### PRICE CARD

<table>
<thead>
<tr>
<th>As on Oct 28</th>
<th>International</th>
<th>Domestic**</th>
</tr>
</thead>
<tbody>
<tr>
<td>METALS ($/tonne)</td>
<td>Price % Chg#</td>
<td>Price % Chg#</td>
</tr>
<tr>
<td>Aluminum</td>
<td>2,234.00</td>
<td>-14.81</td>
</tr>
<tr>
<td>Copper</td>
<td>8,040.00</td>
<td>-17.42</td>
</tr>
<tr>
<td>Nickel</td>
<td>19,755.00</td>
<td>-17.86</td>
</tr>
<tr>
<td>Lead</td>
<td>1,931.00</td>
<td>-27.58</td>
</tr>
<tr>
<td>Tin</td>
<td>21,855.00</td>
<td>-24.11</td>
</tr>
<tr>
<td>Zinc</td>
<td>1,680.50</td>
<td>-26.39</td>
</tr>
<tr>
<td>Steel-HRC</td>
<td>666.00</td>
<td>-5.34</td>
</tr>
<tr>
<td>Gold ($/ounce)</td>
<td>1,738.80*</td>
<td>-7.42</td>
</tr>
<tr>
<td>Silver ($/ounce)</td>
<td>34.96*</td>
<td>-13.28</td>
</tr>
</tbody>
</table>

### ENERGY

| Crude Oil ($/bbl) | 111.45* | -6.49 | 108.74 | -4.69 |
| Natural Gas ($/mmBtu) | 3.81* | -11.81 | 3.91 | -10.53 |

### AGRI COMMODITIES

| ($/tonne) | Wheat | 243.79 | -3.50 | 221.94 | -16.90 |
| Maize | 267.71* | -21.27 | 226.96 | -21.53 |
| Sugar | 710.20* | -12.21 | 617.44 | -6.02 |
| Palm oil | 1,017.50 | -11.90 | 1,140.46 | -11.15 |
| Rubber | 3,986.53* | -19.07 | 4,372.57 | -6.71 |
| Coffee Robusta | 1,839.00* | -11.62 | 2,122.37 | -5.51 |
| Cotton | 2,305.15 | 1.68 | 2,265.97 | 18.40 |

**Conversion rates:** 11 ^1/8 ounce = 31.103 gm 71 US dollar = $38.77

* As on Oct 28, 1800 hrs IST. ** Met Price as on Oct 25. # Change over 1 Months.

Notes:
1) International rates are LME spot prices and domestic mill 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 NCDEX near-month future.
4) International wheat, white sugar & coffee robusta are LUP& 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 NY/ROST near month future & domestic cotton is NCDEX spot prices.
9) International metals, Indian basket crude, Malaysia palm oil, wheat LUP& and coffee Karnataka robusta pertains to previous day's prices.

Source: Bloomberg

Compiled by IC Ramesh, India
गोवा में 44 खड़ा को सीमा से ज्यादा उत्पादन

प्रधान मंत्री भारतीय महाराष्ट्र (आईडीयूएम) ने गोवा की 25 क्षेत्रों में सीमा से ज्यादा उत्पादन किया जाने पर कार्रवाई कर दी है। केंद्रीय खनन संगठन के संयुक्त सचिव जी, आईडीयूएम ने गोवा सरकार की लिखी पत्र में कहा है कि 44 खड़ा को सीमा से 20 प्रतिशत ज्यादा उत्पादन किया है। इनमें से आईडीयूएम ने 19 के वित्तकाल कार्यकाल को जा चुकी है। लेकिन 25 के वित्तकाल महीने संबंधित और विकास निर्माण के तहत कार्यकाल शुरू की गई है।
कर्नाटक कैबिनेट ने खानन रिपोर्ट स्वीकारी

लेखक: वेंकट

कर्नाटक कैबिनेट ने शुक्रवार को अर्ध-खानन मामलों में 617 अधिकारियों के विकास आधारिक समिति की विवादितों की शिफ्ट को स्वीकार कर लिया। लेकिन नूतन रिपोर्ट में सभी आरोपी की निम्नलिखित पर संकल्पण उठाया गया था।

शुमारी लेखकों समन्दर गौड़ा की अथकता में कैबिनेट ने आर्थिक संबंध के लिए नहीं की थी। वर्तमान काल में सबसे बड़ा उत्पादन उच्च राजस्व निर्माण की शिफ्ट पर जांच की और उसे मंजूर कर दिया। राजन एवं सांवतीय मामलों के मंत्री एवं सूरत कुमार ने बताया कि समिति ने विशेष विवादों के 447 अधिकारियों के विकास कार्यक्रम पुनः पुस्त करने की सिफारिश की है। लेकिन लिखित रिपोर्ट में लिखा था कि 617 अवस्थाएँ का नाम निर्दिष्ट नहीं किया गया। 162 अधिकारियों के विकास कार्यक्रम नहीं है। राम पर कार्यक्रम का सफलता कार्यक्रम होगा।

समिति ने चेतावी के तत्कालीन उपमंत्री की उपमंत्री (वरिष्ठ) मुख्य निरीक्षण कार्यक्रम अनुमोदन अधिकारियों के विकास कार्यक्रम की सिफारिश की है। उन पर राजस्व सरकार को 13.53 करोड़ रुपए का नुकसान पुराने का आरोप है। तीन अधिकारियों के के प्रभाव, परम्परा, मुद्दों और गंगाराम बड़ौदा के विकास कार्यक्रम की सिफारिश की गई है। वे उस समय गांव पहुँच नियोजित होंगे। कुमार ने बताया कि वे सभी आरोपी की अभिव्यक्तियों की आवश्यकता है।
Another scam in K'taka; this time in Deve Gowda’s term

SHUBHDEEP CHOWDHURY/TNS

BANGALORE, OCTOBER 28
The latest investigation into a scam in Karnataka - where numerous scams have come to light in the recent days, thanks to a vigilant Lokayukta office - dates back to a time when former Prime Minister HD Deve Gowda was Chief Minister.

Critics of the BJP government in the state claim that the case have been dug up to turn the heat on Deve Gowda who has been vocal against the corruption charges against the various BJP ministers in Karnataka.

However, Shankar Bidari, chief of the CID, which has been entrusted with the probe into the case, has cited that the investigation was the result of a PIL filed by a retired chief engineer. Bidari has also assured that the investigation will be carried out “without fear or favour”.

Vidhana Soudha police earlier this week registered an FIR against unnamed “politicians” and “officials” involved in a Rs 400 crore scam in the awarding of piece works contracts in the Upper Krishna Projects (UKP) during 1995-98.

Deve Gowda was Chief Minister from December 1994 to May 1996. When he moved to New Delhi after becoming Prime Minister, J H Patel, handpicked by Deve Gowda, became the CM and remained in the office till the five-year tenure of the government ended in 1999.

The FIR registered on Monday followed a PIL in Karnataka High Court by retired chief engineer Somashekhar Reddy, who is also secretary of Karnataka Corruption Eradication Committee.

Reddy sought a CBI probe into certain irregularities and misappropriation in the UKP during 1995-98 on the basis of a report submitted by the state legislature and findings of CAG. Following a court directive, Reddy made a representation to the chief secretary. Subsequently, in December last year, the state government asked the CID to look into the scam. After a preliminary investigation, the legal wing of the CID came to the opinion that it would be appropriate to register a case in this connection.
Illegal mining: Action against 442 officials

JOHNSON T A
BANGALORE, OCTOBER 28

THE BJP government in the state on Friday accepted a part of the July 27 report of the Karnataka Lokayukta on illegal mining by approving action against 442 government officials identified in the report, including seven IAS and Indian Forest Service officers.

The Cabinet under Chief Minister D V Sadananda Gowda did not directly approve the Lokayukta report but approved the report of a four-member panel of senior bureaucrats who made recommendations after studying the Lokayukta report.

“The Cabinet has approved the report of the high level committee with respect to the action initiated and to be initiated against officials identified in the Lokayukta report of July 27, 2011. As per the Lokayukta Act an action taken report must be sent in 90 days and the approval of the committee’s report is a step in that direction,” said state Law Minister S Suresh Kumar.

The government is, however, yet to decide on action to be initiated against former ministers and political leaders named in the Lokayukta’s report. On October 13, the Cabinet sought clarifications from the Lokayukta regarding action on politicians.

“The acceptance of the committee’s report for action on government officials does not mean there will be no action against others. Clarifications have been sought,” said the Law Minister.

The officers against whom the committee headed by Additional Chief Secretary K Jairaj has recommended action include former directors of the mines and geology department K S Prabhakar, M E Shivalingamurthy and Gangaram Baderiya — all of whom are serving IAS officers.

The IFS officers against whom action is recommended are S Muthaiah, Srinivasulu, P Rajashekar and M K Shukla. They had all served as deputy conservators of forest in the Bellary or Chitradurga division where illegal iron ore mining has been rampant according to the Lokayukta report.

“In view of the specific charges brought against these officers, the committee has recommended that the government obtain their remarks and take action accordingly,” Kumar said.

In all out of 617 officials named in the Lokayukta report on the basis of documents seized from an illegal mining racketeer’s computer, 447 officials have been identified. Disciplinary action has been initiated against 182 officials by their departments.
Short on cash, govt eyes surplus with PSUs

Ministers, depts told to report by Nov 15 excess money with PSUs after investments

AMITAV RANJAN
NEW DELHI, OCTOBER 28

THE Prime Minister is eyeing the “significant” cash surplus with 24 rich public sector undertakings (PSUs) to tide over his government’s revenue shortfall in the current financial year and to keep the fiscal deficit within bounds.

Last Monday, the Prime Minister’s Office directed 10 ministries and departments to conduct a 12-month investment plan of the identified PSUs under them and report by November 15 the surplus they would hold beyond their investment needs.

Tables annexed with the PMO letter show that the government plans to ask these PSUs to use the surplus cash to buy back their shares held by the government. Numbers in the tables indicate two options: buyback at 5 per cent or at 10 per cent of the market capitalisation as of September 30.

<p>| CASH AWASH |</p>
<table>
<thead>
<tr>
<th>Surplus in Rs billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIL</td>
</tr>
<tr>
<td>ONGC</td>
</tr>
<tr>
<td>NTPC</td>
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<tr>
<td>NMDC</td>
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<tr>
<td>BHEL</td>
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<td>Coal India</td>
</tr>
</tbody>
</table>

“It is imperative that these surpluses, possibly leveraged suitably, be utilised productively,” says the PMO letter.

It has identified only those PSUs that hold over Rs 1,000 crore in cash and as bank balance as of March 31, 2010, and has arrived at a collective surplus of Rs 1,42,740 crore with them.

The option for shares buyback is being resorted to following government failure to conduct the disinvestment of ONGC given the volatile stock market conditions. So far this fiscal, it has only managed disinvestment of Power Finance Corp, raising Rs 1,145 crore, against a CONTINUED ON PAGE 2
Govt eyes surplus with rich PSUs
target of Rs 40,000 crore for 2011-12.
The government is facing a challenge in meeting its fiscal deficit target of 4.6 per cent this year as two-thirds of the annual target was crossed in just the first five months. It has already borrowed from the market Rs 53,000 crore more than the annual target and is facing a subdued growth in tax receipts.

Though work has started on an initial public offering of Hindustan Aeronautics Ltd, Rashtriya Ispat Nigam Ltd and National Building Construction Corp as well as a follow-on offer of Steel Authority of India Ltd and Bharat Heavy Electricals Ltd, the market blues could jeopardise the process.
The buyback would immediately place money in the hand of the government while improving the earnings per share of the PSU. However, such a restrictive buyback would have to be approved by the capital market regulator, Securities Exchange Board of India.
44 Goa mines exceeded extraction limit

Panaji: Indian Bureau of Mines has initiated action against 25 mines in Goa which had “exceeded” the limit of extraction, a mines ministry official said.

G Srinivas, joint secretary in the ministry, in an October 25 letter to the Goa government, said that 44 mines had exceeded the 20% targeted production limit. The letter stated that aggregated production from all the 114 mines was within the permissible 15% of targeted run-of-mines production in the approved mining plans. Srinivas has asked the Goa government to conduct environment impact study.
Sesa Goa expects mining ban to be lifted by Dec.

New Delhi, Oct. 27: Sesa Goa expects the mining ban in Karnataka to be lifted by December, enabling the Vedanta group firm to resume normal production in the state from early 2012.

In an investor conference call, the top company management said the case on illegal mining, pending before the Supreme Court, is likely to be resolved in the next two months.

"Inspection of our mine (by apex court nominated agency) is over... Hopefully, by this quarter, it (the case) will come to a conclusion and by next quarter, we can have normal production and sales from the state," Sesa Goa's managing director, Mr. P.K. Mukherjee said. "We are one of the cleanest. That is what we get to feel from the way they were talking," he said.

