HCL plans to invest Rs 3,677 crore

NEW DELHI, March 21 (PTI): State-run Hindustan Copper plans to invest Rs 3,677 crore to almost quadruple its existing copper ore production capacity to 12.41 million tonnes per annum (mtpa) by 2016-17.

"The company has prepared an ambitious expansion plan to expand capacity of 3.21 million tonnes to 12.41 million tonnes at an estimated cost of Rs 3,677 crore, which would be funded from internal resources, fresh issue of shares and debt," the Mines Ministry's Outcome Budget for 2011-12 said.

The entire expansion would be completed by 2016-17 and in the meantime, the company would also take up greenfield projects for exploration and ore production, it said.

HCL would spend a total of Rs 297 crore next fiscal through internal sources for part-funding expansion of the Khetri, Koliyan, Banwas and Singhbhum mines and reopening of the Raksha and Kendadih mines.

The only copper ore producer in India, HCL's existing capacity caters to about 3 percent of the requirement of optimum utilisation of installed capacity for smelting/refining of copper in the country.

"The gap in supply and demand provides a huge opportunity to the company to expand its operations in the mining of copper ore," the note said.
Family Jewels
Get Some Air

It is not a stand-alone turning point that defines India’s disinvestment process initiated in 1991-92. Though the total realisation to the government from different rounds of disinvestment till 1999-2000 stood at ₹18,838 crore, the big-ticket disinvestments stand out as a true measure of success in the entire process. India’s disinvestment experience can be clearly demarcated into three phases.

The first was between 1991 and 1996 when small holdings of public sector companies were sold; the second lasted from 1996 to 2006 and featured the strategic sale of firms such as VSNL, Bharat Aluminium Co (Balco) and Maruti Udyog. In the third phase since then, the government has been back to selling small chunks.

The second phase, which saw the government loosening its control over big-ticket public sector enterprises, was crucial.

However, the strength of India’s disinvestment lies in the collective moments of strategic sale. To begin with, in February 2001, the government struck its first disinvestment deal of the millennium by approving the sale of 51% stake in aluminium major Balco to Sterlite Industries for ₹515.5 crore. In 2002, Balco, a profit-making public sector company under the ministry of mines, had a turnover of ₹888 crore and a profit of ₹56 crore.

Next in line was the strategic sale of VSNL in the summer of 2002 wherein the government decided to sell its 25% stake in the telco giant to the Tatats for ₹1,439 crore. The company now became Tata Communications even as its monopoly over international long-distance telephony came to an end ahead of the promised deadline.

Not only did VSNL have a strong position in the international long-distance voice and internet segments of the telecom business but also a solid infrastructure and good technical staff. Besides, VSNL also offered a strong balance sheet that enabled the Tatats to use the cash judiciously, transforming the company into a global operator of undersea cable networks and satellite links.

Finally, in 2002, Suzuki Motor Company, the joint venture partner in Maruti Udyog, shelled out ₹1,009 crore as a premium to take over control of Maruti.

After the dilution, the government’s stake was reduced to 20.8% and Suzuki Motor Corporation’s stake increased to 54.2%.

The remaining equity belonged to institutional and individual investors. As of May 2007, the government sold its complete share to financial institutions. The Maruti disinvestment issue gains credence as a classic case of a foreign company buying the stake held by a public sector undertaking.

Jawaharlal Nehru’s view that the state should control the commanding heights of the economy started losing steam from the 1980s when the country’s fiscal deficit started getting out of control.

While the figure stood at 5.4% of the GDP in 1979-80, it shot up to 10% by the end of the decade.

As government expenditure climbed, interest payments further dented the situation in the absence of returns on productive capital expenditure. The Gulf War of 1990 added to the government’s worries, as NRI deposits started flowing out and the balance of payment condition worsened.

Disinvestment was born out of this crisis when the newly-elected government in 1991 promised macroeconomic stabilisation by reconstituting the industrial sector. Ever since, there’s been no looking back.

