Uruguay delegation seeks to boost trade ties

A high-level delegation headed by Danilo Astori, vice-president and speaker of the general assembly, Republic of Uruguay and senior government officials including minister of Industry, energy and mining, Roberto Kelmerman has arrived in India to explore possibilities of further enhancing trade and investment between both the nations.
CORPORATE NEWS

Our Bureau
Coimbatore, Feb. 23

Hindustan Zinc Ltd has fixed March 8 as the record date for the sub-division of shares and issue of bonus shares.

Rohit Ferro-Tech Ltd has said that commercial production of the third and fourth furnace of the company’s 100 per cent EOU at Haldia has started from February 23 and production from other two furnaces is also expected to start in a couple of months. The company will make manganese alloys from this unit which is mainly targeted for exports.

Sanwariya Agro Oils Ltd’s Board of Directors will meet on March 3 to consider bonus issue.
Bullish on silver, advice is buy more

Sidhartha | TAN

New Delhi: Silver has emerged as the best performing asset five years in a row.

While the Jasmine Revolution sweeping West Asia and parts of North Africa have added to the rising graph, silver, unlike gold, also has significant industrial use. It is, therefore, not surprising that higher economic activity in most parts of the world is driving demand for the metal.

The growth of green technology has added to the price pressure as demand for solar panels rises. By next year, silver usage in solar panels could reach 2000 tonnes, which is around 7% of the total output, Barclays Capital said in a research note issued last week.

So what should investors do? "I am not as bullish on silver. We are also advising investors to stay away from it. Based on long-term interest and the overall macro and geopolitical situation, as well as the improvement in the fundamentals, gold looks better," Barclays Capital's Vinayk Yu said over the phone from Singapore.

Domestic brokers are, however, more upbeat on the metal. Religare’s Manglik says it makes sense to increase silver’s share in the portfolio from around 10% to 15-20%.

"Everything today is in favour of gold and silver going up. I would say the downside risk is Rs 5,000 (a kg), while the upside potential is Rs 10,000."

The downside risks arise from the fact that based on historical trends, the metal is over-valued. Despite the downside risks, Kamal Shah, head of commodities research at brokerage firm Nirmal Bang, says the peak is yet to be reached, which could come in the next three months.
No decision on Riversdale stake yet: Tata Steel

Tata Steel Ltd (TSL) said on Wednesday that it has not taken a decision with regards to its position on Rio Tinto’s takeover bid of Australia’s Riversdale Mining Ltd, but will make an official announcement when it sees fit.

In a statement to the bourses, the steelmaker said, “TSL notes the reports in the media in recent weeks regarding the Rio takeover bid for Riversdale and TSL’s position in that regard. TSL has not yet made a decision in relation to the Rio offer and reserves its right to make that decision at any time during the offer period.

TSL will issue a formal statement if and when it makes such a decision.” TSL owns a 24 per cent stake in Riversdale, which has 13 billion tonnes of coking and thermal coal reserves in Mozambique.

RIO TINTO OFFER

Meanwhile, Anglo-Australian mining company Rio Tinto is also looking to take over Riversdale and had recently extended its $3.9 billion offer to March 4.
**Nalco to develop 2 mines**

National Aluminium Co plans to invest in the development of titanium, gold and uranium mines, and two mines of Hindustan Copper, a senior official of the state-owned company said on Tuesday. “We are looking into the technical and financial aspects of the two Hindustan Copper mines. The due diligence report will be ready by end of April,” B L Bagra, director-finance, Nalco, said.
SAIL in Talks to Acquire Mines Abroad

MV RAMSURYA
Mumbai

State-owned Steel Authority of India (SAIL) is in advanced stages of talks with coal miners in Australia and South Africa for acquiring their assets, said a person directly involved in the negotiations. The value of the mines—two in South Africa and one in Australia—could likely be upward of $1.5 billion (about ₹6,750 crore) and would be used to reduce SAIL’s import bill.

SAIL buys about 10.5 million tonnes of coking coal every year from Australia and Africa and could spend more as it plans to expand its capacity.

SAIL’s negotiations are being done through International Coal Ventures, a consortium of five state-run companies that pool resources to bid for mines overseas. SAIL has a 26% stake in ICVL.

When contacted, SAIL chairman CS Verma said the steelmaker is on the lookout for coking coal resources in Australia and South Africa to reduce the cost of production. “We don’t have the luxury anymore to choose mines,” he told ET, adding that while coal prices are rising fast, a company that own its resources will have greater freedom to price final products. “Opportunities will have to be taken up,” he added. Coking coal prices have risen to almost $300 per tonne now from $155 a tonne a year ago.

