Posco gets nod to swap iron-ore

Bhubaneswar, March 31:
Orissa government has agreed with Posco India to allow swap of certain quantities of iron ore for production of better quality steel in its proposed 12 MTPA steel project near Paradip.

This was stated by Orissa steel and mines minister, Mr Raghunath Mohanty, while replying to a question in the state assembly on Wednesday.

"The company may swap certain quantities (not exceeding 30 per cent of the requirement for the Paradip plant annually) of such iron ore which have high alumina content with equal quantity of low alumina content iron ore of equivalent or better Fe content imported for blending in order to produce better steel in the Paradip project and conserve energy," the minister said, quoting content of the MoU signed with Posco-India on June 22, 2005.

Mr Mohanty said that the state government was examining other factors associated with swapping of iron ore with the company.

The matters under state government's examination were: the amount of foreign exchange to be spent on importing better quality iron ore, the country from which the raw material would come and the veracity of pollution to be created due to processing of such imported ore, Mr Mohanty added.

— PTI
Orissa to allow Posco to swap ore for better steel

Orissa government has agreed with Posco India to allow swap of certain quantities of iron ore for production of better quality steel in its proposed 12 mtpa steel project near Paradip. This was stated by Orissa steel and mines minister Raghunath Mohanty while replying to a question in the state assembly on Wednesday. "The company may swap certain quantities (not exceeding 30% of the requirement for the Paradip plant annually) of such iron ore which have high alumina content with equal quantity of low alumina content iron ore of equivalent or better iron content imported for blending in order to produce better steel in the Paradip project and conserve energy," the minister said, quoting content of the MoU signed with Posco-India on June 22, 2005.
Hindalco close to tying up ₹7,875 cr loans

Hindalco Industries, India’s largest aluminium maker, is close to signing an agreement to borrow ₹7,875 crore in loans, Bloomberg reported quoting two people with direct knowledge of the deal. The interest rate for the loans, which will finance Hindalco’s Mahan Aluminium smelter project under construction in Madhya Pradesh, will be 10.26% in the first year and 176 basis points over State Bank of India’s base lending rate from the second year, it said. The loans will have a tenure of about 12.5 years.
Silver surges to Rs 56,600, all-time high

New Delhi: Surpassing all previous records, silver soared to an all-time high of Rs 56,600 per kg in the national capital today on heavy buying by stockists and industrial units, sparked by a rising global trend.

While silver rose Rs 600 to all-time high of Rs 56,600 per kg, its more expensive counterpart, gold, climbed by Rs 70 to Rs 21,690 per 10 grams on scattered buying. The trading sentiment at home turned bullish as precious metals gained ground in global markets amid fighting in Libya and concerns about European debt spurring demand for a safe investment haven.

In global markets, gold rose by $4.73 to $1,427.75 an ounce and silver by 0.7% to $37.72 an ounce. On the domestic front, silver ready surged by Rs 600 to Rs 56,600 per kg and weekly-based delivery by Rs 335 to Rs 56,100 per kg. Silver coins held steady at Rs 61,500 for buying and Rs 62,000 for selling of 100 pieces. Gold of 99.9 and 99.5 per cent purity rose by Rs 70 each. PII
Hindalco raises ₹7,825 crore

Hindalco Industries has raised Rs 7,825 crore from various banks and has achieved the financial closure for its Mahan Aluminium project. "The company has successfully achieved financial closure of the Mahan Project with the signing of loan agreement for Rs 7,875 crore on March 30. This constitutes the entire debt requirement of the project," the company said in a statement. The anniversary interest rate for the first year is 10.25 per cent and a floating plus base rate after that for the rest of the loan period of 12 years.  

BS REPORTER
Orissa to formulate mineral policy soon: Minister

BHUBANESWAR: Claiming that theft of minerals had been checked to a big extent, Orissa government said it would soon formulate a mineral policy considering different aspects associated with mining activities. This was stated by Orissa's Steel and Mines minister Raghunath Mohanty while replying to a budgetary demand of his department last night. "We have taken steps to formulate a better mineral policy for the state. The draft policy of the state mineral policy will be available soon," Mohanty said.
Rio in talks to salvage $3.9-bn Riversdale bid

MELOURNE: Global miner Rio Tinto is negotiating with one of two major shareholders in Riversdale Mining to secure a majority stake in the Africa-focused miner. Rio Tinto has launched a A$3.9 billion ($4 billion) takeover bid for Riversdale, conditional on at least 50% acceptances, but has so far secured only about 41%.

