UNDERSEA MINING: Gold Rush in the Abyss

It's the next frontier in mining, expected to ring in a sea-change in fortunes. Fresh finds of crazy deposits rich in gold and silver, copper and cobalt, lead and zinc deep in the sea bed is fueling a gold rush as nations, companies and entrepreneurs race to stake claims to the sulphide-rich areas, which dot the volcanic springs of the frigid seabed. The prospectors—motivated by dwindling resources on land as well as record prices for gold and other metals—are busy hauling up samples and assessing deposits valued at trillions of dollars. The US, Russia, China, Japan and South Korea lead this race to the bottom, and India is nowhere as yet. Here's a handy map on what to look where.

Source: The New York Times News Service

Graphic: PURRIYA

7,517 km
INDIA’S TOTAL COASTLINE

Mineral deposits in Indian Ocean:
Oil, gas, limestone is mixture of iron and titanium oxides, tin, monazite, zircon, chevronite etc.

Central government is the owner of minerals lying under the ocean within territorial waters or the Exclusive Economic Zone of India

Geological Survey of India has completed seismic mapping of 35 lakh sq km EEZ area (December 2011), or 96% of the total.

The process of commencement of offshore exploration has begun, but it is marred by court cases.

In June 2010, the Controller General of Indian Bureau of Mines declared mineral bearing blocks available for the grant of exploration license in the offshore waters of Bay of Bengal and Arabian Sea.

16 companies
Interested to win an offshore exploration license for 62 blocks in the Bay of Bengal and 36 in Arabian Sea.

The process was stalled because of court cases. The cases are still pending for 17 blocks. The ministry is yet to consider the applications of all companies.
Coal miners protest against industry subsidy cuts, which they say threaten their communities, in Madrid on Wednesday. Miners want to reverse the Spanish government’s decision to slash subsidies to the coal pits.

— AFP
Nalco consortium to bid for Afghan mines

NEW DELHI: Aluminium producer Nalco, in consortium with steel major SAIL and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, chairman BL Baga said.
Nalco consortium to bid for Afghan gold, silver mines

PRESS TRUST OF INDIA
New Delhi

ALUMINIUM producer National Aluminium (Nalco), in consortium with steel major Steel Authority of India (SAIL) and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, a top company official said on Wednesday.

The consortium of Indian public sector units (PSUs) is among the 25 companies consortium from the US, the UK, Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan government in April for developing its gold and copper mines.

“We are looking at bidding in consortium with SAIL and Hindustan Copper in some copper and gold projects in Afghanistan this month,” Nalco’s chairman BL Bagra said on the sidelines of a mining conference here.

He, however, declined to comment on proposed investments on Afghanistan’s gold and copper mines, saying that completion of bidding process takes a long time.

The deposits being examined by PSUs’ consortium includes gold and copper deposits at Zarkashan in Ghazni, at Badakhshan, and at Herat and Balkh in Shaida districts of Afghanistan. Some time back, officials of the PSUs had also visited the sites.

Two private Indian firms – Monnet Ispat & Energy and Jindal Steel & Power have also been shortlisted by the Afghan government for the copper and gold mines.

“The two firms have been invited to join the consortium of state-owned entities, so that a single Indi-
Nalco to submit bid for Afghan mines later this month

BS REPORTER
New Delhi, 11 July

State-owned aluminium producer Nalco today said it would file a bid for acquiring copper and gold assets in Afghanistan later this month. The bid to be placed as part of a consortium including steel major SAIL and Hindustan Copper (HCL) is under the latest drive of Indian companies to seek raw material resources abroad.

"Our bid will be placed by July 22 for both copper and gold deposits," Chairman and Managing Director B.L. Bagga said. He declined to share the details of the acquisition plan. Afghanistan is sitting over huge reserves of the two minerals, including four copper and five gold mining concessions.

The government had in April selected 25 companies and a few consortia of companies for development of the deposits. The Indian consortium was one of these. Apart from the public sector giants, at least two private companies — Monnet Ispat and Jindal Steel and Power — have also been selected by the government.

Another Indian consortium headed by SAIL had last year successfully bid for developing 1.2 billion tonnes of iron ore reserves in Afghanistan. An agreement is currently being finalised for development of the Hajigak deposit near Bamiyan Province.