Moinak Mitra
Delhi, March 22: Vedanta Group firm Sesa Goa has acquired the assets of the upcoming steel plant of Bellary Steel and Alloys, put on the block by a consortium of lenders led by IFCI for Rs 220 crore. The assets of the acquired firm have been transferred on an "as is where is" basis to Sesa Goa with effect from today.
Gold up, silver at 31-yr high

London: Gold on Wednesday hit its highest since early March and silver struck a 31-year peak as investors sheltered in precious metals from Middle East unrest. Spot gold was bid at $1,438.44 a troy ounce late in New York on Tuesday. Spot silver hit a session high of $36.85 an ounce, its highest since 1980, source
Bill to raise penalty against violation of mining laws tabled

NEW DELHI: A Bill seeking to enhance penalty against violation of mining laws and neglect of workers' safety was introduced in the Rajya Sabha on Wednesday.

The Mines (Amendment) Bill 2011 proposes to amend the Mines Act, 1952 to enhance penalty to Rs 5 lakh besides imprisonment of up to five years for various offences including falsification of records and employment of persons below 18 years of age.

The proposed law would be applicable to the entire country including exclusive economic zones and maritime zones.

The new legislation would cater to the present and future requirements in the face of technological changes and to the foreign firms acquiring mining rights and operations in the country.
नेपाल लिमाइट के हॉट दफ्तर व अधिकारियों के घरों की तलाशी

कुटुंबकार (तितलिनाथ) (एसपी)।
संविधान जात्रा प्रशिक्षण (सी.बी.पी.) के नेपाली लिमाइट कार्यालय के दक्षिण और क्षेत्रों के बार प्रशिक्षितों के विभिन्न प्रशिक्षणों को तलाशने पर आ गए है। अनुमति देने में ज्ञाता अवसरों के आरोपों में यह तलाशी नहीं है। कर्मचारी के एक दशौं सहिकार ने बाध्य की बात कि रोकी गई को 23 सप्ताह बीती ने राष्ट्रीय को नहीं नहीं तो इतनी लापता।

कर्मचारी के कार्यालय और अनुसंधान विभाग संबंधित कंपनी के बार कार्यकारी निदेशक (अनुमति) की शिकायतित, लिए निदेशालय में अधिकारी बार, ठरंगहार, और राजकैरंगक (कार्यालय). सुरु की उन पर नया नया प्रशिक्षण दिलचस्प के परीक्षा के लिए लाँघों की दी गई। अनुमति देने ने ज्ञाता अवसरों को उन्हें में प्रशिक्षण की विकास के बाद नहीं नहीं रहा है। रोकी गई को अनुमति विभाग के तुरंत दर्जन की जाति और लांघों के विश्वास नहीं कर ही।
MINING MAJOR MOVES TOWARDS ACQUIRING CONTROL OVER OZ FIRM

Rio hikes Riversdale stake

Melbourne/New Delhi, March 23: Global mining giant Rio Tinto seems to be inching closer to an acquisition of Australian firm Riversdale, with the company on Wednesday announcing it has increased its stake in the target company by 0.95 per cent to 35.89 per cent in the last two days.

The number of Riversdale shares in which Rio Tinto Jersey Holdings and its associates have a relevant interest has changed from 34.94 per cent to 35.89 per cent, the company said in a filing to the Australian Stock Exchange. In December, Rio had put in a takeover bid of AUD 16 per share for Riversdale, valuing the company at AUD 3.9 billion. The offer was also recommended by the Australian firm’s board in January.

Early this month, the offer was increased to AUD 16.50 per share if Rio gets an over 50 per cent stake in Riversdale by Wednesday (March 23). Subsequently, the company extended this deadline further to March 28 on Monday.

The company also extended its offer period for the fourth time to April 6 at AUD 16 per share.