REUTERS
खनिजों का सीमित उपयोग

बीजिंग • दुर्लभ खनिजों का उपयोग करने वाला प्रमुख देश चीन ने इस साल उपयोग की सीमा तय करने का फैसला किया है हालांकि इसका उपयोग पिछले साल की हुनान में 5 प्रतिशत उपयोग 93,800 टन के स्तर पर रखा जाता था।

दुर्लभ खनिजों का इस्तेमाल लक्ष्यपूर्वक और दूसरे हाई टेक्नोलॉजी उपकरणों में होता है और पूरी दुनिया में इसकी मांग रही है। भूमि और संवाददाता के अनुसार 30 मार्च 2012 तक दुर्लभ खनिज, टेक्नोलॉजी या प्लांट के उपयोग के लिए जोड़े जा सकते हैं या स्वीकार की जा सकती है। चीन अपने वाहन और उत्पादक भाषा दुर्लभ खनिज उपयोग को अनुशासित करने की कोशिश कर रहा है। हालांकि अनुमानित लागत के चीन के उत्पादों से विदेशी बाजारों में मांग गई है।

दुर्लभ खनिजों का उपयोग सीमित होने पर तमाम देशों में उत्पादों को परीक्षण करने की जरूरत है। कुंजी में दुर्लभ खनिज की 77 प्रतिशत संपूर्ण रूप से होती है। इन खनिजों का इस्तेमाल मीइंडर फॉर स्टे, हालांकि कर संपादकों और बिंद टर्मिनल में किया जाता है।
Resources pricing to get new rules

By Sanjay Singh in New Delhi

A COMMITTEE of secretaries, headed by former finance secretary Ashok Chawla, will submit its recommendations to develop a broader framework on transparent allocation and future pricing of resources such as telecom spectrum, oil, gas, coal, mining, other minerals, water and land owned by the government among others, by April end.

The recommendations of the committee, which was set-up two months back, is crucial as it would pave the way for transparent allocation and rational pricing of all natural resources in the future.

"Pricing of natural resources is not adequately done. Auction should be the right process. This (committee's recommendations) will be a broad set of framework. I have met Trai (Telecom Regulatory Authority of India) and will be meeting oil regulator (Director General of Hydrocarbons) tomorrow (Friday). Coal, mining and others have no regulators but we are talking to all stake-holders," Ashok Chawla told MAIL TODAY on Thursday.

Chawla said that a proper framework is required since multiple agencies are involved which affects transparent pricing and allocation of resources. "Our mandate is to have a framework for transparent and properly priced spectrum of natural resources," he said. The committee will hand over its recommendations to the Cabinet secretary and which will then be placed before the group of ministers (GoM) on corruption for approval.

'Pricing of natural resources not adequately done'

The committee will also oversee and calibrate the use as well as preservation of scarce resources, such as telecom spectrum, which are likely to be in short supply in the years to come.

A top official with the telecom ministry said that spectrum, as a scarce national resource, needs to be allocated judiciously owing to its shortage as well as high demand across multiple ministries in the same band. Apart from telecommunications, there are multiple users of spectrum spread across ministries and industry, including defence, broadcasting, shipping, space, science and technology.

The committee is expected to make recommendations to ensure that resources are used for creation of "socially useful" industries, without neglecting the environment. This is in line with the stand taken by chief economic advisor in the finance ministry Kaushik Basu.

Basu had also stressed on the need for a national super-regulator for natural resources and for some kind of centralised regulation to define the extent to which natural resources like minerals can be exploited and the ways to preserve them. However, Chawla rejected the demand for a regulator for natural resources.

According to an official, policymakers are expected to make necessary changes to the proposed Mines and Minerals Development and Regulation Amendment Bill that has been passed by the Rajya Sabha and is being discussed in the Lok Sabha after a gap of nearly five years on the basis of the committee's recommendations.
Copper Gains on Prospects of Supply Shortage

LONDON Copper in London rebounded from the biggest drop in three weeks as expectations that supplies will lag behind demand outweighed concerns that global economic growth may slow. Three-month delivery copper on the London Metal Exchange gained as much as 0.7% to $9,450 a metric tonne, and traded at $9,435 at 2:56 p.m. in Singapore. It dropped 2.1% on Wednesday, the most since March 9, and is headed for its first quarterly decline since the three months to June 30, 2010.

