

## MMTC to pick up stake in logistics firm's subsidiary

Integrated logistics major Sical Logistics Ltd will shortly rope in MMTC India as a 26 percent equity partner for its 12 million tonne iron ore terminal under construction at Ennore here.

'In two or three weeks, we will sign the shareholders agreement to this effect. The revised stake-holding pattern will have Sical with 63 percent, Larsen and Toubro Infrastructure Development 11 percent, and MMTC 26 percent,' Sical's managing director and group CEO Sudhir S. Rangnekar told IANS.

MMTC will acquire the stake from Sical that currently controls 89 percent in the special purpose vehicle (SPV), Sical Iron Ore Terminals, that is implementing the Rs.6-billion project.

According to him, MMTC will acquire the stake at par value.

'The first phase of the project will be ready by 2010 with a six million tonne capacity,' Rangnekar added.

Developed on a build-operate-transfer (BOT) model, the terminal is expected to handle iron ore from the mines in Bellary and Hospet in Karnataka.

The 30-year concession agreement with Ennore Port Ltd has already been signed and is effective from February.

In March this year, Sical Iron Ore concluded the financial closure with a Yes Bank-led consortium that included United Bank of India, UCO Bank and India Infrastructure Finance Co agreeing to lend the company Rs.3.40 billion for the project.

The project had been given a 10-year tax holiday and service tax exemptions. During the project phase, excise duty will also be exempted.

He said the ship turnaround time at the proposed terminal will be a lot more quicker than any other terminal in the country.

Initially, it will be able to handle Panamax and Cape size vessels up to 150,000 tonnes deadweight, which after dredging, is expected to increase to include vessels of 250,000 tonnes deadweight.

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