



खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 2, No-23**

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# खनिज समाचार

# KHANIJ SAMACHAR



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BUSINESS LINE DATE : 3 /11/2018 P.N.15

GLOBAL Metals (\$/tonne)	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
Aluminium	1957	1.0	1.2	-3.8	2603	1911
Copper	6227	-0.2	3.2	-7.5	7324	5820
Iron Ore	65	-11.1	-12.8	-2.7	77	58
Lead	1961	0.9	3.1	-20.6	2683	1867
Zinc	2655	1.6	4.0	-16.4	3619	2285
Tin	18398	-2.2	-3.9	-6.6	22104	18400
Nickel	11136	2.6	-2.5	0.8	15749	10704

**MOVE TO HELP** turn around Italian steel mill, says JSW joint MD Seshagiri Rao

# JSW's Aferpi Mill to be Merged with Indian Steel Units

Vatsala.Gaur@timesgroup.com

**Mumbai:** JSW Steel would integrate the recently acquired Aferpi mill with its Indian facilities, including the newly purchased Monnet Ispat and Energy, as part of the Italian steelmaker's phased turnaround plans.

Besides Italy, its plant at Acero Junction in the US will commission its electric arc furnace and meltshop in December and the improvement in earnings should start reflecting in the next quarter.

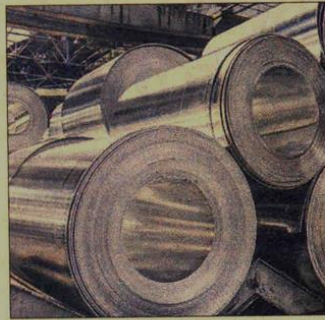
"At Aferpi, in the first phase we will operate the 1.3 MT rail mill that already has orders in place and integrate it with billets from Salem and Monnet Ispat sent from India," Seshagiri Rao, joint MD at JSW Steel, told ET in an interaction.

To gain foothold in the Italian and European markets, JSW Steel had bought Italy's second largest steelmaker in May for 55 million Euros (₹441 crore) after it lost Ilva to ArcelorMittal.

The 2MT consists of a 1.3MT rail mill and wire rods and bar making facilities. The company has long-term plans to set up an electric arc furnace there but in the first phase, it would source 2 lakh tonnes of steel billets from its plant at Salem and the rest from Monnet Ispat once it gets commissioned.

Apart from Aferpi, JSW Steel had also invested a billion dollars in the US to modernise its existing plate and pipe mill in Baytown, and to acquire the steel plant at Acero Junction, which consists of a 1.5 MT electric arc furnace and 3 MT hot strip mill.

To achieve the re-commissioning



FILE PHOTO

of the facility there, JSW Steel has sent its team responsible of turning around its plant at Dolvi the company had acquired from Ispat Industries in 2010.

"At Acero Junction, the commissioning of the electric arc furnace and the meltshop will happen in December and it will show improvement from the next quarter itself," Rao said.

"We are investing \$25-\$40 million and re-commissioning that unit like Monnet," Rao said.

At its plate and pipe mills in Baytown, Texas, the company is investing \$500 million on modernisation and backward integration. The improvement in profitability would reflect after two years, Rao said.

**JSW Steel had bought Italy's second largest steel maker in May for €55 m**

The company has arranged funds for investing \$350 million in the facility for backward integration and the debt would get reflected in the next three years, he said.

# Tata Steel Plans to Sell Refractories, Electrical Units' Stake to Cut Debt

Our Bureau

**Mumbai:** Tata Steel's strategy of portfolio restructuring to bring down debt will also include restructuring its refractories business, TRL Krosaki, as well as its electrical steel making business Cogent Power, the company said in a note to investors on Thursday.

The above mentioned assets will add to its plans of forming a joint venture with Thyssenkrupp in Europe, divesting its South-East Asian business Nat Steel as well as selling off a South African iron ore mine. Portfolio restructuring could involve adjusting its current stake or selling off the asset altogether.