Bagga also said Nalco’s upcoming public offer was unlikely to involve raising of fresh equity by the company owing to the comfortable cash-reserve position of the mineral miner. Nalco has cash reserves of around ₹5,000 crore. The company wants to invest close to ₹2,300 crore this year on expansion.
Nalco consortium to submit bid for Afghan gold, copper mines

NEW DELHI: Aluminium producer Nalco, in consortium with steel major SAIL and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, a top company official said on Wednesday.

The consortium of Indian PSUs is among the 25 companies consortium from the US, the UK, Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan government in April for developing its gold and copper mines.

"We are looking at bidding in Afghanistan in consortium with SAIL and Hindustan Copper in some copper and gold projects in Afghanistan this month," National Aluminium Company's (Nalco) Chairman B L Bagra told reporters on the sidelines of a mining conference here.

He, however, declined to comment on proposed investments on Afghanistan's gold and copper mines, saying that completion of bidding process takes a long time.

The deposits being examined by PSUs' consortium includes gold and copper deposits at Zarkashan in Ghazni, at Badakhshan, and at Herat and Balkh in Shaida districts of Afghanistan. Some time back, officials of the PSUs had also visited the sites. Two private Indian firms -- Monnet Ispat & Energy and Jindal Steel & Power have also been shortlisted by the Afghan government for the copper and gold mines.
## PRICE CARD

<table>
<thead>
<tr>
<th>METALS (₹/tonne)</th>
<th>International Price</th>
<th>Domestic Price</th>
<th>%Chg*</th>
<th>%Chg*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>1890.0</td>
<td>2480.5</td>
<td>-7.2</td>
<td>-3.4</td>
</tr>
<tr>
<td>Copper</td>
<td>7356.0</td>
<td>9184.9</td>
<td>-6.9</td>
<td>-6.8</td>
</tr>
<tr>
<td>Nickel</td>
<td>16180.0</td>
<td>19502.1</td>
<td>-9.7</td>
<td>-8.0</td>
</tr>
<tr>
<td>Lead</td>
<td>1863.0</td>
<td>2174.9</td>
<td>-7.7</td>
<td>-6.8</td>
</tr>
<tr>
<td>Tin</td>
<td>18875.0</td>
<td>23186.8</td>
<td>-17.6</td>
<td>-12.0</td>
</tr>
<tr>
<td>Zinc</td>
<td>1852.5</td>
<td>2426.5</td>
<td>-6.7</td>
<td>-4.7</td>
</tr>
<tr>
<td>Steel-MHTC</td>
<td>595.0</td>
<td>768.4</td>
<td>-7.8</td>
<td>-9.2</td>
</tr>
<tr>
<td>Gold (Lance)</td>
<td>1750.0</td>
<td>1632.5</td>
<td>-5.2</td>
<td>-5.0</td>
</tr>
<tr>
<td>Silver (Lance)</td>
<td>27.0</td>
<td>29.5</td>
<td>-14.5</td>
<td>-13.5</td>
</tr>
</tbody>
</table>

### ENERGY

#### Crude Oil (₹/bbl)
- 99.0 -17.7 97.4 -17.4

#### Natural Gas (₹/MMBtu)
- 2.8 39.6 2.8 35.8

### AGRI COMMODITIES (₹/tonne)

- **Wheat**: 288.0 5.3 228.3 -5.3
- **Maize**: 294.1* 4.1 260.1 2.9
- **Sugar**: 659.2* 4.8 588.8 -1.6
- **Palm oil**: 1022.5 -13.2 1146.9 -14.0
- **Rubber**: 3035.9* -18.0 3355.6 -12.9
- **Coffee Robusta**: 2007.0* -0.1 2813.0 23.3
- **Cotton**: 1505.3 -22.3 1813.3 -5.6

---

**Notes:**
1. International values are LME spot prices and domestic are Mumbai local spot prices except for:
   - 2. International quoted is FOB crude and domestic crude oil is Indian basket.
   - 3. International natural gas is Henry Hub near month futures.
   - 4. International wheat, white sugar & coffee robusta are MFEX futures.
   - 5. Various derivatives are prices of near contracts.
   - 6. International meat, Indian basket crude, Malaysian palm oil, wheat, LME and coffee futures are Indian exchanges options.