SAIL, through ICVL, had last year expressed interest for BHP Billiton’s coal blocks in South Africa. The state-run steelmaker, like Tata Steel, is self-sufficient in iron ore, the other key resource to make steel.

Verma said that while his company has always followed a conservative approach in targeting minority stakes in coal mines, “the time has come for a larger interest as we are expanding capacity.” A minority stake in a coking coal mine is typically valued at about ₹100-200 million. SAIL had earlier said it will spend ₹70,000 crore to increase its capacity to 23.46 million tonnes by 2013 from 14 million tonnes. By 2020, it plans to have a capacity of 60 million tonnes.

The steelmaker recently expressed its plan to forge joint ventures in countries having abundant resources, leveraging the government’s bilateral pacts. Recently, the company sought to buy at least two coking coal mines in Mongolia, home to the world’s second largest coal deposits and also approached the government to seek assistance from the Mongolian state. SAIL has also agreed to build a $3 billion steel plant in South Africa, along with mining major Africalm Resources.
Lock-out at Hindalco’s Kerala plant

India’s No. 1 aluminium producer, Hindalco Industries, said on Wednesday it had declared a lock-out at its Alupuram plant in Kerala. The lock-out followed protracted acts of indiscipline by workers at the plant, the company said in a statement to the Bombay Stock Exchange. Hindalco does not expect any adverse impact on the company’s financials due to the lock-out.
Lock-out at Hindalco’s Kerala unit

ADITYA BIRLA Group firm Hindalco Industries on Wednesday declared a lock-out at its Alupperm plant in Kerala in the wake of protest by workers. “Due to protracted acts of indiscipline by workmen at our Alupperm Plant, the company was forced to declare a lock-out there,” Hindalco said in a filing to the Bombay Stock Exchange (BSE). Hindalco operates an extrusion unit, set up in 1953, in the plant with an annual capacity of 8,000 tonnes per annum. Alupperm has 300-odd strong multi-skilled workforce, the company website revealed. Hindalco, however, does not expect any adverse impact on the company’s financials due to the lock-out.
Lock-out at Hindalco plant

Press Trust of India

NEW DELHI, 23 FEB: Aditya Birla Group firm Hindalco Industries today declared a lock-out at its Alupuram plant in Kerala in the wake of protest by workers.

"Due to protracted acts of indiscipline by workmen at our Alupuram Plant, the company was forced to declare a lock-out there," Hindalco said in a filing to the Bombay Stock Exchange (BSE).

Alupuram plant is situated in Ernakulam district and the country's first aluminium ingot was produced here in 1943, according to the company's website.

Hindalco operates an extrusion unit, set up in 1955, in the plant with an annual capacity of 8,000 tons a year. The unit is equipped with two extrusion presses, solutionising furnaces and heat treatment facility. It also has a packing facility.
Libya unrest hits copper

| Bloomberg |

Feb. 23

Copper fell for a third day in London on speculation that unrest in North Africa and West Asia will derail recovering economies.

Copper for three-month delivery dropped $68, or 0.7 per cent, to $9,315 a tonne by 12:23 p.m. on the London Metal Exchange. Prices earlier fell to $9,459.75, the lowest level since Jan. 28. Copper for May delivery declined 3.45 cents, or 0.8 per cent, to $4,378.5 a pound on the COMEX in New York. All of the six main metals traded on the LME declined.

Nickel for three-month delivery on the LME decreased 1.6 per cent to $28,200 a tonne, zinc fell 0.4 per cent to $2,479.50 a tonne and lead declined 1.2 per cent to $2,535 a tonne.

Tin dropped 1.1 per cent to $31,305 a tonne and aluminium fell 0.6 per cent to $2,512 a tonne.
Haven buying keeps gold above $1,400/oz

Reuters
London, Feb. 23
Gold rose above $1,400 an ounce in Europe on Wednesday as simmering tensions in Libya lifted interest in the metal as a haven from risk, but gains were limited by concerns its sharp run higher may have been overdone.

Spot gold was bid at $1,404.29 an ounce at 12.21 GMT, against $1,399.20 late in New York on Tuesday. US gold futures for April delivery rose $3.70 an ounce to $1,404.80. Silver was at $33.27 an ounce from $33.04.

Platinum was at $1,795.99 an ounce against $1,788.50, while palladium was at $813.

Bullion rates
Mumbai: Silver spot (.999 fineness): Rs 49,470; standard gold (99.5 Purity): Rs 20,685; Pure gold (99.9 purity): Rs 20,735.
Silver best-performing asset over last 5 years

Hovers Around ₹50,000/Kg, Seen Rising Further

New Delhi: Looking for the best return on your hard-earned money? Call up any market player and the advice you are likely to get is to invest in silver.