“The additional time would allow some investors to finalise the unwinding of equity swaps, or settle trades that have occurred on the Australian Securities Exchange before they can accept the offer,” the company had said.

However, the two largest shareholders of Riversdale — Tata Steel and Brazilian steel-maker Companhia Siderurgica Nacional (CSN) — have not yet responded to Rio’s offer positively.

Both the companies have maintained that they are more interested in getting coal rather than making a quick gain and would stay invested in Riversdale, which has about 13 billion tonnes of rich coking and thermal coal reserves in Mozambique.

The two firms together hold an over 47 per cent stake in the Australian mining firm, which has about 13 billion tonnes of rich coking and thermal coal reserves in Mozambique. — PTI
Copper rises 2%
Copper rose two per cent on Wednesday as investors focused on expectations of a supply deficit this year, but the recovery may be hindered by unrest in Libya and concerns about Japan's nuclear crisis. Benchmark copper on LME was at $9,633 a tonne by 1112 GMT compared with $9,490 at the close on Tuesday.
Rio Tinto ups stake in Riversdale to 35.89%

MELBOURNE/NEW DELHI, 23 MARCH: Global mining giant Rio Tinto seems to be inching closer to acquisition of Australian firm Riversdale, with the company today announcing it has increased its stake in the target company by 0.95 per cent to 35.89 per cent in the last two days. "The number of Riversdale shares in which Rio Tinto Jersey Holdings and its associates have a relevant interest has changed from 34.94 per cent to 35.89 per cent," the company said in a filing to the Australian Stock Exchange. pti
रियो टिंटो की हिस्सेदारी बढ़ी

नई दिल्ली * प्रमुख वैश्विक खनन कंपनी रियो टिंटो आंड्रेडल्टव्हाइट कंपनी रिक्विर्ड डिल के अधिवेशन के और बाहर पहुँच गई है। रियो टिंटो ने कहा है कि उसने रिक्विर्ड डिल में अपनी हिस्सेदारी 0.95 प्रोजींटी बढ़ाकर 35.89 प्रोजींटी कर ली है। अंड्रेडल्टव्हाइट रिक्विर्ड डिल के खिलाफ एक्शन को भेजने के लिए कंपनी ने कहा है कि कंपनी ने रिक्विर्ड डिल में अपनी हिस्सेदारी 34.94 प्रोजींटी से बढ़ाकर 35.89 प्रोजींटी कर ली है। (कृपया पढ़ें)
ज्वेलरी कारोबार में बढ़ीं मुश्किलें

बड़े खिलाड़ियों तक सिमट रहा कारोबार, छोटे व्यापारी कर रहे तीना
प्रमोद कुमार ग्राम्म * ज्वेलरी विद्वान

सोने-चांदी की आपूर्ति में बढ़ी जीभदर्री से आपूर्ति कारोबार में बड़े खिलाड़ियों के हाथ में सिमटना जा रहा है। इससे फहले आर्थिक सृष्टि के कारण अनेक छोटे व्यवसायी इस कारोबार से बाहर हो गए हैं।

सोने-चांदी को आपूर्ति द्वारा तक पहुंचाया जाता है। सोने-चांदी के आपूर्तिकर्ता से विनियोग किया, इसी साथ चांदी उत्पादकों और विनियोगकर्ताओं को आपूर्ति कारोबार से हित हुआ जा रहा है।

ज्वेलरी एक्सोज्मेंट रिपोर्टों के पूर्व अध्याय विवेक कांड में कहा कि सोने-चांदी में लगातार वृद्धि होती रही है।

सोने-चांदी में लगातार मसूदी वृद्धि का कारण है।

इस तरह सोने-चांदी में चांदी की आपूर्ति में बढ़ता है जो सोने-चांदी की आपूर्ति कारोबारी गंभी वालों को मजबूर हो गए हैं। अब सोने-चांदी में लगातार मसूदी वृद्धि कर रहे हैं।

इस तरह सोने-चांदी में चांदी की आपूर्ति में बढ़ता है जो सोने-चांदी की आपूर्ति कारोबारी गंभी वालों को मजबूर हो गए हैं।

सोने-चांदी के दौरान देश में करीब बाई-तीन मलद छोटे आपूर्ति विक्रेताओं ने नियमित रूप से बाजार में बाजार में मुश्किलें हैं।

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(शेष पेज्स 10 पर)
ज्वेलरी कारोबार में बढ़ी...

इनमें से दस प्रोडक्ट के चारों के बदलेरे से इथार नहीं किया जा सकता। उन्होंने बताया कि मेन्जुड़ बित वर्ष के दौरान आधुनिक निर्माण सिक्के वर्ष के मुकाबले 25 प्रतिशत से ज्यादा बढ़ाए और 1.50 राश्त्र चौथे रूप में यह बढ़ने की संभावना है। इसके बावजूद आयातक अंडर होए बढ़ रहे हैं।

मार्ग भाषा द्वारा विभिन्न घटनाओं से जुड़ा है। डिज़ाइन अंडर देशों के हमले से उन्हें ध्यान के बारे में कमजोरी प्रमुखों में तेजी की संभावना भी है, क्योंकि जब भी अशुद्धताएं अस्थायी होते हैं, इसे प्रेषित होता है। उन्होंने बताया कि सुनामी से जापान में तबाही, लोकता पर पीछे देशों के हमले और कई अन्य देशों में बढ़ते तनाव का असर अगले वर्ष के दौरान आधुनिक निर्माण पर देखने की मिल सकता है।
Karnataka Opposes Govt’s Decision to Approve Ramagad Mining Project

OUR BUREAU
NEW DELHI
Karnataka has opposed the central government’s recent decision to approve Ramagad Minerals and Mining project, without consulting the state government. Karnataka said that bypassing the state government, where the mining project is located, will become an unhealthy precedent and sought immediate cancellation of the approval for the mining project in Bellary.

The latest move by the BJP-led Karnataka government has put the 335 hectares iron-ore mining project in the Bellary district under a scanner. “There is a ban imposed on forest mining leases by the government in Bellary district. The Ramagad Minerals case cannot be treated on a different footing,” said the Karnataka government in its letter to the environment ministry.

Earlier this week, the Orissa government filed a case in the Supreme Court challenging the environment ministry’s decision to stop bauxite mining on the Niymgiri Hills in Kalinga.

The environment ministry has found itself at crossroads after allowing companies to go for mining projects in forest areas. Recently, Jairam Ramesh had overruled negative reports from the ministry’s forest advisory committee and cleared the Steel Authority of India to mine iron ore at the Chiria mines in Jharkhand.

The Karnataka government in its letter argued that it is the state government’s responsibility to examine whether the user agency has complied with norms stipulated by the environment ministry, as both mineral wealth and the forest belong to the state government.

It said that there are boundary disputes and a reference has been made to the Karnataka Lokayukta in this case. Jairam Ramesh had defended his decision in the case of Chiria mines and said that the forest advisory committee will continue to focus on bio-diversity-related issues and concerns. “While as minister I will have to necessarily take a broader view, but placing on record in a complete manner the reasons for taking that view,” he had said.
Goa Govt halts mining in forest areas

Faced with increasing fire from Opposition in the Goa Assembly over indiscriminate mining in forest areas in the State, the Forest Department has ordered a moratorium on conversion of forest area for mining.

State Forests Minister Philip Nery Rodrigues assured the House that forest land would not be allowed to be used for mining until a State forest policy was in place.

The statement came after the Opposition fired a volley of questions on the manner in which forest land was being destroyed by mining activities. Leader of Opposition Manohar Parrikar pointed out that the department had granted permission to cut nearly one lakh trees, with 58,943 of them in forest areas for mining purposes during the last four years alone.

"Are you afraid of mine owners? You arrest common people for cutting trees, why don't you act against mine owners?" Parrikar asked the Goa Government.

The 58,000 trees and the substantial reduction of forest cover was forcing the State animal gaur — or the Great Indian bison — to flee its natural habitat and enter villages, the senior Bharatiya Janata party leader further said.

The natural habitat of gaur is shrinking. That's why they are coming into villages nearby forests," Parrikar pointed out in the House.
State justifies levy of toll on ore-laden lorries

BANGALORE, DHNS: The State government on Tuesday justified in the High Court its move to collect Rs 500 as toll per vehicle per trip for transporting more than 16 tonnes of iron ore on National Highways, saying it had the power to do so.

The government had, on October 15, 2009, issued orders proposing to levy a toll in respect of vehicles carrying (a) ores and minerals (b) granite or timer (c) ordinary sand, with the rates being Rs 1,000, Rs 500 and Rs 200 respectively.

But after the State budget for 2010-11, it issued fresh orders, dated July 1, 2010, restricting the levy of toll to Rs 500 per vehicle per trip, for carrying more than 16 tonnes of weight, excluding vehicles carrying machinery, irrespective of axle weight limit.

Several transport companies challenged the levy of toll contending that it was contrary to the provisions of the Karnataka Highways Act, 1964 and the Karnataka Highway Rules, 1985. They alleged that there was no rationale or logic behind the government order, differentiating between vehicles carrying iron ore and those carrying different quantity of laden weight.

The petitioners said the government does not have powers or jurisdiction to pass such orders. However, the State said it was empowered to collect toll under Section 48A of the Karnataka Highways Act, 1964, read with Section 17A of the Karnataka Motor Vehicles Taxation Act, 1957.

The Karnataka Highway Act (amendment) 2010, provides for levy and collection of toll from the users of highway. The State also clarified, in its objection, that iron ore tonnage weight had been taken into consideration for imposing toll, which is neither discriminatory nor arbitrary.

The State said it was also not open for the petitioners to contend that vehicles carrying 10 metric tonnes (MT) of iron ore ought to have been charged lesser toll and vehicles carrying 16 MT ought to have been charged higher amount.
Ramgad village ‘dressed up’ for CEC visit

Siddaiah Hiremath

BELLARY: Illegal mining activities have come to a halt in the Ramgad Reserved Forest area in view of the Central Enforcement Committee (CEC)’s visit to Ramgad village scheduled for March 26 and 27.

Officers of Revenue, Forest and Mines and Geology Departments and police are camping at the village to ‘familiarise’ themselves with the area.

Deputy Commissioner Amrutan Aditya Biswas conducted a meeting till 11.30 pm on Monday and visited the Ramgad forest with Sandur Tahsildar and other officers on Tuesday.

It is learnt that the officers do not want to be caught off guard on queries from the CEC members about the forest, hence the frequent visits.

Ashok Basarakoda, who recently assumed charge as the Deputy Conservator of Forests is also studying the entire mining area which is a treasure house of the finest mines and the endangered forest.

“The sound of explosives going off in the mining area and the frequent moving of ore-laden lorries had disturbed our life here. But now it appears to be a calm village,” said the villagers.

They are surprised at the sudden visits of government officers who had never visited them earlier.

Most of the officers including the DC, who assumed the office recently, seem to have taken the CEC visit seriously.

“It was inevitable for us to move the court on illegal mining as no official responded to the repeated complaints. Now, that the Apex Court has directed the CEC to visit Ramgad, the officials seem to have woken up from their deep slumber,” said S R Hiremath of the Sama- ja Parivartha Samithi.

DH News Service
NEW DELHI

Court extends NALCO CMD's judicial custody

A Delhi court extended on Tuesday by 14 days the judicial custody of former NALCO CMD Abhay Kumar Srivastava and four others who were arrested for their alleged involvement in a graft case.
World Water Day: 9.77 lakh borewells in the State

Ground water regulation, a late realisation

Poornima Nataraj

BANGALORE: The State government has woken up after 16 years to finally pass the much-needed Karnataka Ground Water (Regulation and Control of Development and Management) Act 2011, in both Houses of the Legislative Assembly.

But what lies ahead is a challenging job of regulating the existing borewells and preventing them from further exploitation.

An official from the Mines and Geology Department said the regulation had come at a time when the resources were exhausted.

"Nevertheless, the existing wells can be protected. According to the department's latest study, 68 percent of Bangalore's groundwater has been exploited."

Following the Bill, a committee comprising government agencies will be constituted shortly to frame groundwater rules and implement them.

H M Khyum Ali, Additional Director, Groundwater, the Mines and Geology Department, said there was absolutely no rule till date that said a resident can sink a borewell without any official consent.

"There are nearly 9,77,702 borewells in Karnataka meant for irrigation, and nearly 2,51,797 borewells meant for drinking water purposes. Besides this, Bangalore City alone has two lakh-odd borewells (both government and private) which had no monitoring authority," he said.

He said once the rules were framed, the authority would be empowered to ensure all existing borewells and borewell agencies (diggers) are compulsorily registered.

Sinking of a new borewell would require permission, especially in the areas the Mines and Geology Department has notified for depletion in the groundwater table.

The ground reality of Bangalore's groundwater table has a huge disparity in terms of levels as analysed by the Mines and Geology Department recently.

DH News Service
China may match India’s appetite for gold

Purchases by China increase to 200 tonne in the first two months of 2011

Mar 23: Chinese consumption of gold may climb to rival that of India, the top user, as investors buy the metal as a store of value, said GFMS and INTL FCStone.

Demand in China, the world’s second-biggest economy, almost tripled to 580 tonne last year from 206 tonne in 2001, data from the producer-funded World Gold Council show. Use in India may slump 5% to 26% this year from 963 tonne in 2010, Morgan Stanley said in a report yesterday.

Bullion soared to a record $1,444.95 an ounce on March 7 and rallied 30% last year for a 10th annual gain as investors sought to preserve their wealth against inflation, West Asia unrest and currency debasement. Consumer prices in China climbed 4.9% in February from a year ago, exceeding the government’s 4% goal for the full year. “The level of interest in gold as an asset class is just amazing,” Jeffrey Rhodes, global head of precious metals with INTL FCStone in Dubai, said in an interview. “There is potential for China to catch up to India.”

Protests partly linked to record food costs erupted across North Africa and the West Asia this year, spurring conflict in Libya and toppling leaders in Tunisia and Egypt. The unrest pushed crude oil above $100 a barrel, increasing concern that global inflation would accelerate.

Purchases by China increased to 200 tonne in the first two months of 2011, according to UBS AG (UBSN) on March 1. The nation imported more than 300 tonne last year, People’s Bank of China vice-governor Yi Gang said in Beijing February 26.

“We’re seeing healthy demand” this year, Wang Lixin, China general manager at the World Gold Council, said yesterday. “Investors continue to find gold an attractive investment because of government restrictions on other big-ticket investments such as property and cars.”

Gold investment in China may gain 40% to 50% this year, the council said. Immediate-delivery gold was little changed at $1,427.08 an ounce at 1:02 pm in Singapore on Wednesday and has advanced 29% in the past year. India and China represent 40% of world consumption, according to WGC data.

“In India a huge amount of demand is a cultural and social imperative; you have to buy gold for the dowry and the wedding and that is something hard-wired into Indian society,” Paul Walker, chief executive officer of industry researcher GFMS, said in an interview from London. In China, the imperative around weddings “is less hard-wired,” he said.

India’s total demand exceeded China’s by 383.5 tonne last year, narrowing from 496.5 tonne in 2001, council data show.  

Bloomberg
Bill to enhance penalty against violation of mining laws

New Delhi, March 23

A bill seeking to enhance the penalty for violation of mining laws and neglect of workers' safety was introduced in the Rajya Sabha on Wednesday. The Mines (Amendment) Bill 2011 proposes to amend the Mines Act, 1952 to enhance penalty to Rs 5 lakh besides imprisonment of up to five years for various offences including falsification of records and employment of persons below 18 years of age. The proposed law would be applicable to the entire country including exclusive economic zones and maritime zones. According to the Statement of Objects and Reasons, mining operations have become complex due to technological advancements. The new legislation would cater to the present and future requirements in the face of technological changes and to the foreign firms acquiring mining rights and operations in the country. - PTI
Goa creating land banks to attract investments

New regional land-use plan to boost infrastructure

Roudra Bhattacharya
Mumbai, March 23

With tourism and mining being the main industries in the beach State of Goa up till now, it is now going for a major drive to attract large investments from sectors such as IT and manufacturing companies.

Though a focus on sustainable growth would remain the mainstay, the State Government is now earmarking land banks as part of its industrial estates for the purpose.

Moreover, a new regional land use plan, which is expected to be announced soon, is likely to fast track the process.

LAND ACQUISITION

“The Goa Government has already acquired 31 lakh sq m of land, which will be offered to industry. We expect investments in the pharmaceutical industry, hospitality sector and IT to flow in. The new regional plan, which identifies the developmental zone, has already been announced in five out of the 11 ‘talukas’. A dozen hotels are now slated to come in,” said Mr Ralph De Sousa, Chairman, De Souza Group, and CII Chairman of Goa.

At present, there are 20 industrial estates in Goa, of which 12 are major. In all there are 637 plots available, from which 370 are new.

“Some units had closed down for various reasons like financial constraints, lack of new technology or loss of competency to imports.

With the Goa Chamber of Commerce and the Small Industries Corporation, we are now identifying these and offering them to entrepreneurs,” he said.

Currently, tourism and mining each have one-third share of the GDP in the State. This is followed by other major employers such as ship repair/building, pharmaceuticals and IT.

The Government is now providing land for entrepreneurs wishing to start educational centres. On the healthcare front, CII is working with the Government to see it reaches all people free of charge.

“We have done some introspection on the theme for this year. We call it SFIKT - Sustainable growth though Healthcare, Agriculture, Knowledge, Tourism and Infrastructure development. This theme will take a few years to implement,” he said.

CHALLENGES

Goa has also identified the challenges that may present a roadblock to its growth plans. These are the lack of transport infrastructure and the creation of logistics hubs to support the port, rail and road networks.

“The two logistics hubs in North and South Goa need to be put in place soon. We're also working with the Mormugao Port Trust to improve its berths. The new airport in Mopa, North Goa is also expected to be operational in the next five years as land has already been acquired. This will have a warehousing facility, plus the international connections will boost the tourism industry,” he said.
Gold up on Europe debt concern

Bloomberg (E2-1f)

Gold gained near a record in New York as unrest in Libya and West Asia and concern about Europe’s debt crisis spurred demand for an alternative investment.

Gold futures for April delivery rose $6.10, or 0.4 per cent, to $1,433.70 an ounce at 7:56 a.m. on the COMEX in New York. The metal for immediate delivery in London was 0.4 per cent higher at $1,433.58. Bullion gained to $1,433 an ounce in the morning fixing in London.

Silver for May delivery in New York rose 1 per cent to $36.635 an ounce.

It climbed to $36.745 on March 7, the highest level since March 1980, the year in which futures reached a record $50.35. Palladium for June delivery was up at $743.55 an ounce. Platinum for April delivery gained 0.3 per cent to $1,744.10 an ounce.

Bullion rates

Mumbai: Silver spot (999 fineness): Rs 55,245; standard gold (99.5 Purity): Rs 20,925; Pure gold (99.9 purity): Rs 21,035.

Chennai: Bar silver: Rs 54,780; retail silver: Rs 56.60; standard gold: Rs 21,000; retail ornament gold (22 carat a gm): Rs 1,953.
LME copper rises

Bloomberg

Copper rose for a second day in New York as orders to draw metal from inventories jumped the most in 11 months.

Copper for May delivery added 9.5 cents to $4.408 a pound at 8:21 a.m. on the COMEX in New York. The metal climbed to $9,091 a tonne on the LME. Aluminium for three-month delivery was at $2,620 a tonne.

Zinc, lead, nickel and tin also advanced in London.
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ASSET ACQUISITION

NMDC to appoint adviser for Russian coal mines

The firm, which has been eyeing the deal since last year, is likely to sign a pact with Deloitte within a week

By Ruchira Singh & Utpal Bhaskar

NEW DELHI

India’s largest iron ore producer NMDC Ltd is set to appoint Deloitte Touche Tohmatsu India Pvt. Ltd as a financial adviser for the purchase of three coal mines owned by Russia’s Kolmar Coal Co. and expects to complete the transaction by May, two people familiar with the development said.

NMDC, which has been eyeing the deal since last year, may sign the agreement with Deloitte within a week, the people, which include industry and merchant banking sources, said on Wednesday.

The miner may, however, be forced to square off with several global contenders for the asset as the race to secure raw materials gets tighter.

“The technical due diligence is over. Financial advisers have been shortlisted. In just a few days, the party will be appointed,” a person aware of the development said on condition of anonymity. “The deal might take a month or two to be concluded.”

While a Deloitte spokesperson declined comment for the deal and we hope to be appointed shortly. The mines mostly contain metallurgical coal.”

NMDC, which produced 23.8 million tonnes (mt) of iron ore in 2009-10, lower than the 28.5 mt it produced in the previous year, is building steel plants as the government seeks to impose a rule that will force miners to share profit with displaced locals.

The company has begun setting up a one mt steel plant in Chhattisgarh and has signed an accord with Russia’s Severstal to build a steel plant in Karnataka.

While iron ore for its steel plants will come from its own mines, NMDC needs to get coking coal supplies from abroad, as local production can’t meet demand. The acquisition of Kolmar mines is critical for NMDC to ensure coal supplies.

NMDC chairman Rana Som declined to comment on plans for Kolmar. “We are trying very hard to get iron ore and coal mines overseas,” he said. “We are looking at the US, Russia and Australia.”

But bidding for Kolmar mines may be hotly contested as Japanese and Korean companies may also vie for the asset because the geographical proximity of the mines makes it very attractive, said the first person cited above. Indeed the demand in the region for coking coal is big and NMDC’s plan is to trade a part of the coal from Kolmar in that region, he said.

NMDC is part of International Coal Ventures Pvt. Ltd (ICVL) set up by state-controlled firms including NTPC Ltd, Steel Authority of India Ltd, Coal India Ltd and Rashtriya Ispat Nigam Ltd to secure coal assets overseas but has been unable to secure even a single asset.

Indian companies have been competing with leading Chinese coal miners such as China Shenhua Energy Co. Ltd and Yanzhou Coal Mining Co. Ltd for acquiring mining concessions overseas.

News reports that have appeared in the past have valued the three mines owned by Kolmar at $400 million. Sources said the actual deal price may be different from the estimate.

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If NMDC manages to buy the Kolmar mines, it would get a supply of one mt a year of mostly coking coal immediately.

Analysts said NMDC’s attempts to buy an overseas mine was timely as coal shortages are projected to widen in future, but there might be risks involved in mining overseas.

“A sum of $400 million for 5 million tonnes of coal sounds like a good deal on the face of it. One needs to see if there is any royalty involved and how much money will have to be spent on developing the mine,” said Alok Agarwal, head of institutional research at Mata Securities Pvt. Ltd in Mumbai.

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