---

### BALTIC EXCHANGE INDICES

<table>
<thead>
<tr>
<th>July 10, 12</th>
<th>chg%*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltic Panamax</td>
<td>1,160.00</td>
</tr>
<tr>
<td>Baltic Supramax</td>
<td>1,306.00</td>
</tr>
<tr>
<td>Baltic Dry</td>
<td>1,160.00</td>
</tr>
<tr>
<td>Baltic Clean Tanker</td>
<td>555.00</td>
</tr>
<tr>
<td>Baltic Handysize</td>
<td>706.00</td>
</tr>
<tr>
<td>Baltic Capesize</td>
<td>1,484.00</td>
</tr>
<tr>
<td>Baltic Dirty Tanker</td>
<td>644.00</td>
</tr>
</tbody>
</table>

---

**Electricity Trading at IEX**

Market price in ₹/MWh

![Electricity Trading at IEX Graph](image-url)
Nalco bid

NEW DELHI, 11 JULY: Aluminium producer Nalco, in consortium with steel major SAIL and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, a top company official said today. The consortium of Indian PSUs is among the 25 companies/consortia from the USA, the UK, Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan government in April for developing its gold and copper mines. pli
दीदी को दर्किनार कर सेल में करेगे विनिवेश

प्रदेश के प्रेमके देवसेना सेल में है
सरकार के वाण
10.82 फीसदी विनिवेश का प्रस्ताव लानेवालों हैं सरकार
75 फीसदी हिस्सेदारी शेष रह जाएगी

प्रदेश के प्रेमके देवसेना सेल में है

- आर्थिक सूचनाएं पर आगे बढ़न के हिमात जुटा रही केंद्र सरकार
- गुरुकुल को संसदीय क्षेत्र के बेंक के आ सकता है विनिवेश का प्रस्ताव
- सार्थकीय क्षेत्र की कार्यस्थल एक दर्जन कंपनियों में इस संसद होगा विनिवेश

इसमें सेल के अनुसार भेल,
हिंदुस्तान कॉर्पस,
एनएमडीआई,
उन्नयनस्थलीय क्षेत्रों
लिमिटेड (भारतीय सरकार)

Nalco consortium to submit bid for Afghan gold, copper

PBD BUREAU/PTI
NEW DELHI, JULY 11

ALUMINIUM producer Nalco, in consortium with steel major SAIL and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, a top company official said today.

The consortium of Indian PSUs is among the 25 companies/ consortia from the US, the UK, Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan Government in April for developing its gold and copper mines.

"We are looking at bidding in Afghanistan in consortium with SAIL and Hindustan Copper in some copper and gold projects in Afghanistan this month," National Aluminium Company’s (Nalco) Chairman BL Bagra told reporters on the sidelines of a mining conference here.

He, however, declined to comment on proposed investments on Afghanistan’s gold and copper mines, saying that completion of bidding process takes a long time.

The deposits being examined by PSUs’ consortium includes gold and copper deposits at Zarkashan in Ghazn, at Badakhshan, and at Herat and Balkh in Shaida districts of Afghanistan. Some time back, officials of the PSUs had also visited the sites.

Two private Indian firms -- Monnet Ispat & Energy and Jindal Steel & Power have also been shortlisted by the Afghan Government for the copper and gold mines.

The two firms have been invited to join the consortium of state-owned entities, so that a single Indian bid can be put up, Hindustan Copper’s Chairman Shakeel Ahmed had said last month.

Last year, a consortium of Indian private and public sector companies from the steel and mining sector, AFISCO, had successfully bid for developing Hajigak mines in the war-torn nation, which is considered to have 1.28 billion tonnes of iron ore.

Currently, it is in the process of finalising the agreement with the Afghan Govt, which includes development of Hajigak mines and constructing a steel plant.
China Copper Data Baffle Analysts

Sudden surge in Q2 exports and varying investment demand distort trade figures

**Global Guru**

ANDY HOME

Reuters

Trying to discern the state of Chinese copper demand through the prism of the country’s imports is a tricky task at the best of times. But never more so than in the first half of this year, when the picture was warped by two separate distortions. The first was the second-quarter surge in exports, an unusual phenomenon for a country that is structurally short of the red metal and one that served to depress dramatically net imports in May in particular. The second was the magnetic pulling power of investment demand for copper to be used as collateral in the shadow banking sector.