The precious metal has emerged as the best-performing asset both over the last 12 months as well as over the last five years, comfortably outpacing gold, the traditional favourite.

"Silver is the new gold," confirmed Jayant Manglik, president of brokerage firm Religare Commodities.

The metal has already surpassed projections for 2011 that were in the region of ₹30,000 an ounce.

➤ Peak in 3 months? P 19

Over the last five years, silver has given a return of over 240%. Similarly if you had bought silver worth ₹100 a year ago, it would now be worth more than ₹200. In contrast, gold has given a return of 150% over five years and 35% over the last 12 months (see graphic).

The appreciation has meant that silver almost touched a record of ₹50,000 a kg on Tuesday. In Delhi, a kilogram of silver costs ₹49,800, Rs 400 lower than the record level seen on Tuesday.

In the international market, it was trading at ₹38.92 an ounce after advancing to ₹39.31 on Tuesday, the highest level since March 1989. Though it is off the highs seen on Tuesday, most analy-

Improvizations, imitation metals enter jewellery market

With silver prices skyrocketing, jewelers and connoisseurs alike have had to improvise and compromise on traditional silver jewellery, which has been second only to gold. Heavy silver jewellery is giving way to lightweight varieties. Imitation metals, such as gillette, are fast becoming substitutes. "Silver gift items, bridal jewellery or sindeo dani (vermillion container) have gone lightweight. Most showpieces like dolphins or photo frames for gods have now been reduced to being designed in a thin layer called patra," says Sachin Aggarwal of Mohit Gems and Jewellers in Noida Sector 27.

Customers have also had to do with plastic buttons instead of silver screws for earrings. P 19

A s are predicting a further rise in prices over the next few months.

Economic recovery has pushed demand and prices of commodities globally. But silver has outperformed almost all significant metals and has given returns that are higher than what the Sensex or crude petroleum would have earned over one year as well as over the last five years.
'No Mining in Bellary till Illegal Activities Checked'

NEW DELHI The environment ministry has decided to continue with the moratorium on proposals for diversion of forest for mining projects in the Bellary district of Karnataka till the state government takes concrete action to check illegal mining. Environment minister Jairam Ramesh conveyed the decision to Karnataka chief minister BS Yeddyurappa in a letter on Wednesday. "The moratorium imposed by the environment ministry on fresh applications for diversion of forest land for mining purposes should continue until these concrete actions are taken," Ramesh wrote to the Karnataka chief minister. A moratorium had been imposed in October, after reports on "rampant illegal mining" in the district.
Mining sector stakeholders to file monthly, annual returns

Govt seeks to track mineral end use to curb illegal mining

Illegal mining has been on the rise in recent years with the growing demand for iron ore and manganese, especially in Karnataka, Goa, Orissa and Andhra Pradesh.

One of the major reasons for increase in illegal mining could be poor regulation of the mining sector at the field level.

The Centre has taken a number of steps in collaboration with the State Governments to improve the standard of mineral administration, including proper accounting of produced ore from pithead to plant or port. The Centre has also set up a one-man Commission of Inquiry headed by Mr. M.B. Shah, retired Judge of the Supreme Court to submit a report on illegal mining in iron and manganese ore.

The Karnataka Government has banned the export of iron ore as part of plans to curb illegal mining, while Orissa is seen contemplating such a move.
Hindalco declares lockout in Kerala over workers' unrest

Our Bureau (Mumbai, Feb. 23)

Hindalco Industries has declared a lockout at its extrusion manufacturing plant at Alupuram in Kerala due to workers' unrest.

"The company was forced to declare a lockout due to protracted acts of indiscipline by workmen," the company said in a statement to the BSE. The lockout will not have any adverse impact on the financial performance of the company, it added.

Hindalco Alupuram Works is situated in Ernakulam district of Kerala and has about 300 multi-skilled workforce. It was here that the country's first aluminium ingot was produced way back in 1943.

The smelter has since been shut but the Alupuram Extrusions unit, set up in 1955, currently operates at a capacity of 8,000 tonnes an annum. The plant is equipped with two extrusion presses, furnaces and heat treatment facility. It also has an advanced packing facility.

The unit's library has the widest range of shapes and alloys, offering customers architectural profiles, geometrical shapes, busbar tubes, channels, flats, heat sinks and motor, pump body, bus structures, railway wagons, bicycle frames, knitting needles, solar panels, furniture, Max-loader: aluminium truck body, and hard alloys for defence and marine applications.

The facility has a residential colony for workmen and staff members including recreational club facilities.

