednesday.

Copper prices have been benefiting from a tightening market. That can be seen in falling stocks of copper in LME warehouses, down more than 30 per cent since February, when they touched around 555,000. Latest data showed stocks down 575 tonnes to 366,025 tonnes.

Three-month zinc traded at $2,509.75 versus Wednesday’s close of $2,510, retracing from nine-month peaks of $2,638.75 touched on Tuesday.

Among other metals, aluminium traded at $2,341 a tonne versus $2,323 at Wednesday’s close. Lead was down at $2,520 versus $2,543. Tin traded at $26,100 from $26,050 a tonne. Nickel was at $23,040 from $22,805 a tonne.
Orissa likely to challenge MoEF in SC

AGE CORRESPONDENT

Bhubaneswar

Oct. 28: Even as the fate of Posco India's 12-million-tonne steel plant project hangs in balance, the Orissa government on Thursday said it was considering challenge in the Supreme Court the cancellation of Stage-II environment and forest clearance to the Vedanta Aluminium Limited's (VAL) refinery project at Lanjigarh in Kalahandi district by the MoEF.

"The state government has decided to challenge the MoEF's cancellation of Stage-II clearance to the Vedanta refinery project. We have sought the legal opinion of state advocate general in the respect," chief secretary Bijay Patnaik told reporters at the state secretariat here.
‘वन क्षेत्रों को खनन के लिए खोला जाए’

नई दिल्ली (अट)। कोलंबा मंत्री ने कहा है कि पर्यावरण मंत्रालय द्वारा खनन के लिए हिम्मत प्रदान करने के 90 फीसदी क्षेत्रों का हिस्सा अस्तित्व में आया है। इससे देश का हिम्मतफल होगा। कोलंबा मंत्री का यह कहना है कि खनन के साथ खान का जोड़ा है जो खनन के लिए आवश्यक है। इससे देश का हिम्मतफल होगा।

जापान का बताया, ‘हमने देश के 90 फीसदी क्षेत्रों में खनन की इमारत देने की सामग्री भर नियंत्रण के लिए एक कैबिनेट नीट जारी किया है। इसमें वस्त्र फीसदी बिना वन क्षेत्रों में खनन की इमारत न देने की आदेश है।’ उन्होंने कहा कि इस प्रवर्तक में सामान्य रूप से वह बात कही गई है कि खनन कार्य करने वाली कंपनियों को उस क्षेत्र में नवनिर्माण की कहानी होगी जबकि इस तरह की परिस्थितियों से पर्यावरण को होने वाले नुकसान को कम किया जा सके।