**WHAT GOES IN?**

June’s preliminary figures released on July 19 showed China’s aggregate imports of refined copper, copper alloying, and semi-manufactured products dropping 17.5% month on month to 354,283 tonnes. Imports of refined metal, the most closely watched barometer of Chinese demand, were probably around 200,000 tonnes. That would also be down by 17% from May’s level, which was almost 230,000 tonnes. So far, this year, China’s largest copper importer, has not seen any significant increase in demand.

Exports, normally an insignificant part of China’s trade dynamics, accelerated from March onwards, peaking at 122,378 tonnes in May. China, the world’s largest buyer of copper, has not seen an export dip in the last two years. In June, exports surged similarly, reaching a new high of 129,755 tonnes.

**Deciphering the Dragon Data**

- But China’s producers were incentivized to deliver metal to LME warehouses to cover short positions during a cash-date squeeze on the London.
- Arrivals of metal at the LME’s South Korean locations dried up a couple of weeks ago suggesting this export flow largely dissipated in June.

The LME’s South Korean locations dried up a couple of weeks ago suggesting this export flow largely dissipated in June.

**500,000**

Copper in Shanghai, bonded zone

**253,000**

LME warehousing capacity for copper

Fresh record. Most of the accelerated inflow was in the form of refined metal, which may have risen by 900,000 tonnes relative to the first half of 2011. Using the standard formula of apparent consumption equals domestic production plus imports minus stock change plus/minus net exports “shows” that demand was up 30.1% in the first five months of 2012. That quite evidently is too high. This is where the second big distortion comes in, namely the “import” of refined copper to meet financing rather than manufacturing demand. The physical manifestation of this metal flow is the mountain of metal sitting in Shanghai’s bonded zone, most of it acting as collateral for loans. The size of this mountain is statistically murky but the general consensus is that it has probably shrunk by around 900,000 tonnes or so over the last month to a current 500,000 tonnes. That still makes it the largest concentration of refined copper units in the world right now. Remember that the LME’s warehousing system holds only 253,000 tonnes of copper. Financing demand had inflated copper imports since the start of the year.

**“NORMAL” SERVICE IN 2013?**

But, as with the distorting second-quarter export surge, there are signs that demand from financiers is ebbing. Credit is easier to get hold of and the need to use commodity financing as a stop-gap credit tool has accordingly diminished. Flat physical premiums for bonded copper in China suggest the dampening effect of more metal becoming available to mainland buyers as financing deals expire.

So too does the recent upstream in stocks of copper registered with the Shanghai Futures Exchange. Duty-paid inventory has risen by almost 17,000 tonnes over the last three weeks, reversing a previously strong downtrend.

If investor demand for copper is ebbing, the effect will be to take some of the heat off headline import levels over the coming months. Assuming no resumption of exports either, the second half of the year may bring a more “normal” Chinese copper flow with imports aligned to manufacturing demand.

Andy Home is a Reuters columnist. Opinions are his own.
Nalco consortium to bid for Afghan mines

Aluminium producer Nalco, in consortium with steel companies SAIL and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, a top company official said on Wednesday. The consortium is among the 25 companies from the US, the UK, Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan government for developing its gold and copper mines.
Mitsubishi to invest more in Gujarat

Virendra Pandit
Gandhinagar, July 11
Mitsubishi India has evinced interest to invest in Gujarat in sectors such as fertilisers, steel and aluminium, a Government official said here on Wednesday evening.

In this connection, Mr Keiichi Nakagaki, Chairman and Managing Director, Mitsubishi Corporation (India) Pvt. Ltd, met the Chief Minister, Mr Narendra Modi, in the State capital on Wednesday and apprised Mr Modi of the company's interest in ramping up investments in the State.

Mr Nakagaki evinced interest in setting up a fertiliser complex at Dahej, Bharuch district, in partnership with Zuari; a steel-based unit in partnership with Metal One India Pvt. Ltd to cater to the requirements of auto industries; an aluminium extrusion plant and an effluent-treatment and water-recycling plant in Sanand; and an environmentally sound ship-recycling yard improvement project at Alang, Bhavnagar district.

However, the quantum of the proposed investments could not be immediately known.
AP revokes De Beers’ recce permit

Our Bureau
Hyderabad, July 11

The Andhra Pradesh Government has revoked the permission given to De Beers India Private Ltd for reconnaissance for diamonds, bauxite, chrome ore, iron and manganese in the State.

The permits, given in 2009, also allowed the firm to carry out reconnaissance searches for other minerals such as lead, zinc and gold in an area of 153 sq. km in Anantapur and Kadapa districts. The permission was for three years.

While giving the permit, the Government had put a condition that the firm should execute the permission within 90 days from the date of issue of the order. The Industries and Commerce Department of Andhra Pradesh issued an Order on Wednesday revoking the permit. It said the company had approached the Mines and Geology officials and indicated that they were no longer interested to work in the area.

After considering their representation, the Director of Mines and Geology had written to the Government, recommending withdrawal of the permission given to the mining firm.
SAIL, Nalco & Hind Copper to jointly bid for Afghan gold, copper mines

Monnet Ispat and Jindal Steel have also been shortlisted by the Afghan Govt.

NEW DELHI: Aluminium producer Nalco, in consortium with steel major SAIL and Hindustan Copper, will submit a bid for developing gold and copper deposits in Afghanistan this month, a top company official said on Wednesday.

The consortium of Indian PSUs is among the 25 companies/consortia from the U.S., the U.K., Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan Government in April for developing its gold and copper mines.

“We are looking at bidding in consortium with SAIL and Hindustan Copper for some copper and gold projects in Afghanistan this month,” National Aluminium Company’s (Nalco) Chairman B. L. Bagra told reporters on the sidelines of a mining conference here.

He, however, declined to comment on the proposed investments on Afghanistan’s gold and copper mines, saying that completion of bidding process takes a long time.

The deposits being examined by PSUs’ consortium includes gold and copper deposits at Zarkashin in Ghazni, at Badakhshan, and at Herat and Balkh in Shaida districts of Afghanistan. Some time back, officials of the PSUs had also visited the sites.

Two private Indian firms — Monnet Ispat & Energy and Jindal Steel & Power — have also been shortlisted by the Afghan Government for the copper and gold mines.

The two firms had been invited to join the consortium of state-owned entities, so that a single Indian bid could be put up, Hindustan Copper’s Chairman Shakeel Ahmed had said last month.

Last year, a consortium of Indian private and public sector companies from the steel and mining sector, AFISCO, had successfully bid for developing Hajigak mines in the war-torn nation, which is considered to have 1.28 billion tonnes of iron ore. At present, it is in the process of finalising an agreement with the Afghan Government, which includes development of Hajigak mines and constructing a steel plant. Asked about the proposed 10 per cent disinvestment of Nalco, Mr. Bagra said it was for the government to decide as the state-owned aluminium major did not require funds to meet its capital expenditure requirements.

“We have sufficient cash balance to fund our growth plans at least for next two years. This will be a divestment of the government stake per se, and the government will decide the timing, mode and all other formalities, Nalco is not part of this process,” he said.

As on March-end, government holds 87.15 per cent stake in Nalco, and the rest is with the public, including 9.13 per cent with the financial institutions. — PTI
Nickel near 2-year low on weak stainless steel buying

 Reuters
 London, July 12

Copper was largely flat on Wednesday, subdued by worries about a global slowdown following a weak start to the US corporate earnings season and amid protracted sovereign debt problems in Europe, while traders awaited key economic data from top metals consumer China later this week.

Prices of LME nickel have fallen towards 2-1/2 year lows due to weakness in the stainless steel sector, for which nickel is a key material, and smooth exports of ore from Indonesia, which has been subject to a change in export regulations, BNP Paribas's Briggs added.

LME copper edged up 0.4 per cent to $7,520 a tonne in official trading. Prices have rebounded from six month lows of $7,233.25 a tonne hit one month ago, and are down one percent on the year.

Nickel climbed 0.9 per cent to $16,200 a tonne in official trading. Prices hit $15,980 on June 7, the lowest since Dec. 2009.

Tin added 0.1 per cent to $18,795 a tonne in official rings while zinc, used in galvanising, gained 0.5 per cent to $1,839.

Battery material lead fell 0.3 per cent to $1,868.50 a tonne in official trading and aluminium also shed 0.3 per cent to $1,907.

"Markets are really quiet, there's no conviction in any direction. Investors are very uncommitted and consumers are away from the market because summer trade has started," analyst Mr Stephen Briggs of BNP Paribas said.

"People are waiting for something concrete to happen in terms of the Fed, endless drama in Europe, and China's GDP," he added.

A stronger dollar makes commodities more expensive for holders of other currencies.

"Nickel is weak, and one can probably cite developments out of Indonesia as a factor in that exports are getting back to normal. Authorities seem to be issuing exports for permits at massive levels. From now until 2014 at least there seems to be not much of a risk to nickel ore supply to China," Mr Briggs said.

Indonesia has awarded mineral export permits to 15 nickel ore miners since it introduced curbs on such shipments in May, a trade ministry official said earlier this month after the restrictions triggered panic buying by customers in key buyers Japan and China."
Five Assets will give $10b EBITDA in Two Years

ANIL AGARWAL
Chairman, Vedanta Resources Plc

EVE STODEL
Press Information

ON THE WEAKNESS OF THE MARKET:
The market is volatile and can be unpredictable. There are many factors that can influence the market, such as economic conditions, political events, and natural disasters. It is important to stay informed about these factors and adapt your investment strategy accordingly.

ON THE IMPORTANCE OF QUALITY:
The quality of a company is an important factor to consider when investing. A company with high-quality products and services is more likely to succeed in the long run. It is important to research and understand the quality of a company before investing.

ON THE IMPACT OF TECHNOLOGY:
The impact of technology on the market is significant. As technology advances, new products and services are created, and existing ones are improved. This can have a positive impact on the market, but it can also lead to increased competition.

ON THE CHALLENGES OF REGULATION:
The challenges of regulation are a concern for many investors. Regulations can have a significant impact on the market, as they can affect the availability of certain products and services, as well as the cost of doing business.

ON THE OPPORTUNITY FOR INVESTORS:
The opportunity for investors is vast, with many different sectors and industries offering investment opportunities. It is important to conduct thorough research and choose investments that align with your investment goals and risk tolerance.

ON THE ROLES AND RESPONSIBILITIES OF INVESTORS:
The roles and responsibilities of investors include conducting research, choosing investments, monitoring performance, and making adjustments to their investment strategy as needed. It is important to stay informed and take an active role in managing your investment portfolio.
Heavy-Metal Ambitions

By merging two frontline companies, Anil Agarwal is attempting to create a global natural resources monolith. But can Sesa Sterlite break into the top five that includes BHP Billiton and Rio Tinto? Kausik Datta reports

As Anil Agarwal is not so eager that day, I decide to ask when he comes to Menara and find out if he has seen the latest news from the Indian steel industry. Before we meet, I call him and ask what he is thinking about the current situation of the industry. He says that he is thinking about the future and the need for consolidation. He tells me that he is trying to make Sesa Sterlite into a global company and that it is likely to be the first Indian company to reach $100 billion in revenue. He also tells me that he is looking at acquisitions in Africa and South America.

Sesa Sterlite wants to be a global player, but it is facing tough competition from BHP Billiton and Rio Tinto. The company is trying to increase its production capacity and is looking at acquisitions in Africa and South America. It has also announced plans to set up a new plant in Australia.

Sesa Sterlite is also facing challenges from the government. The company has been asked to pay a tax of Rs 5,000 crore to the government, which it believes is not fair. The government has also been putting pressure on the company to reduce its pollution levels.

The company is trying to address these challenges by investing in new technology and by increasing its production capacity. It is also looking at acquisitions in Africa and South America to increase its revenue.

Sesa Sterlite is a major player in the Indian steel industry and is looking to become a global player. The company is facing tough competition from BHP Billiton and Rio Tinto, but it is also looking at opportunities to increase its production capacity and revenue.
Zimbabwe May Ask Essar to Rope in Local Partner

ESSAR GROUP needs to revive steel mill and an iron ore mine that it had acquired last year for $750 million.

THE ZIMBABWE MINES ministry has written to the industry ministry on the need for a local partner, in line with the country’s laws on indigenisation and ownership of resources, according to two people connected with the development.

The Zimbabwean government has asked Essar to take on board a state-owned Zimbabwe Mining Development Corporation as a joint venture partner in its transaction. This development is widely seen as yet another form of delaying Essar’s acquisition of Zisco, now renamed New Zim Steel, after political parties attacked the government for its hurried transaction with Essar. Political parties in the African country say the mines were sold at a cheap price.

An Essar Group spokesperson declined comment on the issue. “We are committed to the agreement signed with the government and are taking steps to complete the transaction,” a senior official said.

In 2011, Essar Africa bought 56% stake in Zisco for $750 million, which included taking over the debts and liabilities of the state-owned steelmaker. The transaction also included giving Essar 80% control of mines, Blenco, linked to the steel mill. The mines are estimated to hold about 500 million tonnes of good grade iron ore.

The Zimbabwean government had exempted Essar Africa from complying with the local indigenisation rule after Essar sweetened the deal for reviving Zisco that had been shut since 2008. Zimbabwe’s Indigenisation and Economic Empowerment Act restricts foreign companies from owning more than 49% in a local company or asset.

Blenco mines include mining claims at Buchwa Mine, Ripple Creek and Mwanezi mines. According to the two people cited earlier: the opposition to the deal is mainly centred around ceding control of the Mwanezi mines estimated to hold the maximum reserves.

The year-long delay in completion of the transaction has already led Essar Africa to initiate a management reshuffle. The reshuffle has led to the appointment of two senior group executives from India to assist current Essar Africa head Firdouse Coovadia, who looks after the steel-to-oil conglomerate’s Middle Eastern and African operations simultaneously.

The delay underscores the problems faced by Indian mining companies to consummate overseas mining acquisitions which are facing strong political opposition in those countries.

ramsurya.mamiden@timesgroup.com
Tepid Mkts Push Base Metals Down

MADHVI SALLY & SUTANUKA GHOSAL
AHMEDABAD | KOLKATA

The base metal complex is under pressure in the wake of global growth uncertainties, particularly in Europe and China. From zinc and nickel to copper, producers are facing price pressure due to poor demand from alloy manufacturers.

In the Mumbai non-ferrous spot market, zinc and nickel were down by ₹5 on Wednesday. In Delhi, copper scrap was selling at ₹72 per kg and zinc ingot at ₹131-₹140 per kg.

Analysts are not upbeat about base metals for the next three months. “Markets are worried about the threat of a recession in the Euro Zone, the faltering pace of recovery in US and slowing economic growth in China. These three regions are top consumers of base metals, with China accounting for 40% of the total consumption. Rio Tinto is weighing the option of scaling down mining activities due to this sluggish demand. Aluminium prices have gone down below the cost of production,” said Dharmesh Bhatia, associate vice president, Kotak Commodities.

Prices may come under further pressure amid firmness in US dollar and choppiness in global equities. On the domestic front, prices may witness a range-bound movement as any sharp rise or fall in international markets will be counterbalanced by the movement in the Indian rupee. “In fact, the weak rupee has made base metals costlier by 15% in the domestic market in the last three months,” Bhatia added.

Sanjay Gupta, director of Delhi-based Metal Traders (India), said: “There is a slowdown in the domestic as well as international markets. User industries are buying lower than their requirement as they believe prices of base metals will fall further. This sentiment is pulling down prices further. Demand from the auto industry is on the lower side.”

Diamond Power Infrastructure (DPIL), an integrated player in the power equipment and EPC segment, has seen a drop in sales in the past few months. “Copper prices in global markets have crawled down but owing to dollar devaluation, Indian manufacturers have not got the benefit. We are in an unstable market,” said DPIL MD Amit Bhatnagar.

madv.sally@timesgroup.com
Nalco consortium to bid for Afghan mines

New Delhi: National Aluminium Co. Ltd (Nalco), in consortium with Steel Authority of India Ltd (SAIL) and Hindustan Copper Ltd, will submit a bid for developing gold and copper deposits in Afghanistan later this month, a top company official said on Wednesday.

The consortium of Indian PSUs is among the 25 companies/consortium from the US, the UK, Australia, Canada, the UAE, Turkey and Afghanistan that have been shortlisted by the Afghan government in April for developing its gold and copper mines.

“We are looking at bidding in Afghanistan in consortium with SAIL and Hindustan Copper in some copper and gold projects in Afghanistan this month,” Nalco chairman B.L. Bagra told reporters here. He, however, declined to comment on proposed investments on Afghanistan’s gold and copper mines. PTI