While imposing a complete ban on mining, the apex court had directed to conduct a macro level environment impact assessment of the areas by Indian Council of Forestry Research and Education (ICFRE), together with other expert agencies. — PTF
Copper declines; but outlook bright on US optimism

Reuters
London, Oct. 28
Copper slipped on Friday after a sharp rise in the previous session, but optimism on Europe’s initiatives to tackle the euro debt crisis and on the US economy kept the red metal firmly on track for its biggest weekly gain in nearly three years.

Three-month copper on the London Metal Exchange (LME) traded at $8,000 in official midday rings versus $8,145 a tonne at the close on Thursday. Earlier the metal used in power and construction rose to as high as $8,280 a tonne.

“We’re constructive towards metals. We still think the fundamental story is very strong, and we are not surprised or concerned that there is some consolidation,” said Mr Nikos Kavalis, commodity strategist at RBS Global Banking & Markets.

SUPPLY ISSUES
Copper prices were also underpinned by this week’s declaration of force majeure on some concentrate sales from Freeport’s strike-hit Grasberg mine in Indonesia -- the world’s second-largest copper mine.

Confirming improving demand for copper, inventories at warehouses monitored by the LME fell for a sixth consecutive day, by 2,300 tonnes to 432,375 tonnes, data showed.

Copper stocks have fallen by about 8 per cent this month. Material for next-day delivery has been getting harder to come by and is trading at a discount of only $2.50 to the three-month benchmark contract - its narrowest since March.

Among other metals, zinc, used in galvanizing traded at $1,925 in rings a tonne from $1,945 at Thursday’s close, while soldering metal tin traded at $21,975 from $22,050. Elsewhere, lead traded at $2,010 from $2,039, aluminium at $2,341 from $2,275 and nickel was last bid at $19,700 from $19,900.
Ministry confirms illegal mining in Goa

The Union Ministry of Mines, in a letter to the Goa Government, has confirmed that there are illegalities in nearly 50 per cent of mines, a disclosure that comes as a slap in the face of Chief Minister Digambar Kamat, who had claimed that there was no illegal mining in his State.

The letter dated October 25, written by Joint Secretary of the Ministry for Mines G Srinivas, is addressed to Goa Mines Secretary S Kumara Srinivas and especially targets excess production by mining companies. “Taken on a mine level basis, 44 mines had exceeded the said 20 per cent target production limits,” Srinivas said.

Central agencies are breathing down the necks of Goa agencies for allowing this illegality. Members of the central Government appointed Justice MB Shah Commission, which was appointed under the Commission of Enquiries Act to probe illegal mining across India, have already hinted at large scale illegal mining in Goa, during their field visits here.

The Union Mines Ministry official has also asked Goa Government’s department of mines and geology (DMG) to conduct special field trips to establish whether mining is being conducted in accordance with the provisions of the Forest Conservation act.

“The Ministry is of the view that mining operations should take place only with appropriate clearances, including, wherever required, under Forest (Conservation) Act 1980. In order to ensure compliance, you may like to issue directions to field units of the DMG to undertake the requisite inspections including follow up earlier Inspections, so that there are no violations in this regard,” Srinivas said.

“The DMG may also simultaneously prepare a list of such mining leases that have sought renewal but are pending environmental and forest clearances and are operating under deemed extension, to ensure that such mines adhere to a mining plan,” the official further said.

Anti-mining agitators, mostly comprised of village from the mines affected area have complained that a majority of the mining operations fringing forest and wildlife sanctuaries in Goa are brazenly flouting environment and forest norms. The Mines Ministry has also asked the State Government to keep track and maintain an inventory of low grade iron ore reject dumps, which in the recent past were being illegally excavated and exported to China, which had opened markets to low grade iron ore to fuel its infrastructure projects.

“In respect of operating mines, since an approved mining plan document is available with the State Government, it is also necessary for the State Government to introduce a check on the source of the ore and to introduce a system for allowing movement of minerals only through issue of transit passes after ensuring that not only royalty is paid for the mineral sought to be transported, but also after ensuring that the total minerals moved are accounted through the approved mining plan,” said the Joint Secretary.

The Mines Ministry has also asked the Goa Government to evolve a system, of transit passes during transportation to ensure that the ore being ferried was legitimately extracted. The Chief Minister has also been Minister of Mines for the last 12 consecutive years, but has warded off questions that he has allowed the practice to go ahead.

The Opposition BJP has accused the Government of a ₹25,000 crore mining scam, saying it was bigger than illegal mining in Bellary.

Goa exported 54 million tonnes of iron ore in the last fiscal from its nearly 100 operational open cast iron ore mines.
Mining scam: Karnataka
govt initiates action against 182 officials

Bangalore, Oct 28: The Karnataka government on Friday said that it has initiated action against 182 government officials who had been named in the Lokayukta report on illegal mining.

The state cabinet which met on Friday approved the recommendations of a panel formed to study the findings of the Lokayukta inquiry. The mining report had pointed out to the involvement of over 600 officials in irregularities in iron-ore mining and export that had caused an estimated loss of Rs 16,085 crore to the state.

It had also indicted several politicians and ministers including former Karnataka Chief Minister BS Yeddyurappa who was forced to step down from the post after the report was submitted in July.

The government said at least 447 officials have been identified including three IAS and four Indian Forest Service officers.

The panel, led by additional chief secretary K Jalraj, has recommended setting up a special investigation team for a further probe based on the Lokayukta’s findings and to initiate criminal cases. Karnataka Urban Development minister Suresh Kumar said that the government will initiate civil cases against the government officials while it will also consider bringing an appropriate legal framework to recover losses from the officials. He added that a high-powered committee will be formed to coordinate the actions recommended by the panel.
Gold Mines See Action as Prices Soar

Hutti to reopen Chitradurga mine after gap of six years; others rush for licence

SMRITISETH
NEW DELHI

A s gold prices hover at all-time highs, companies are about to reopen mines that were abandoned for various reasons. India’s lone gold miner Hutti Gold Mines is reopening its closed Chitradurga mine after a gap of six years because of current prices, even this low-grade ore is viable. Others like Hindalco that dig up gold as they mine copper are ready to reap an unexpected Diwali bonanza from the yellow metal.

"We are planning to revive our mine in Chitradurga which has been unused for the last six years, due to the rise in gold prices," said ML Patil, executive director of Hutti Gold Mines, a public sector undertaking.

Gold prices have jumped nearly 40% in the last one year, trading at over $19,000 for every 10 gms. Karnataka state-run Hutti Gold Mines is now the biggest operational gold mining company in India. Bharat Gold Mines, operated by the Central government, was closed down in 2001 when its operations became unviable.

Private sector miner, Deccan Gold Mines, which is still fighting for its mining licence, allows plans to lobby for more mines in the southern states after the surge in prices.

"We expect to receive our mining licence for Ganjam-main stock within the next few weeks and the gold price rise will certainly increase our profitability substantially," said Sandeep Lakshwara, CEO of Deccan Gold Mines.

"In addition, we will be announcing several more projects in the Deccan region partly because of effects of the higher gold prices," he added.

Even though India is the largest consumer of gold in the world, most of its demand is satisfied by imports, which were valued at $34 billion in 2010-11.

Production at domestic mines has been abysmal even though the primary gold ore reserves are reckoned to be around 19.25 million tonnes of proved and probable reserves, but the ministry of mines pegs reserves at 3.9 billion tonnes.

Hutti mines produced 2,220 kg of gold last fiscal, Patil told ET.

Gold mining in India has been considered unviable because mines here are low grade from which only 3-4 grams of gold can be extracted from one tonne of ore.

In comparison, mines in South Africa can produce anywhere between 8 to 17 grams of gold per tonne of ore.

But now international gold prices could justify the higher costs of mining gold in India. "Although it’s a low grade mine we will be able to extract around 300 kg of gold in one year from Chitradurga," said Patil.

Hutti Mines which made a profit of ₹120 crore in 2010-11 will be able to pocket more money as the mine will increase output by 14%.

In addition, copper mining companies like Hindalco and Hindustan Copper are also expected to benefit from the gold surge.

“Our copper production is expected to be higher by 8% and gold is a byproduct of that. So, to the extent gold prices increase and our output increases, our realization from gold will also be that much higher," said Shakeel Ahmad, CMD, Hindustan Copper, a state PSU.

Hindustan Copper made a profit of ₹66 crore last year on account of gold and silver byproducts and is trying to expand production to the Hutti Copper mines as well.

Hindalco, the Aditya Birla group aluminium and copper major, is expected to benefit big time from the gold surge. The company produced 1.97 tonnes of gold in 2010-11 in valued at ₹1,118 crore. The company had a net profit of ₹2,137 crore in 2010-11.

However, top officials refused to comment as they await a board meeting in the near future.

"It is true that mining companies where gold is an associate mineral of copper will benefit. It also makes sense for them to increase production," said Dipesh Dipu, director, consulting for mining at Deloitte.