"There's been a tug-of-war between the bulls and bears in the past few weeks, resulting in volatile trading in a rather wide range," said Liu Biyuan, an analyst at GF Futures. "Any news of supply side disruptions will support those who are already expecting a tight market this year." Codelco, the largest copper producer, said it started planning for the shutdown of its Ventanas smelter in Chile after receiving a court order to halt operations after a gas leak.
Gold Rises, Heads for 10th Quarterly Gain on Libya, Debt

LONDON. Gold rose in New York, heading for the longest streak of quarterly gains in more than three decades, as fighting in Libya and concerns about European debt spurred demand for an alternative investment. Troops loyal to Muammar Qaddafi forced Libyan rebels to retreat as the US and UK said they would consider arming opposition forces. Gold futures reached a record $1,448.60 an ounce on March 24 as fighting in Libya, the Japanese nuclear crisis and concerns about European debt boosted demand for a protection of wealth. “Given the unrest in the Middle East and North Africa region, increasing debt issues in the euro zone and the environment of historically low interest rates, gold and silver should continue to remain underpinned and test towards recent highs,” James Moore, an analyst at TheBullion-Desk.com in London, said in a report. Gold futures for June delivery rose $8.80, or 0.6%, to $1,439.70 an ounce at 7:58 a.m. on the Comex in New York. Prices are up 0.9% this quarter.
Orissa to have mineral policy

Bhubaneswar, March 31

Claiming that theft of minerals has been checked to a large extent, the Orissa Government said it would soon formulate a mineral policy considering different aspects associated with mining activities, the State Minister for Steel and Mines, Mr Raghunath Mohanty, said while replying to the budgetary demand of his department on Wednesday night. “We have taken steps to formulate a better mineral policy for the state. The draft policy of the state mineral policy will be available soon,” he said. Rejecting opposition demand of a CBI probe into the much-hyped mining scam, the Minister said the State anti-corruption vigilance wing had been doing good job in the matter. - PTI
Copper gains on supply shortage

Bloomberg
March 31

Copper in London rebounded from the biggest drop in three weeks as expectations that supplies will lag behind demand outweighed concerns that global economic growth may slow.

Three-month delivery copper on the London Metal Exchange gained as much as 0.7 per cent to $9,450 a tonne, and traded at $9,420.50.

Copper futures on the COMEX in New York rose as much as 0.6 per cent to $4.2985 a pound.

Nickel in London gained 0.6 per cent to $26,195 a tonne, zinc climbed 0.3 per cent to $2,346 a tonne, and lead rose 0.2 per cent to $2,660 a tonne. Aluminium was little changed at $2,628.75, while tin hadn’t traded.
Miners body sees 25% drop in iron ore exports

Press Trust of India
New Delhi, March 31

India’s outbound shipment of iron ore is set to decline by about 25 per cent to about 90 million tonnes (mt) this fiscal on account of setbacks to exporters, including hike in export duty to 20 per cent, said the Federation of Indian Mineral Industries (FIMI) today.

The exporters of the vital steel making raw material are already facing tough time due to ban on exports by Karnataka, which has affected shipment for eight months in a row, besides hike in railway freights and demand slump from China.

"Increase in duty has severely hit exports this month and we expect only up to 7 mt shipment. Industry is facing multiple jolts and under the situation total annual exports would not be more than 90 mt," Mr R.K. Sherma, Secretary-General, Federation of Indian Mineral Industries (FIMI), told PTI.

The country last year exported 117 mt of ore.
Hindalco ties up funds for M.P. project

Our Bureau

Mumbai, March 31

Hindalco Industries has achieved the financial closure for its Rs 10,500-crore greenfield aluminium smelter project at Mahan in Madhya Pradesh. The company has signed a rupee loan agreement for the entire debt portion of Rs 7,875 crore on Wednesday. The debt will have a tenor of 12.75 years, the company said in a press release on Thursday.

SBI Capital Markets, Citi Bank NA, The Royal Bank of Scotland NV and Kotak Mahindra Bank acted as lead arrangers while another 31 banks and insurance companies participated in the loan syndication.

The company is setting up a 359,000 tonnes per annum aluminium smelter with a captive power plant of 900 MW.

Shares of the company were up 1.58 per cent at Rs 209 on Thursday.
State polls delay go, no-go GoM meet

Kirtika Suneja & Subhash Narayan
New Delhi, Mar 31

THE government will take more time to finalise a lasting coal mining policy for the country with a group of ministers (GoM) constituted for the purpose, failing to find time and conclude discussions on the same. The upcoming assembly elections in five states has delayed the second meeting of the GoM as several of the group's members are unavailable due to election related work. In the process, projects worth lakhs of crores continue to face uncertain future as mining work has remained suspended since early last year when environment ministry came out with its new 'go, no-go' categorisation.

The states of Tamil Nadu, Assam, Puducherry, Kerala and West Bengal are going for elections next month delaying the GoM meeting. The group has to decide how to treat the recent 'go and no-go' categorisation of coal bearing regions of the country and develop a long term policy on coal mining balancing the needs of industrialisation and environment protection. The environment ministry's categorisation has put several coal mining areas out of bounds for companies who were allotted the mining leases based prevailing environment and forest clearance regulations.

The GoM first met on February 18 but couldn't come to a conclusion on the issue but environment minister Jairam Ramesh had assured the group that his ministry would adopt a positive attitude and was to respond to the issues raised by the coal ministry by March 15. The next date for the second meeting was decided as March 26. However, the meeting could not take place as several ministers were busy with preparations for the upcoming assembly elections. Earlier, it was the extended Parliament session that had put the meeting of the GoM on the back burner.

"Election campaigning has delayed the meeting. The GoM will now meet in April," said environment minister Jairam Ramesh.

Election campaigning has delayed the meeting. The GoM will now meet in April.

Jairam Ramesh, environment minister

By a month till the results of assembly elections were declared. In any case, officials said, the GoM is unlikely to conclude discussions at its next meeting as there were still sharp differences over treatment of go and no-go mining areas. Tamil Nadu, Puducherry and Kerala will go polling on April 13 while West Bengal will vote for 6 days starting April 18. Assam votes on April 4 & 11 and counting for all states will take place on May 13.

In its first meeting, the GoM had considered all issues relating to reconciliation of environmental concerns emanating from various developmental activities including those related to infrastructure and mining and finalise its recommendations within 2 months. It was setup after the ministries of coal, power and road transport had accused Ramesh of causing delay to key infrastructure projects on environmental grounds.
The Reclusive Stars

Short profiles of some of the biggest and most innovative entrepreneurs

By MANU KAUSHIK and ANUSHA SUBRAMANIAN

A flamboyant British entrepreneur known for his promotional antics seems too strong an inspiration for an essay on India’s new business families. But Richard Branson’s words — if not actions — sum up the way these businessmen grabbed opportunities in the liberalised India of the 1990s and later. “Business opportunities are like buses, there’s always another one coming,” Branson has said.

The end of the licence-permit regime in the 1990s ensured that there are enough buses plying on the road to economic growth. Many of the business dynasties such as the Shrirams, Wadias, Modis, Mafatlals and Lalbhais, which had ruled so far, got relegated to the background. It was the Mittals, Biyanis, Tantis and Agarwals who spotted the opportunities and acted on them to make it big over the past two decades. Those profiled here modestly declined to be interviewed for this report.

Take Sunil Mittal. Starting with the manufacture of bicycle crankshafts in 1976, he tried his hand at several unrelated ventures including a failed bid for a Maruti dealership, till he struck a goldmine in the telecom business. And not by making India’s first push-button telephones. In 1992, he bid for the licence to provide mobile telephony services in the Delhi circle. Two years later, he secured the rights for it and began laying the foundation for Bharti Airtel, today the country’s largest mobile telephony operator. (At last count, Bharti Airtel had over 158 million subscribers and a market capitalisation of $1.2 trillion.) Shortly after getting the licence, he was invited to dinner by a industrialist with interests in automobiles. The host suggested that Mittal sell the Delhi licence for “₹10-20 crore”. Mittal recounts how he grit his teeth and said goodbye. That industrialist, or rather his son, today runs a tractor business, while Mittal and his brothers count $8 billion, or ₹36,000 crore, and change as their net worth.

Mittal, whose brothers Rakesh and Rajan are with him in the business, has also gotten into retail, agriculture, insurance and entertainment by forming joint ventures with some of the giants of the western world — Walmart, AXA Group and Lazard Ltd. In 2010, he snapped up the African operations of mobile telephony player Zain for $10.7 billion. Bharti Airtel became the world’s fifth largest telecom operator.

Pulling off a successful business is just one part of his personality. As the business grew rapidly, Mittal spent plenty of time and effort in hiring professional managers to run his companies.

If Mittal is king of the spectrum, Subhash Chandra of Zee Group rules satellite broadcasting. Joining the family’s rice trading business at 17, he ventured out on his own in 1983 and introduced
Tulsí Tanti began facing difficulties in his textiles business because of erratic and costly power supplies, he found the answer blowing in the wind. He set up two wind-powered turbines for his textiles plant in Gujarat. Renewable energy was then largely unheard of in India. The initial cost was high but he quickly realised the long-term competitiveness of wind energy. In 1995, Suzlon was born with just 20 people. In less than 15 years, it has become the third-biggest manufacturer of wind turbines in the world. Tulsí Tanti today lords over a ₹20,000-crore group employing more than 16,000 people with operations across the Americas, Asia, Australia and Europe. Although Suzlon currently is battling debt and the competition, Tanti seems to be unperturbed about the future of his business.

Not all are into sunrise sectors. Anil Agarwal of Vedanta Resources has grown huge empires out of dirty and old-fashioned businesses such as mining and smelting. Starting off as a scrap trader in Mumbai some 30 years ago, he was quick to spot companies going cheap. In 1983, he anticipated a huge copper demand from the telecommunications industry and acquired a closed-down copper-cable maker in the United States. He also entered other metals such as aluminium and zinc. Today, Agarwal is among the richest metals magnates in the world.
MOIL scouting for tech partners to up output

Floats global tender as it feels its expertise is insufficient to achieve manganese ore production target of 2.5 million tonnes by 2020 on time

Promit Mukherjee

MOIL Ltd, India’s biggest manganese ore producer, is scouting for technology partners worldwide to secure superior underground mining techniques to achieve its long-term production target on time.

The company, which produced one million tonne per annum (mtpa) of manganese ore last year, plans to reach a capacity of 2.5 mtpa by 2020.

Manganese ore is used in steel making to provide the metal ductility and strength. The ore is first melted at high temperatures to form an alloy of iron and manganese. This alloy, also called as ferro manganese, is fed into steel plants during production of steel.

Therefore, demand and pricing of steel has a direct bearing on the demand and pricing of manganese.

“Most of our mines are underground mines going below the depth of 300 metres. Though we have technology and expertise to go beyond that, we want to do it fast and that is why we are looking at companies which can help us achieve our 2.5 mtpa target in the stipulated time,” said K J Singh, chairman and managing director, MOIL.

For the current year the company is confident to reach a target of 1.1 mtpa of production, said Singh.

He said the company has floated global tender since most of the mining players having rich underground mining technology are located in countries such as South Africa, Australia, France and Germany.

The tender said the conventional method of mining used by the company has posed limitations to enhancement of production, especially in view of fast depleting ore reserves at higher levels. With the existing condition of its mines, MOIL is just capable of sustaining the current levels of production.

The consultants will help in the preparation of ‘macro and micro plan’ to estimate and advise on the investments in various mining and other projects, capital assets and modernising mining methods.

Singh said the company may tie up with the foreign partner or can even work out a contract for enhancing the production.

“Although the quantity of manganese ore required for steel production is not very high as compared with coke and iron ore, but since it is an essential ingredient for steel manufacturing, its importance cannot be overlooked,” said an analyst with a domestic brokerage.

With the demand for steel expected to be firm for the next couple of years, demand for manganese will follow suit and India will have to increase its production accordingly, the analyst said.

MOIL, which currently meets 60-65% of the country’s manganese ore demand, has 10 mines located in Nagpur and Bhandura districts of Maharashtra and the Balaghat district of Madhya Pradesh covering an area of 1,788 hectares.

It was recently allotted an additional 814 hectares of manganese-bearing land in Maharashtra by the central government.

The company has around 60 mt of manganese ore reserves, which are expected to go up after the initial geological surveys are done in the additional area.
Iron ore exports fall for 8th month

Siddesh Mayenkar MUMBAI

Iron ore exports fell for the eighth straight month in February owing to a continuing ban on shipments by its key Karnataka and exports are likely to face further pressure as the country hikes freight rates again.

The world’s No. 3 iron ore supplier; exports of the steel-making ingredient dropped 16.6% from a year ago to 10.137 million tonne in February data from the Federation of Indian Mineral Industries (FIMI) showed on Wednesday. That brought exports in April-February to 85.93 million tonne, down 18% from a year earlier.

“Exports in March are likely to be much more than what we saw in February,” said R K Sharma, secretary general of FIMI, adding Chinese buyers are waiting for global prices to ease further from February highs.

Spot iron ore prices have lost 12% since hitting record peaks near $200 a tonne in mid-February as high prices and tighter credit restrained demand from top importer China.

Tighter supply out of India had helped iron ore prices soar last month and it looks like Indian shipments will remain so as the Railways said it will impose a “busy season” charge of 7% on iron ore freight rates from April 1 to June 30 and from October 1 to March 31.

“Freight charges on iron ore will go up by ₹150-200 (per tonne),” said Dhruv Goel, managing partner with Orissa-based trader Steelindia. Prices
CIC Energy’s deal with JSW in doubt

Bangalore: CIC Energy Corp. said the Botswana government had declined to renew one of its two mining licences in the country, potentially derailing a buy-out of the Canadian coal mine by Indian power utility JSW Energy Ltd. The merger was subject to CIC getting both its Mmamabula East and Mmamabula South mining licences renewed, and unless JSW waives this condition the deal will not go through, CIC said in a statement. REUTERS