The company's shares on the BSE were up 0.07 per cent at Rs 212 on Wednesday.
Silver prices seen strong in 2011 as demand grows

Tokyo, Feb 23: Silver prices are seen maintaining more than three-decade highs even as new mine output of silver is forecast to rise 8 percent for a year ago to 800 million ounces in 2011, keeping up with expected growing demand, metals consultancy GFMS said on Wednesday.

A recovery in industrial demand for silver, record US coin sales, strong investment demand for silver-backed exchange traded funds, and a surge in demand from mining companies to borrow the metal for hedge programmes have led to a squeeze in the physical silver market recently. Silver prices hit 31-year highs around $34 an ounce earlier this week and Walker said the average silver price for 2011 could range 40-50 percent higher than the average in 2010, although it still well below its all-time high near $50 set on Jan. 18, 1980. It could rise higher than $35 to $40 is not an impossibility this year if gold performs incredibly well, and drag silver higher: But the question is, how long will it remain there? Paul Walker, GFMS's chief executive officer, told Reuters in an interview.

“We are expecting a reasonably robust increase (in new mine output) this year. The rise in mine output should keep silver still in a surplus,” he said.

Silver, an excellent thermal and electrical conductor, is used in electronic applications such as conductors, switches and fuses, as well as in photovoltaic cells, LEDs and sensors. Silver often tracks gold, and because of its industrial use, it is also influenced by base metals. Gold hovered around $1,400 on Wednesday, well below a lifetime high around $1,430 struck in December.

Walker said overall demand is forecast at 885 million ounces in 2011, up 18 percent or 135 million ounces since 2009, while supply growth is forecast at about 13 percent or 90 million ounces over the same period, showing a slightly tighter balance in demand and supply.

Walker, who said there was no cause for concern about supply shortages, said world industrial demand for silver was 440 million ounces in 2010 and was expected to rise to about 500 million ounces this year.

It's a natural consequence of a good demand side story, a lot of silver demand being neutralised in ETFs, and investment flows pushing the price higher: But I wouldn't read too much into this backwardation as being some evil squeeze, Walker said.

There is, without a doubt, plenty of above-ground stocks of silver available. It's just a question of willingness of people to lend that stock to the market, Walker said, adding that while this situation may remain for some time, he would not expect it to last long.

Hedging, which allows producers to guarantee prices for future output, tends to push up lease rates and near-term contract prices. Traditionally, miners used forward hedging to lock in future prices for their product. Silver around $35 an ounce was an attractive level of hedging and likely to prompt many producers to hedge, he said.
Hutti mines donate Rs 10 cr to CM fund

The Hutti Gold Mines Company Limited has donated Rs 10 crore towards the Chief Minister's relief fund and contributed another Rs 2.20 crore of company's dividend to the State government.

Chairman of the Hutti Gold Mines S V Ramachandra handed over the cheques to Chief Minister Yeddyurappa in Bangalore on Tuesday.

DEd supplementary exams

The supplementary examinations of first and second year DEd will be conducted from February 24 to February 26. Admission tickets have been dispatched to all districts.

Students are informed to collect the same from the institutions concerned,
Rail welcomes private role in linking mines

OUR SPECIAL CORRESPONDENT

New Delhi, Feb. 22: The railways will invite private investments in the construction of lines from coal and iron ore mines, with the developers guaranteed of getting the surcharge on the freight earned from the lines.

"Developers will also be responsible only for the construction of the lines and the ownership will then be transferred to the railways. The operations and maintenance of the lines will be looked after by the railways," officials said on the policy that was unveiled today.

"As an incentive to the developers, for the return of capital, surcharge on the freight carried over the lines would be given over a period of 19-25 years," the officials said.

Arvind Mahajan, executive director and infrastructure analyst at KPMG, said private parties would be influenced by the rate of return on investment and the risks involved.

"The railways’ move to attract private sector has not been impressive in the recent past as the incentives to woo private players and risk sharing in the project have not been attractive. Only the fine print would indicate, how much interest the new policy would evoke," he said.

The new policy has two models — the capital cost model and the special purpose vehicle (SPV) model.

Two options

The capital cost model is relevant when there is one line developer, while the SPV model is when there are many developers.

The capital cost model allows the developer to spend the money directly on building the railway line.

The SPV model allows many developers to put the money meant for the line into a single corporate fund, which can be managed by the railways or jointly by the firms and the railways for setting up the railway line.

The demand for coal and iron ore is growing at a fast pace, and rail is the only feasible and sustainable mode of transport.

This policy is expected to hasten the development of a rail network connecting the coal and iron ore belts, officials said.
JINDAL FOUNDATION ANNOUNCES RS5-CRORE AWARDS FOR INDIVIDUALS/INSTITUTIONS WORKING SELFLESSLY FOR UPLIFT OF SOCIETY

Serve the mankind and get a pleasant sur-prize!!!

Mayank Aggarwal NEW DELHI

Sitaram Jindal Foundation (SJF) announced on Tuesday possibly India's biggest cash award for unsung heroes quietly working for the uplift of the people. The Rs5-crore Jindal Prize will be given annually starting October or November this year. It will be equally divided in five broad categories: 1) rural development and poverty alleviation, 2) health, including drugless healing, 3) education with emphasis on moral uplift, 4) science, technology and environment, and 5) peace, social harmony and development.

SJF is the charity arm of Jindal Aluminium Limited (JAL), which reportedly spends 25% of profits on charitable work every year. Each year, SJF contributes to over 600 charitable institutions and gives scholarship to over 9,000 students.

"It is ironical that while we have big awards for cricket, films and politics which attract media partners and are broadcast on TV, we do not have a large cash prize of national stature for individuals and institutions who relentlessly and selflessly serve the mankind. Jindal Prize is aimed at rewarding these unsung heroes," SJF founder and JAL chairman Sitaram Jindal said at the prize announcement function.

"If needed, we will increase the amount of the award or the number of prizes," he said. Jindal said the idea was born eight years ago but took time to take a concrete shape as there were "divergent views" regarding the purpose of the prize.

He hoped other business houses would follow suit and "give back to society" and urged the Centre to make it mandatory for industrialists to adopt and develop villages.

Jindal said: "People are dying of hunger in India. There could be a revolt in the next 10 years if steps are not taken to change this scenario."

Name of any individual or organisation can be proposed for the award any time any year. One person can propose only one name and self-nomination is not valid.

The prizes will be decided by an independent nine-member jury headed by former chief justice of India JS Verma and comprising former Isro chairman K Kasturirangan, former Nasscom president Kiran Karnik, eminent journalists HK Dua and BG Verghese, former Uttarakhand governor Sudarshan Agarwal, former Haryana chief secretary LC Gupta, Public Health Foundation of India president K Sreemathi Reddy and retired IAS officer SL Bansal.

Verma criticised a famous Mumbai-based industrialist, who has built a 27-floor house, for "vulgar" display of wealth, even as thousands in the city suffer without proper accommodation or food to eat.
Jewellers fear import duty hike on gold and silver

Silver imports rising despite soaring price

LUCKNOW, FEBRUARY 23
Traders fear that the government might raise import duty on gold and silver in Budget. If a hike is announced, it will be the third successive year of such a move.

The industry fears that an increase in the import duty may lead to smuggling and inflow of gold in the country through NRIs.

“We expect that import duty on gold and silver will be increased this year. Even the high prices did not deter the spirits of the consumers from buying these shining metals which may lead to an increase in the import duty,” said Ram Parkash, president of Ghumar Mandi Jewellers Association.

Despite a manifold increase in prices, the duties were not reviewed between 2004 and 2009. In 2009, the government raised the duty on silver from Rs 500 to Rs 1,000 per kg. The duty on gold bars was raised from Rs 100 per 10 gram to Rs 200 per 10 gram and on other forms of gold (excluding jewellery) from Rs 250 per 10 gram to Rs 500 per 10 gram.

In 2010, the import duty on gold was raised by Rs 100 to Rs 300 per 10 gram and by Rs 500 to Rs 1,500 per kg on silver. If the duties are increased then NRIs might play a substantial role in bringing gold to India.

“Lot of Punjabis are settled abroad and if import duty is increased then gold will flow into the country through them,” added another jeweller Sikhri Chand from Sarafan Bazaar. Another jeweller from Chaura Bazar said there is a speculation that the import duty on both gold and silver may be increased.

“Gold may be smuggled into the country if the import duty is increased which may lead to wide gap between the global and Indian prices,” he added.

MUMBAI, FEBRUARY 23
India is expected to import a record amount of silver this year, despite soaring prices as requirement of the industry and the jewellery market increases, experts say. Silver prices breached Rs 50,000 a kilogram on Monday before retreating.

The trade expects prices to resume its upward movement. Traders at the Opera House in Mumbai, the hub of India’s jewellery trade, expect more volatility in prices of gold and silver depending on the West Asian situation. “If the situation in West Asia worsens, then prices of gold and silver will increase as people shift to precious metals,” says Tarachand Jain, a veteran trader.

“Silver prices may touch Rs 52,000 as global demand increases due to problems in West Asia,” says Suresh Hundia, president, Bombay Bullion Association.