Tata Steel holds 26.62% in TRL Krosaki, earlier called Tata Refractories located in Belpahar, Odisha, while 51% is held by Krosaki Harima Corporation, a unit of Nippon Steel. Cogent Power, on the other hand is spread over UK, Sweden and Canada. According to a report by Reuters, Tata Steel Europe has put Cogent on the block to satisfy the European Commission's concerns about the Tata Steel-thyssenkrupp JV's competition level.

The company that became India's largest steelmaker after acquiring the 5.6 MT Bhushan Steel under the insolvency law had a gross debt of ₹1.04 lakh crore at the end of the September quarter and is pursuing a strategy of actively divesting itself from non-core businesses to unburden the balance sheet. This has also been in line with the new Tata Sons chairman N Chandrasekaran's strate-

gy of making the group leaner by selling or merging small or loss making businesses of group companies.

In the last seven years, Tata Steel has raised ₹19,400 crore through divestment and the latest on this front has been selling the Sedibeng iron ore mine in South Africa to a Swiss-based metals and mining group IMR Metallurgical Resources AG in October for ₹188 crore.

While the company will reduce focus on off shore assets, in India it wants to take its capacity to 30 MT by 2025 and the volume will in-

 Portfolio restructuring could involve adjusting its current stake or selling off the asset altogether

clude at least 30% of value added steels. The company will also be adding new materials like graphene, carbon fibre reinforced polymer and advanced ceramics that would constitute over 10% of its revenue by 2025.

Koushik Chatterjee, CFO, Tata Steel has said the company's acquisition of Bhushan steel and Usha Martin was a step towards adding more value added steels in its portfolio.

Tata Steel has emerged as the most integrated steel producer with a current steelmaking capacity of 18.6 million tonne in FY19. While it has 100% iron ore security till 2030, the company said it can rely on captive sources for over 25% of its coal requirement.

# Trio cement Bengal base

A STAFF REPORTER

**Calcutta:** Cement capacity in Bengal is set to rise around 7 million tonnes, with three companies looking to expand in the state to cater to the rising demand from housing and infrastructure segments.

Dalmia Bharat plans to expand its capacity to around 4 million tonnes (mt) per annum by 2021. The company has a grinding unit near Salboni in West Midnapore district. It is also scouting for opportunities in north Bengal.

JSW Cement, which operates a unit at Salboni, is set to double capacity to 4.8mt from 2.4 mt, and the expanded capacity could be commissioned over the next two-three years, sources said. In addition to Bengal, the company is setting up a 1.2mt plant at Jajpur in Odisha.

Star Cement, which operates plants in north-eastern India, is set to put up a 2 mt grinding unit near Siliguri that is set to raise its capacity to 5.5mt. The additional

## ON THE MENU

Expansion plans (in million tonnes)

Dalmia Bharat	2.3
JSW Cement	2.4
Star Cement	2.0



capacity is expected to be commissioned before March 2020.

The cumulative investment by the three is estimated at around Rs 2,400 crore.

"In 2011-12, the number of cement plants in Bengal was five. At present, I am told the number is 16," said Bengal finance and industries minister Amit Mitra at an Indian Chamber of Commerce organised summit on Friday.

"Housing, mass housing and infrastructure are some of the sectors which are driving demand. There are also connections of cement with attraction of investment in other areas. Construction chemical is one such area," said Mitra.

Cement players are keen to invest in the other regions of the east such as Bihar, Jharkhand and Odisha.

While Emami Cement is setting up grinding facilities in Bihar and Odisha, Shree Cement has announced expansion in Odisha and Jharkhand.

According to Crisil, demand in the eastern part of the country (including the Northeast) accounted for 22 per cent of the total demand in the country of around 296mt in 2017-18, up from 17 per cent in 2012-13.

In the long term, cement demand in eastern India is expected to outpace most other regions and grow at a compounded annual growth rate of 7.5-8.5 per cent between 2017-18 and 2022-23.

THE HITAVADA DATE : 3 /12/2018 P.N.9

## Finished steel exports fall over 23%; imports up 17% in October

NEW DELHI, Dec 2 (PTI)

INDIA'S finished steel exports fell by 23.4 per cent to 0.596 million tonnes (MT) in October 2018, according to Joint Plant Committee.

The country had exported 0.778 MT of finished steel during the same month a year ago, Joint Plant Committee (JPC), the only institution that collects and maintains data on the Indian steel and iron sector, said in its latest report.

"Exports stood at 0.596 MT in October 2018, down by 23.4 per cent over October 2017 and was up by 3.8 per cent

over September 2018," it said.

As against exports, the imports grew by 17.3 per cent to 0.706 MT in October 2018 from 0.602 MT in year-ago period. The country's finished steel output at 11.029 MT in October was 6.1 per cent higher from 10.398 MT in same month of 2017.

During October, JPC said, the consumption of finished stood at 8.315 MT 2018, up by 8.4 per cent over 7.672 MT in October 2017. Steel Minister Chaudhary Birender Singh had earlier said India should cut down its dependence on special steel product imports.

THE HINDU  
DATE : 3 /12/2018 P.N.13

### Shree Cement to invest ₹1,000 cr. in two units

NEW DELHI

Kolkata-based Shree Cement will invest around ₹1,000 crore to set up two grinding units — one each in Jharkhand and Odisha — in the next one year to enhance its presence in the eastern part of the country, according to a top company official. The company, which has a total production capacity of around 40 million tonnes per annum, is looking to grow by 10% every year, by adding around 4 million tonnes per year. PTI

# Gold seeks direction

But bias remains positive for an up-move to \$1,250 and \$1,260 in the short term

GURUMURTHY K

Gold is currently managing to sustain above the psychological level of \$1,200 per ounce. The global spot gold prices have been broadly range-bound between \$1,200 and \$1,245 over the past few weeks. Within this range, the yellow metal dipped in the initial part of last week to make a low of \$1,211. However, the prices reversed from the low, recovering most of the loss, and closed marginally lower for the week at \$1,220 per ounce.

Silver remained subdued last week and continued to underperform gold. The global spot silver prices fell 0.6 per cent in the past week and closed at \$14.20 per ounce.

Key events like the Organization of the Petroleum Exporting Countries (OPEC) meeting on Thursday and the US non-farm payroll data release on Friday may keep the volatility high this week. As such, the movement in the US dollar may play a key role in impacting the gold prices.

On the domestic front, the strength in the rupee is retaining the pressure on the gold and silver futures

contract on the Multi Commodity Exchange (MCX). The rupee strengthened, breaking above 70 against the dollar, and was up 1.5 per cent last week.

The strong rupee pushed the MCX-Gold futures contract low for the fifth consecutive week. The MCX-Gold was down 0.84 per cent last week. The contract has tumbled over 5 per cent over the past five weeks. It closed at ₹30,240 per 10 gm.

The MCX-Silver futures contract tumbled, breaking be-

low the key support level of ₹36,000 per kg last week. The contract was down 2.5 per cent last week and closed at ₹35,147 per kg.

## Dollar outlook

The US dollar index (97.27) was range-bound between 96.6 and 97.5 in the past week. The near-term outlook is mixed. The index has been sustaining above 96 over the past month. However, it is not gaining strength to move sharply

short term. Such an up-move in the dollar index may cap the upside in gold.

On the other hand, if the index fails to breach 97.5, it can continue to oscillate between 96 and 97.5 for some more time.

## Gold outlook

The global spot gold (\$1,220 per ounce) closed on a mixed note last week. However, the bias remains positive. The key support is at \$1,210 which is holding well now. The next significant support is at \$1,200. As long as the yellow metal remains above \$1,200, there is a strong likelihood of the prices moving higher in the coming weeks.

Resistance is at \$1,232. A strong break above it can take the prices higher to \$1,240 or even \$1,250 in the coming days. Such a break will also increase the possibility of gold testing \$1,260 levels over the short term.

On the domestic front, the MCX-Gold (₹30,240 per 10 gm) has declined below the key support level of ₹30,300. The downtrend is intact. The region between ₹30,450 and ₹30,600 will now be a strong resistance that can cap the upside in the near term.

A fall to ₹29,800 is likely in the coming days. A bounce from ₹29,800 can take the contract higher to ₹30,300 and ₹30,500. But a break below ₹29,800 can drag the MCX-Gold futures contract to ₹29,500.

The global spot silver

(\$14.20 per ounce) may dip to test the psychological support level of \$14 in the near term.

## Silver outlook

A strong break below \$14 can drag silver lower to \$13.85 and \$13.7 thereafter. But if silver manages to bounce from \$14, an up-move to \$14.5 is possible again.

Silver has been broadly range-bound between \$14 and \$15 over the past several weeks. A breakout on either side of \$14 or \$15 will give a clear cue on the next leg of the move for silver.

The MCX-Silver (₹35,147 per kg) is under renewed pressure. The sharp fall last week triggered the stop-loss on the long positions we had recommended last week. The region between ₹35,850 and ₹36,000 will now act as a strong resistance. An intermediate bounce to this resistance zone may bring fresh sellers into the market.

As long as the MCX-Silver futures contract trades below ₹36,000, there is a strong likelihood of it tumbling towards ₹33,000 in the coming weeks.

## Trading strategy

Medium-term traders with high risk appetite can go short at current levels and also accumulate at ₹35,500 and ₹35,800. Stop-loss can be placed at ₹36,400 for the target of ₹33,300. Revise the stop-loss lower to ₹34,950 as soon as the contract moves down to ₹34,300.



### MCX Gold

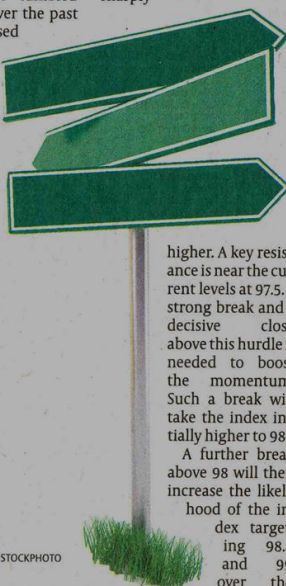
Supports  
₹29,800/29,500  
Resistances  
₹30,450/30,600

### MCX Silver

Supports  
₹34,600/33,000  
Resistances  
₹36,000/36,700



GETTY IMAGES/ISTOCKPHOTO



higher. A key resistance is near the current levels at 97.5. A strong break and a decisive close above this hurdle is needed to boost the momentum. Such a break will take the index initially higher to 98.

A further break above 98 will then increase the likelihood of the index targeting 98.8 and 99 over the

## MCX-Aluminium reverses higher from a key base



**YOGANAND D**

BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange of India continued to trend downwards in the previous week as well.

After testing a key support at ₹135 the contract reversed the trend on Monday by gaining 2.3 per cent to trade at around ₹140.4 per kg. This upward reversal is triggered by a positive divergence in the daily relative strength index. The indicator has started to recover from the oversold territory and is on the brink of entering the neutral region from the bearish zone.

In early October, the contract encountered a significant resistance at ₹165 and started to decline. Since then, the contract has been on a medium-term downtrend. While trending down, the contract breached key supports at ₹150 and ₹145 in late October and November. However, the contract found support at around ₹135 recently and began to move upwards.

The contract now tests a key immediate resistance at ₹140. A decisive break above this barrier will strengthen the upmove and take the contract higher to ₹145 in the short term. A further rally above ₹145 will reinforce the bullish momentum and accelerate the contract northwards to ₹150 in the short to medium term.

Traders with a short-term view can take long positions on a strong close above ₹140 with a fixed stop-loss at ₹135. The short-term targets are ₹145 and ₹150 levels. Conversely, if the MCX-Aluminium futures contract plunges below the significant support level of ₹135, bearish momentum can drag the contract down to ₹132 and ₹130 in the short term. In that case, traders should avoid taking long positions.

### Global trend

On the global front, the Aluminum (three-month forward) contract continues to be range-bound between \$1,925 and \$1,965 per tonne on the LME. It is currently trading at \$1,957 per tonne with a positive bias.

**LOKMAT**

DATE : 4/12/2018 P.N.1

## तुमसरमध्ये रेअर अर्थ मेटलचा शोध

१० वर्षात ५ बिलियन टन  
संसाधनाचे संशोधन

लोकमत न्यूज नेटवर्क

नागपूर : पृथ्वीच्या भूगर्भात विविध मेटल आणि मिनरलाचा खजिना आहे. यात अतिशय बहुमूल्य रेअर अर्थ मेटल (आरईई) याचा शोध भारतीय भूवैज्ञानिक सर्वेक्षण विभाग (जीएसआय) विदर्भातील तुमसर भागात घेत आहे. देशात ग्रीन एनर्जीला मोठ्या प्रमाणात प्रोत्साहन मिळत आहे. यासाठी रेअर अर्थ मेटल अतिशय उपयुक्त आहे. विदर्भातील

# Steel-makers face dumping by China

OUR BUREAU

Mumbai, December 4

The threat of cheap steel imports flooding the market has come to haunt steel producers, following the sharp fall in prices in China in November on the back of rising steel output amidst weak demand.

According to a recent ICRA report, domestic flat steel producers may have to brace themselves for a downward revision in prices in the March quarter to say afloat.

China's steel production growth remained high at 5.8 per cent in the September quarter in anticipation of stricter environmental curbs during the winter months. Production recorded an all-time high of 82.5 million tonnes in October 2018.

However, there is uncertainty over the production curbs, after China allowed local governments to decide



Oversupply concern amidst weak demand during the winter season may lead to drop in steel prices

on meeting their individual emission targets rather than imposing a blanket ban on production. The move may result in possible supply glut in China, leading to large-scale exports.

Jayanta Roy, Senior Vice-President, ICRA, said Chinese hot-rolled coil export offers have declined from \$560 a tonne in the first week of October 2018 to \$477 in end-November.

The concern over oversupply amidst weak demand during the winter season may lead to a further drop in seaborne steel prices in the coming months.

On the domestic front, seasonal weakness in demand in the September quarter led to a fall in domestic steel consumption growth to 7.8 per cent from 9.2 per cent logged in the June quarter, even

though it remained healthy in absolute terms.

Improving demand from the construction sector and healthy automobile sales growth remained the key drivers of domestic steel consumption in Q2 FY2019.

Steel imports, especially from free-trade countries such as Japan and South Korea, are likely to remain high in the coming months, which would keep the domestic steel production growth under check.

While the domestic hot-rolled coil prices are currently trading at a marginal premium over imported prices, the steep reduction in international steel prices recently would make imports cheaper from January 2019 onwards, when these shipments start hitting Indian shores, and would in turn exert pressure on domestic steel prices, said ICRA.

# WTO to set up dispute panel to resolve India-US case on steel, aluminium duties

PRESS TRUST OF INDIA

New Delhi, December 4

The dispute settlement body of the World Trade Organization (WTO) has agreed to set up a panel to assess if high customs duties imposed by the US on certain steel and aluminium products infringes global trade norms, an official said.

India had approached the Geneva-based WTO for setting up of the dispute panel as both the countries failed to resolve the issue in a bilateral consultation process under the dispute settlement mechanism of the WTO.

"The dispute settlement body has agreed to establish a panel to rule whether additional duties imposed by the US on imports of certain steel and aluminium products comply with WTO rules," the official added.

Consultation is the first step of the dispute settlement process at the WTO. If the two countries are not able to reach a mutually agreed solution through consultation, a country can request for a WTO dispute settlement panel to review the matter.

Imposition of high import

duties on these items by the US has impacted exports of these products by Indian businesses. India has alleged that the US move is also not in compliance with global trade norms.

Besides India, Russia, Norway, Canada, Mexico, Switzerland, and European Union have also dragged the US in the WTO on Washington's move to impose 25 per cent and 10 per cent import duties on certain steel and aluminium products, respectively, which triggered global trade tensions.

India has a significant export interest in the US in the

steel and aluminium sector. India exports steel and aluminium goods worth about \$1.6 billion a year to the US. The US had imposed these duties on grounds of national security.

Biswajit Dhar, professor of economics at Jawaharlal Nehru University, said the US decision will not only impact India's export of these goods but also affect global trade.

Some experts, however, said dragging the US in the dispute over the issue is not in favour of India, as New Delhi has a trade surplus with Washington.

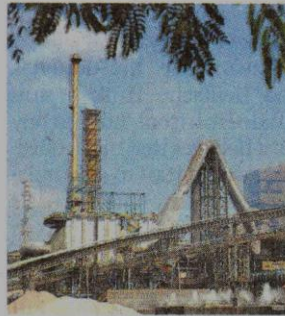
# Sterlite Copper deploys select staff to group units

Hopeful of a final ruling by NGT by this month

K.T. JAGANNATHAN  
CHENNAI

The management of Sterlite Copper has managed to keep the 900-odd permanent employees of its Thoothukudi plant intact and active by a combination of relocation, re-skilling and through a redeployment exercise, even as its unit at the location has remained shut for over six months under a State government order.

The mid-career staff, who are subject matter experts in their respective domain areas, have been released on short-term deputations and transfers to other units of the Vedanta group in India and abroad. Sources said



they were sent on deputations to leading units of Vedanta such as Hindustan Zinc – India's largest zinc producer – and Vedanta Aluminium – among India's largest aluminium producers. "They are engaged in supporting ongoing expansion projects and facilitating

knowledge sharing at these units," a top source in Vedanta group said.

Entry-level employees have been deputed to other units for further skill development and cross-functional training, sources said.

These programmes, it is pointed out, enable them develop skills outside their core areas. Employees with experience in copper manufacturing technologies are reportedly deputed to other group firms to work on other technologies in aluminium, zinc, steel and the like. Sterlite sources were hopeful of a final ruling on the closure by the National Green Tribunal by this month.

THE TELEGRAPH  
DATE : 5 /12/2018 P.N.8

## WTO panel on steel

■ **NEW DELHI:** The dispute settlement body of the WTO has agreed to set up a panel to assess if the high customs duties imposed by the US on certain steel and aluminium products infringe global trade norms, an official said. India had approached the WTO for setting up of the dispute panel as both the countries failed to resolve the issue in a bilateral consultation process. PTI

# EU asks India to drop mandatory quality testing for steel imports

Says the requirement for re-testing of imports by BIS labs creates a non-tariff barrier

**AMITISEN**

New Delhi, December 5

The European Union has raised fresh objections to India's decision to extend the Bureau of Indian Standards' (BIS) mandatory quality certification system to various steel imports, including stainless steel plates, sheets and strips. It has demanded that New Delhi must accept the tests carried out in foreign accredited laboratories attesting compliance with Indian standards.

"The requirement for re-testing by BIS authorised laboratories of the covered steel products, which have already been tested against the relevant international standards, creates a non-tariff barrier to trade," the EU said in a statement at a recent meeting of the World Trade Organization's (WTO) Committee on Technical Barriers to Trade (TBT).

The EU's fresh complaint follows the Indian Steel Ministry's decision in June to bring 16 more steel products under the ambit

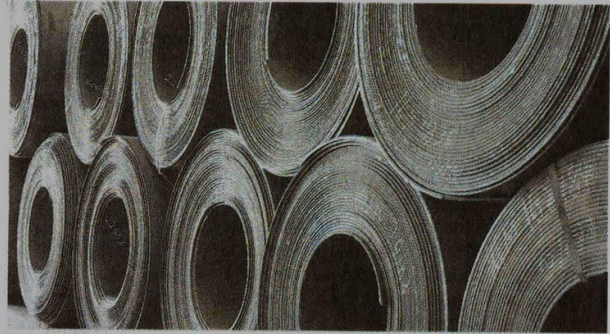
of its quality control. The order, first passed in 2016, now covers 50 carbon steel and three stainless steel products.

India had argued in a previous meeting that the BIS norms were necessary in order to take into account the manufacturing practices of India, and therefore international standards are insufficient.

## EU stance

Countering the argument, the EU said in its statement that the procedure is disproportionate for low-risk products and unjustified on health and safety grounds. "The EU steel already complies with internationally recognised standards, as well as with safety and quality standards recognised around the world," it stated.

Since India is both an importer and exporter of steel and steel products, the government is under pressure, like most other steel producing economies, to keep imports under check.



India has argued that the BIS norms were necessary in order to take into account local manufacturing practices

The existing glut-fuelled slump in the steel sector worldwide and unused capacities have been forcing many producing countries to examine various ways to protect their domestic industry.

"Indian steel producers are facing a hard time in the global market because of growing protectionism. The EU itself has been examining safeguard procedures against certain steel imports from India while the US has imposed additional import duties on steel on a handful of countries including India without any provocation," a gov-

ernment official pointed out.

Interestingly, safeguard duties imposed by India on imports of hot-rolled steel flat products during September 2015 and March 2018 were recently found to be in violation of global trade norms by a WTO panel.

"The mandatory quality standards on steel have been put in place to ensure that sub-standard and harmful items are not imported into the country and not as a measure to check imports. These are applied on the domestic suppliers as well," the official said.

## Near-term outlook is mixed for MCX-Nickel

### MCX Nickel



**GURUMURTHY K**

BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange of India (MCX) has reversed higher in the past week. After consolidating in a narrow range between ₹750 and ₹770 per kg for about a week, the contract has surged breaking the range above ₹770. The contract made a high of ₹804.4 per kg on Tuesday but has come-off from there. It is currently trading at ₹781 per kg.

The price action over the last couple of days indicate that the contract is not gaining strength. The pull-back from ₹804 also signals that the MCX-Nickel futures contract is not getting strong follow-through buyers to take it decisively above the psychological level of ₹800. This leaves the near-term outlook mixed for the contract.

The price action in the coming days will need a close watch which may give a cue on the next direction of move.

The level of ₹770 may now act as a good support. As long as the contract sustains above ₹770, the possibility is high for the contract to breach above ₹800 in the coming days. Such a break above ₹800 can take the contract higher to ₹825 — a key trend line resistance. A strong break above ₹825 will then increase the likelihood of the contract extending its rally to ₹865 and ₹870. But, a pull-back from ₹825 can drag the MCX-Nickel futures contract lower to ₹800 and ₹770 again.

The outlook for the contract will turn negative only if it declines below ₹750. The next target is ₹735. However, such a fall below ₹750 looks less probable at the moment.

### Trading strategy

Short-term traders with high-risk appetite can go long at current levels and also on dips at ₹773. Stop-loss can be placed at ₹755 for the target of ₹820. Revise the stop-loss higher to ₹790 as soon as the contract moves up to ₹803.

# Numbers match says the state

The Indian Bureau of Mines has stated the Run of Mine production of iron ore compiled and reported by the Directorate of Mines and Geology matches numbers produced by the regional office of IBM

Team Herald

**PANJIM:** In what could strengthen State government's case before the Bombay High Court at Goa, the Indian Bureau of Mines (IBM) has said the Run of Mine (ROM) production of iron ore compiled and reported by Directorate of Mines and Geology (DMG) is matching with the figures produced by the Regional Office of IBM, Goa.

In a petition filed by Goa Foundation, the division bench had in May directed that "the Controller General of Indian Bureau of Mines will hold an enquiry to verify the correctness of the mining data maintained by the State of Goa in light of the disparity noticed and publish the report of such inquiry in the public domain, within a period of six months from today."

Countering the allegation of the petitioner that DMG has no real-time monitoring of ore production, the IBM inquiry committee led by Controller of Mines, South Zone-Bangalore J R Chaudhary, has said that Goa has engaged the services of M/s Megasoft System Ltd. to provide online platform to monitor the daily ROM iron ore production and dispatch from the mining leased area.

The Committee in its observation said that the production is always considered as the ore excavated from the insitu mine faces in ROM form. There-

**PETITION**  
The Controller General of Indian Bureau of Mines will hold an enquiry to verify the correctness of the mining data maintained by the State of Goa in light of the disparity noticed and publish the report of such inquiry in the public domain, within a period of six months from today.

— Goa Foundation

only is considered as Production. Even the production capping allocated by the State Government as per the Supreme Court directives, