New Delhi: Industrial growth remained sluggish in February raising expectations that the Reserve Bank of India (RBI) may cut interest rates when it reviews monetary policy on April 17 as policymakers rush to revive growth and boost sentiment.

Data released by the Central Statistics Office on Thursday showed industrial production growth slowed to 4.1% in February compared to 6.7% expansion in the previous year-ago month. The government also sharply revised the January production number from 1.1% growth to the previously reported 6.8% expansion and attributed it “incorrect reporting” of sugar production data for January.

The manufacturing sector continued to remain subdued, posting a growth of 4.0% compared to 7.5% in the year-ago period, while mining rose 2.1% compared to 1.2% in February 2011. The electricity sector notched robust growth in February and rose 8% compared to 6.8% in the year-ago period.

Economists said the February data raised expectations of a cut in interest rates against the backdrop of easing inflation and slowing growth. The RBI will review monetary policy on April 17 and is widely expected to ease its tight policy to revive growth. The RBI has raised interest rates 13 times since March 2010 to tame stubbornly high inflation, but slowing growth and investment has drawn calls for a reduction in interest rates.

“The IIP outcome indicated continued weakness in the industrial sector with moderations in both the capital and the consumer sides of the story. We expect a 25 basis points cut in repo rate from the RBI on April 17 given the need to see some pick-up in the investment cycle as well as provide a boost to sentiment,” said Indranil Pan, chief economist at Kotak Mahindra Bank, in a note.

Finance minister Pranab Mukherjee vowed to take steps to boost investment. “Domestic demand has also moderated considerably as reflected in the negative growth in consumer goods. The government along with the Reserve Bank of India (RBI) will take steps to revive investment activity,” Mukherjee told reporters.

The industrial sector has been hit hard by high interest rates, rising input prices and slowing global economy which has hurt demand. Delay in implementation of policies and regulatory clearances have hurt projects.
Sesa Goa: Lifting of mining ban key for volume growth in FY13

Though the firm is targeting shipments of 20 mt, analysts think it may be tough

The last year hasn't been easy for Sesa Goa investors, a fact its management has acknowledged on many occasions. In this period, the company has been hit by an export tax, mining ban in Karnataka and logistics issues in Goa. All these put together have hurt production and sales volumes.

Sesa Goa's iron ore production has fallen 11 per cent in Q4, and output for the full year is down 27 per cent y-o-y. Sales volumes for the fourth quarter and entire FY12 have come in even below the pruned estimates of most analysts. The company claims the reason behind the drop in sales volume is the continued mining ban in Karnataka and logistics issues in Goa.

So what's in store for FY13? As far as the mining ban is concerned in Karnataka, Barclays Capital says although Sesa's mines have a fair chance of restarting, considering the Central Empowered Committee found only minor irregularities, a delay in reopening would pose a risk to the three-million-tonne volume contribution from Karnataka mines in FY13. A bigger overhang is the outcome of an investigation into mining activities in Goa and the proposed implementation of a draft mining bill in Goa.

Analysts claim Sesa Goa is targeting shipments of nearly 20 million tonnes (mt) from Karnataka and Goa. Kotak Institutional Equities says: “This is contingent on reduction of transport and logistical bottlenecks and no incremental damage from the Shah commission report on illegal mining in Goa and approval to resume mining in Karnataka. Sesa currently has environment clearance to mine 14.5 mt per annum in Goa and 6 mt per annum in Karnataka. As far as Karnataka is concerned, the Supreme Court hearing on grant of relief to mines has been pushed back to April 2013, while in Goa, the Shah commission report has been submitted to the Union ministry in mid-March, having found several cases of illegal mining, and is expected to be tabled in the Parliament within six months.” The near-term outlook on production seems cloudy for the company.

MALINI BHUPATI
Novelis to close Canada plant

Novelis, owned by Aditya Birla Group’s Hindalco Industries, said it would close down an aluminium plant at Quebec in Canada. According to a company’s statement, it was closing down its Saguenay facility in Canada. The plant would cease production in August. The facility has a staff of 157.
धीमा पड़ा उद्योगों का चक्का

फरवरी में औद्योगिक उत्पादन की दर 4.1% हुई

नई दिल्ली (एजेंसी)। अर्थव्यवस्था में बढ़तार तरीके को जानी चाहिए है औद्योगिक उत्पादन की दर, इस साल फरवरी में पटरी 4.1 प्रतिशत रह गई। ऐसा मुख्य तौर पर वित्तीय क्षेत्र और उद्योगसेवा उत्पादन के खाली प्रदर्शन के कारण हुआ। औद्योगिक उत्पादन सुधार (आईआईए) के अनुसार अगले दिन जाने वाले औद्योगिक उत्पादन की दर फरवरी 2011 में 6.7 प्रतिशत थी। वर्तमान में, ताजा आर्थिक साक्ष्यांकों के सुधार के आईआईए की जनसाधन की दर के अंतराल से 4.1 प्रतिशत की सीमाएं का दर 1.14 प्रतिशत कर हिस्सा गया है, जबकि अगले साल 6.8 प्रतिशत का था।

वित्तीय क्षेत्र का उत्पादन सर्वप्रथम नवंबर 2011 में 7.5 प्रतिशत था। आईआईए के वित्तीय क्षेत्र का उत्पादन दर 75 प्रतिशत था। उद्योगों के उत्पादन के वार्षिक में भी बनी हुई। यह केवल उत्पादन भी फरवरी में 0.2 प्रतिशत था।

इसके अलावा वित्तीय क्षेत्र का उत्पादन फरवरी में 6.7 प्रतिशत था, जबकि पिछले साल की समान अवधि में इस वर्ष में 18.2 प्रतिशत बढ़ दर्ज हुई थी।

हालांकि, पीएसएफ उद्योग के लिए बढ़तार 10.6 प्रतिशत रही। फरवरी में शहर फरवरी में भी फरवरी के प्रतिशत 21 प्रतिशत का साध्य आया जबकि प्रतिति 2011 में 12 प्रतिशत की दर्ज हुई थी। बिकली उत्पादन में परिवर्तन के दौरान अग्र प्रतिशत की दर 7.5 प्रतिशत की हुई थी।
Novelis Canada plant
NEW DELHI, 12 APRIL: Novelis, owned by Indian conglomerate Aditya Birla Group’s Hindalco Industries, today said it will close down an aluminium plant in Quebec, Canada.
ROOT CAUSE
Sudeep Chakravarti
To read all of Sudeep Chakravartis earlier columns, go to www.livemint.com/epicore

MAOISTS: HIGH ON SPIRIT, LOW ON TECH

There was a curious phrase that Maoist rebels used in a report in the wake of operations by security forces in the Arujuudal area of Chhattisgarh in mid-March. When a chopper arrived to evacuate a couple of injured personnel of the Combat Battalion for Reserve Action (CoBRA), they were at it like “honeybees.” With outmoded rifles.

That’s what the Maoist rebellion still is: High on spirit, low on tech. Or, at any rate, lower tech than what the security forces sometimes throw at them, for instance, the godly named CoBRA, sprung out of the Central Reserve Police Force (CRPF) to battle Maoists. As pressure mounts on rebels, and they hit back when they can—an ambush here, a mine explosion there, taking hostages somewhere else—how these guerrillas arm and fight is worth looking at. Especially as police and paramilitaries have begun to upgrade. And, are taking the help of the army and the air force for training, logistics and tracking. An unmanned aerial reconnaissance vehicle-monitor movement of a group of rebels during a recent operation in Chhattisgarh.

Rebel weaponry is primarily what they have boasted. There have been some spectacular armoury raids in the past, like the one in Koraput, Orissa, in 2004 when they lifted a cache of as many as 500 weapons including ancient 303 rifles, ageing light machine guns and submachine guns, hand guns and ammunition. A couple of years later, they raided a store of the National Mineral Development Corp. Ltd in Dantewada, Chhattisgarh, and made off with an estimated 20 tonnes of explosives and other material. The weaponry was split away by cadres and several hundred militia in bundles slung from bamboo poles.

Such raids haven’t taken place in a while, but even occasional attacks on police patrols, railway guards and a guarded construction site yield weapons and ammunition. If a CRPF patrol comes under attack and troopers are carrying AK series rifles, INSAS carbines and two-inch mortars, then rebel will try to lift such weapons and ammunition from slain troopers. (Security experts worry about Maoist rebels tapping into a supply chain from north-eastern India—a buzz is doing the rounds that People’s Liberation Army of Manipur is helping with logistics and arms, but it hasn’t yet coalesced into a firm relationship.)

Rebels wear what in army parlance is called “OG”—olive green. Failing that, everyday wear. No camouflage fabric beyond common sense, using terrain and the help of sympathetic locals. Footwear: canvas boots, basic sneakers, sandals. Packs range from the sort that schoolchildren carry, to what is taken from police and paramilitary. Armour: none, this makes them lighter on their feet than many police and paramilitary troops who still wear 1.4kg of armour—two 7kg convex plates in the front and back to protect the torso. No helmets. Water bottles can be reused PET bottles that once carried soft drinks. Food is basic, rice and dal, and whatever they find on the run.

Rebels train on the job with advice provided by veterans; or retired personnel from police, paramilitary, and the army who call India’s least developed areas home. “Even a driver in the army,” a top police official in West Bengal told me, “is a trained soldier.” Rebel documents that security forces have procured over the years, such as “standing orders for armed squads” are copybook army. There have been other impulsive. A top-ranking Naga rebel general told me how his colleagues helped Maoist rebels till a few years ago. Security officials claim the Liberation Tigers of Tamil Eelam taught Maoist rebels in southern India the arts of improvised explosive devices and guerrilla warfare, its return for sanctuary.

Know-how is used to deadly effect whenever possible. The landmine that in November 2008 nearly killed West Bengal’s then chief minister Buddhadeb Bhattacharjee and two union ministers in the accompanying motorcade near Salboni, the site of a proposed project by JSW Steel Ltd, was set off by Maoist rebels hiding behind nearby railway tracks. The one that killed 13 CRPF personnel in a bus in late-March in the Gadchiroli district of Maharashtra is of the sort routinely employed across Maoist-affected states. Should forces bring in robust “anti-landmine” vehicles, Maoists simply pack in more explosives to incapacitate these. The trigger for landmines can be provided by line-of-sight devices as basic as the equipment that triggers flashlights.

And anger. One mustn’t forget the anger that permits cadres and militia to lay claim as protectors of the marginalized—knowing well that the remainder of their lives could be very short. Honeybees know something about that.

Sudeep Chakravarti writes on issues of conflict in South Asia. He is the author of Red Sun: Travels in Nepal and the soon-to-be-published Highway 39: Journeys through a Fractured Land. This column, which focuses on conflict situations that directly affect business, runs on Fridays.
Novelis to close Canada plant

New York: Aluminium products maker Novelis Inc. will close its Saguenay Works in Jonquiere, Quebec, Canada.

"The plant has 157 staff and production employees and makes aluminium coils to supply other Novelis facilities. It will cease production in August," said Novelis, the US unit of India's HindalCo Industries Ltd.

"While the long-term growth potential of Novelis remains strong, we must continue to optimize our footprint to more efficiently support our overall business objectives to drive profitable growth," president and CEO Philip Martens said on Thursday. REUTERS
Alcoa scales down aluminium deficit estimate for 2012

Alcoa Inc.’s March quarter results provide clues to the performance of Indian aluminium firms in the quarter and the outlook in the forthcoming quarters. The company benefited from better aluminium realizations, which were up by 2.5% sequentially, but alumina’s realizations were down 8.5%. Alumina is an intermediate product that is processed further to get aluminium.

Higher input costs continue to dog Alcoa’s performance, but it wrung out sizeable productivity gains, allowing it to post a better-than-expected profit of $94 million (around ₹483 crore today) from continuing operations. It had posted a loss of $183 million in the previous quarter.

Since domestic firms’ product pricing is linked to international prices, companies such as Hindalco Industries Ltd, National Aluminium Co. Ltd and Sterlite Industries (India) Ltd are likely to see a similar effect in their results, adjusted for foreign exchange fluctuations. Rising costs have been a problem for Indian companies, too, chiefly energy costs.

More important is Alcoa’s outlook for the sector. After its 2011 results, the company had projected global aluminium consumption to grow by 7% in 2012. That outlook remains, but how it arrived at that figure has changed. China’s growth has been scaled down to 11% from 12%, while that of Asia, ex-China, and rest of the world has risen. Europe is expected to be flat, compared with a slight contraction earlier.

But a revision in the projected demand-supply balance does not spell good news. The projected deficit in aluminium has been scaled down to 435,000 tonnes from 600,000, mainly due to higher-than-expected production in China. And alumina is projected to be in surplus of one million tonnes, while earlier demand was expected to match supply. But the rest of the world, and not China, is to blame for the surplus. Earlier expectations that higher-cost aluminium production in China will go off the market are being belied.

One area where Alcoa has benefited is the global rolled products division, where its Ebitda per tonne rose by 16% year-on-year. Ebitda is income before interest, taxes, depreciation and amortization, an indicator of a company’s profitability.

Hindalco’s Canadian subsidiary Novelis Inc. sells rolled products globally, and it should also report good results, going by Alcoa’s numbers. It recently announced a new plant in China to supply rolled products to the automotive industry, joining others such as Alcoa to cater to growing demand in the region.

Indian companies have other worries: slower economic growth and high interest rates. They should get some relief on the energy front, as thermal coal prices have softened.

Fears of slower economic growth in China have weighed on non-ferrous metal prices, and the lowering of the demand-supply deficit will be another negative factor.

If Alcoa’s results are any indication, then its ability to sell value-added products and improve productivity seem to be the main factors that can contribute to a better performance.
सेल लगाएगा अफगानिस्तान में बोली

ईस्लामी आधार: सार्वजनिक क्षेत्र को स्टील कंपनी स्टील अर्थव्यवस्था ऑफ हिन्दुकुश (सेल) की अगुवाई में एक समूह अफगानिस्तान में तब्बा और व्यवस्था भंडार के लिए बोली लगा रहा है। अफगानिस्तान सरकार ने हाजीगार खानाबाद के विकास के लिए सेल के हो नेतृत्व वाले समूह का चयन किया है।

केंद्रीय स्टील मंत्री बेनी प्रसाद वर्मा के हाल में सरकारी बैठन में कहा गया है कि हाजीगार के विकास के लिए समूह के चयन के बाद सेल के नेतृत्व वाला एक और समूह ताजा तथा व्यवस्था भंडार के लिए बोली लगा रहा है।

वर्मा ने हाल ही में अफगानिस्तान की यात्रा के दौरान उन्हें राष्ट्रपति हामिद करजाह से 10 अप्रैल को मुलाकात की और हिप्पोर में से जुड़े विभिन्न मुद्दों पर प्रभाव की। उन्होंने दी यह अफगानिस्तान की आर्थिक प्रगति अमूल्य करूँ गई, बोली और भी मिले। इससे पहले नी अप्रैल को हाजीगार के स्टील मंत्री ने निर्धारित वाला वह ज्ञान मंत्री बहुत लगाई शाहरुखी से भी बात की।

सेल के नेतृत्व वाला समूह अमूल्य व्यवस्था भंडार के लिए समूह को और विशेष श्रेष्ठ विभिन्न संबंधों की स्थापना के लिए अतिम समूह के बाद में सरकार के बीच सहमति की। इस समूह में अर्थव्यवस्था, जेसलमेर, जेसलमेर, जेसलमेर इत्यादि, जेसलमेर और मोंटे स्पेन एंड फासर भी सामिल है।
Parks, sanctuaries on mining no-go list soon

Panel Not Inclined To Reassess Protected Areas

Nitin Sethi | TNN

New Delhi: A panel set up to review norms for no-go areas that will protect certain areas from commercial activity is likely to recommend mining should be disallowed in all national parks and wildlife sanctuaries in the country.

Sources in the government told TOI that the committee, headed by the Union environment and forests secretary, is likely to close the debate over no-go areas as it is not inclined to reassess protected areas in view of existing legal protection provided to national parks and sanctuaries that has been supplemented by orders of the Supreme Court.

The committee was set up after a Group of Ministers (GoM) on coal asked the environment ministry to reconsider parameters for no-go areas, where mining is not permitted. They were renamed inviolate areas and the ministry asked to set new norms to be put before the GoM.

The panel’s decision can make it difficult for any relaxation of a policy that has come under pressure from some central ministries and state governments.

The panel, sources said, feels that parks and sanctuaries provided a higher level of protection under the Wildlife Protection Act, 1972, should not be re-evaluated for their forest value. The head of the Wildlife Institute of India, Forest Survey of India and other senior forest officers from the Centre and select states are the other members of the committee.

There are 61 such protected areas comprising of 100 National Parks, 54 Wildlife Sanctuaries, 43 Conservation Reserves and 4 Community Reserves that add up to roughly 5% of the country’s geographical area. This includes the tiger reserves as well.

The committee is likely to recommend that patches of forest be measured for their forest cover as well as biodiversity values.
My ministry not to blame for coal shortage: Jayanthi

DNA Correspondent
NEW DELHI

Hitting back at the industry for calling the environment ministry an impediment to India's growth, the Union minister of environment and forests (MoEF) Jayanthi Natarajan on Wednesday said that the green nod by her ministry should not be blamed for coal shortage as it has already given many more clearance licenses for coal and mining projects than the projected target at the end of 2017.

"I believe that the ministry of environment is wrongly viewed as a stumbling block. We can support with figures and facts that we have given clearances for both coal mining and in terms of other clearance way beyond the energy targets, even the one projected by the 12th Plan (2012-17)," said Natarajan.

"I am not sure what the status of coal is but it's certainly not because of green clearances," she asserted. Natarajan said the green nod for mining coal up to 830 million tonnes (MT) had been given and if the quantity of coal extracted was less, it was not the MoEF's fault.

Replying to criticism, MoEF had asked the coal ministry about the actual usage of coal mines that have been already granted clearance to call their bluff and blunt the criticism. The same was reported by DNA in February 2012 that MoEF did this to expose that existing mines are lying unexploited even as new applications are piling up.

Coal India Limited (CIL) has also reportedly written to the government about acute shortage of coal to meet the power demand in the country. The environment minister further said that for power generation, according to the 12th (five year) Plan, one lakh MW power is required. "We have given licenses already for up to two lakh MW of power."
AGARTALA, April 9: Quake-prone north-eastern India should switch to traditional forms of housebuilding, including houses made of bamboo and cane, that are flexible and able to withstand shocks, said experts at a meet here.

Considering north-eastern India’s vulnerability to earthquakes, the experts at the Indian Building Congress (IBC) here on Sunday, called for strict adherence to the building code to make houses in the region quake-resistant.

“Reasons for earthquakes are well-known. The vital thing is strict adherence of the building code so that the damage can be mitigated to a certain extent during any medium or major quake,” Director General of Central Public Works Department (CPWD) CS Prasad told reporters.

He said, “It is generally established that a tremor of different intensity hits one part of the region occasionally, but this periodicity or time of occurrence is not certain.”

Ahead of the seventh annual general conference of the Tripura chapter of IBC, Prasad said that “periodic shifts of tectonic plates” in the mountainous northeast lead to earthquakes.

IBC is the apex professional body of civil engineers at the national level.

IBC’s founder-president OP Goel said that the traditional methods of constructing houses and buildings in north-eastern States could be improved upon in terms of strength and durability, if reinforcement bars were used in every ‘joints and junctions’ of the structures.

He said, “The traditional houses made of bamboo and cane are much more flexible in bearing quake shocks.”

On the concept of ‘green building’, Goel said that the CPWD was trying to make sure all buildings in the north-eastern region are 100 per cent green.

“It is a recognized concept of making buildings environment-friendly and minimizing depletion of natural resources. There are altogether 54 pre-conditions to be fulfilled for making a building 100 per cent green,” Goel added.

According to the renowned civil engineer, if 30 per cent conditions of the green-building are met, the building is marked as one star while fulfillment of up to 70 per cent of the preconditions makes it three-star and fulfillment of preconditions up to 100 per cent makes it five-star.

Prasad said that the IBC in association with the MIT (Indian Institute of Technology) Chennai had conducted a comprehensive nationwide survey to find out quake-prone parts of the country in 2002 and suggested measures for making buildings earthquake-resistant.

“After the survey, three-volume books were published in 2005 suggesting detailed guidelines, architectural norms and types. These volumes have been circulated to departments of all the State governments and the Centre for implementation.”

“Besides, if there is any confusion, our experts and IIT professionals are always available to put in ideas and impart training on ways to construct quake-resistant buildings,” Prasad said.

The Geological Survey of India had earlier notified that the north-eastern region could experience a devastating earthquake as the region, according to seismologists, falls in Zone V, the worst quake-prone belt in the world. (IANS)
No duty on coal mining machinery

Queries on taxation and service tax liabilities, addressed by Vivek Sharma & Rajat Bose of Ernst & Young

We are contractors engaged in leases of coal mining projects in Dhanbad. We have been informed by our local consultants that the customs duty has been removed from the import of coal mining machinery. Please advise.

As per notification 12/2012 — Customs dated 17 March, 2012, machinery/equipment imported for coal mining projects have been exempted from basic customs duty. However, this exemption is available only for machinery imported under the project import scheme.

Projects imported are covered under chapter 96 of Customs Tariff, and provide a concessional rate of customs duty in respect of goods imported for the initial setting up of substantial expansion of a unit for specified projects. Further, goods can be assessed under one customs tariff heading thus obviating any disputes with regard to their classification.

Therefore, in case you are importing these machinery for a specified project under the Project Import Scheme, the said benefit will be available to you. However, if not, then customs duty shall be payable on the basis of precise classification of each machine imported by you.

Excise duty on jewellery manufacturing

We are jewellers located in Surat, and are engaged in the manufacture of jewellery without embossing a brand name. We also provide services wherein, we change the design of jewellery for which we charge 10% of the sale price on the request of our customers. We have been informed by our local consultant that we will now be liable to pay excise duty on the manufacturing of jewellery. Please advise.

The Finance Act, 2011 (vide notification No 1/2011 dated March 1, 2011 and notification No 2/2011 dated March 1, 2011) levied excise duty on manufacture of branded jewellery only when such trade/brand name or any such mark or symbol is indelibly marked or embossed.

The Budget 2012 vide notification 12/2012 — CE dated March 16, has introduced the levy of excise duty at a concessional rate of 1% (subject to non-availing of Cenvat credit) on all articles of jewellery (except silver jewellery). Accordingly, manufacturers are liable to pay excise duty on manufacture of all articles of jewellery for personal adornment (like rings, bracelets, necklaces etc), whether branded or unbranded.

Also, notification No 9/2012 dated March 17, 2012 provides that such articles of jewellery would be leviable to excise duty on 30% of the transaction value (i.e., invoice value).

Accordingly, the effective rate of excise duty without availing of Cenvat credit would be 0.3%, i.e., 1% of 30%. Further, with regard to change in the design of jewellery, it appears to manufacture and no excise duty shall be payable on the same. Moreover, a specific exemption has been provided under the service category of business auxiliary services for production or processing of jewellery on behalf of a client and hence there would be no service tax liability.

Service tax on air passengers

We are a travel and tour agency operating out of New Delhi involved in booking of tickets on behalf of our clients. On the ticket amount the airlines charge the appropriate service tax. We have been informed by our local consultant that the rate of service tax has been amended on the transport of passengers by aircrafts. Please provide us the latest rates of service tax for the same.

Prior to April 1, 2012 the rate of service tax on transport of passengers by air service was as under:

- In case of a domestic flight 10% of the value of ticket or ₹150 whichever is less.
- In case of an international flight 10% of the value of ticket or ₹650 whichever is less.

The above rates were available only for the passengers travelling by economy class.

As per notification No. 6/2012 dated March 17, 2012, a flat abatement of 40% has been provided for all types of journeys (subject to non-availment of cenvat credit). Further, the abatement rate has been extended to business class tickets as well.

The replies do not constitute professional advice. Neither Ernst & Young nor PE is liable for any action taken on the basis of the correspondence. Readers may mail their queries to fesmes@gmail.com
SAIL-led consortium bidding for Afghan copper, gold reserves

New Delhi, Apr 12: SAIL-led consortium is bidding for copper and gold reserves in mineral-rich Afghanistan, the government said on Thursday.

Another consortium led by the same PSU has already been selected by the government of the war-torn country to develop its rich Hajigak iron ore mines.

"...after execution of the contract (Hajigak), the consortium would move ahead with exploration & geological studies...SAIL-led another consortium is also bidding for copper and gold reserves in Afghanistan," said an official statement, quoting steel minister Suresh Prasad Verma.

Verma had met Afghanistan President Hamid Karzai on April 10 during his visit there and discussed various aspects of bilateral cooperation and mutual development.

SAIL-led consortium and Afghanistan government are likely to ink a final pact in May to develop Hajigak iron ore mines and set up steel and power plants there.

The consortium that also includes state-owned NMDC and RINL and private sector steel players JSW, JSWL and JSPL, and Monnet Steel and Power has already won the mining rights for three blocks at Hajigak in November 2011, that are said to contain 1.3 billion tonne of rich reserves.

The final agreement will entitle SAIL-led consortium Afsico (Afghan Iron and Steel Consortium) to explore, develop and exploit the Hajigak deposits. After winning the bid in November, SAIL chairman C S Verma had said the consortium plans to set up a 6.12 million tonne per annum steel plant, subject to Afghan government making available linkages for coking coal and limestone, an 800 MW power plant and build necessary infrastructure for $10.8 billion. PTI
SAIL-led consortium bidding for Afghan copper, gold reserves

Press Trust of India

New Delhi, April 12

A SAIL-led consortium is bidding for copper and gold reserves in mineral-rich Afghanistan, the Government said today.

Another consortium led by the same PSU has already been selected by the Government of the war-torn country to develop its rich Hajigak iron ore mines.

"... after execution of the contract (Hajigak), the consortium would move ahead with exploration and geological studies ... SAIL-led another consortium is also bidding for copper and gold reserves in Afghanistan," said an official statement, quoting the Steel Minister, Mr Beni Prasad Verma.

Mr Verma had met the Afghanistan President, Mr Hamid Karzai, on April 10 during his visit there and discussed various aspects of bilateral cooperation and mutual development.

The SAIL-led consortium and the Afghanistan Government are likely to ink a final pact in May to develop Hajigak iron ore mines and set up steel and power plants there.

The consortium that also includes State-owned NMDC Ltd and Rashtriya Ispat Nigam Ltd (RINL) and private sector steel players — JSW, JSW Ispat, JSPL and Monnet Steel and Power — has already won the mining rights for three blocks at Hajigak in November, that are said to contain 1.28 billion tonnes of rich reserves.

The final agreement will entitle the consortium, Afsco (Afghan Iron and Steel Consortium), to explore, develop and exploit the Hajigak deposits.

After winning the bid in November, the SAIL Chairman, Mr C.S. Verma, had said the consortium plans to set up a 6.12-million-tonne-a-year steel plant, subject to the Afghan Government making available linkages for coking coal and limestone, an 800-MW power plant and build necessary infrastructure for $10.8 billion.

SAIL has 20 per cent stake in Afsco, while NMDC and RINL hold 18 per cent each; private players JSW Steel and JSPL hold 16 per cent each, while JSW Ispat and Monnet Ispat & Energy hold 8 per cent each and 4 per cent, respectively.

Afghanistan and India on April 9 signed a memorandum of understanding (MoU) for mutual cooperation in the area of iron and steel.

Mr Prasad Verma termed the MoU as a significant measure aimed at strengthening ties with Afghanistan and boosting socio-economic restructuring of the country and termed it as "a measure of encouraging investments by public and private sector Indian companies in Afghan Iron and Steel and other allied sectors."

According to an official statement, the Government is exploring the possibility of developing a new route from the port of Chah Bahar on the Gulf to Kandahar-Herat highway of Afghanistan leading to Central Asia which would boost trade in the region and guarantee benefits to all the stakeholders.
Copper rises on euro’s strength

Reuters
London, April 12
Copper rose more than 1 per cent on Thursday as risk appetite improved and the euro strengthened after a European Central Bank official suggested the bank was ready to purchase more debt, easing some worries about a debt crisis affecting the Euro Zone. Benchmark copper on the London Metal Exchange traded at $8,145 in official rings, up more than 1 per cent from a close of $8,040 on Wednesday, when it fell as low as $8,018, its weakest since Jan. 16.
Nonetheless, weaker copper demand and rising inventories in China remain one of the main concerns for investors.
Inventories of copper in warehouses monitored by the Shanghai futures Exchange have quadrupled since the beginning of the year, which might suggest sluggish consumption. Tin, untraded in rings, was bid at $22,600 from $22,425 at the close on Wednesday. Zinc was untraded in rings but was bid at $2,020 from $1,995. Lead traded at $2,070 from $2,053 and aluminium at $2,109.5 from $2,090. Nickel traded at $10,255 from a last bid of $18,100 on Wednesday.
IIP growth slips to 4.1% in Feb

Special Correspondent

NEW DELHI: Industrial growth slowed down to 4.1 per cent in February this year from 6.7 per cent in the same month a year ago following a dismal performance by the manufacturing sector, especially consumer goods.

As a consequence, the cumulative industrial growth for the April-February period of 2013-14 plummeted to 3.5 per cent from a robust 8.1 per cent expansion achieved during the like period a year ago.

With the government admitting that the IIP (Index of Industrial Production) data for February were indeed “disappointing”, the debate over whether or not the apex bank should take a call on interest rates during its annual monetary policy review on April 17 appears to be tilting in favour of a significant easing to spur consumption demand and growth.

Commenting on the sharp slide in factory output, Finance Minister Pranab Mukherjee attributed it to the tight-money policy and global uncertainties.

“Uncertainty in the global economy coupled with monetary tightening in the past have impacted investment recovery... These [IIP] figures will have bearing on monetary policy announcement scheduled for next week.

“The government along with RBI will take [the] required steps to revive activity in the economy,” Mr. Mukherjee said.

Alongside, what came as a further setback was a drastic correction in the January industrial growth figure from 6.8 per cent to 1.14 per cent owing to an “error” in data collection on production of sugar during the month. Admitting the “slippages” in data collection, Chief Statistician T. C. A. Anant said: “There have been some slippages on that [IIP] and so we are reiterating that to ensure that such type of error does not occur [in future]... I have taken up the matter with principal ministries and waiting for their response how they will respond to it.”
Steel Minister visits Afghanistan

Beni Prasad Verma, Union Minister of Steel, recently met Hamid Karzai, President of Islamic Republic of Afghanistan. They discussed various aspects of bilateral cooperation and mutual development between the two countries. Karzai stressed on the need for better participation of Indian private and public sector companies in various mining projects in Afghanistan. This was a step towards reinforcing cooperation in various sectors with special focus on mineral exploration and mining.

Chaudhary, Secretary, Steel; C.S. Verma, Chairman, SAIL; N.K. Nanda, CMD, NMDC and other senior officers from India and Afghanistan were also present on the occasion.
Govt OKs Ad-Valorem Rate for Royalty on Coal, Lignite

NEW DELHI The government on Thursday approved the adoption of ad-valorem regime for charging royalty on coal and lignite at 14% and 6% respectively. The move will help coal-rich states to generate an additional ₹1,000 crore in revenues a year, said an official statement. Currently, the royalty for both the minerals is calculated through a formula consisting of ad-valorem plus a fixed component. While the fixed component depends on the grade of coal, ad-valorem rate is calculated at basic pit-head price and has been fixed at five per cent of the invoice price, excluding taxes and other levies.
अफगानिस्तान में तेल लगाएगी बोली

नई दिल्ली। इस्ताम्मल बनाने वाली याकात अक्षर के बंद की जयपुर वाला सभूष अफगानिस्तान में लाना तथा स्वर्ण भंडार के लिए बोली लगा रहा है। इससे पहले, अफगानिस्तान सरकार ने फाजिलाख खदन के विकास के लिए सेल के जी नेतुलव वाला सभूष का प्रयोग किया। खदन के विकास के लिए सभूष के चेन के बाद सेल के लाना एक और समूह जामा तथा स्वर्ण भंडार के लिए बोली लगा रहा है।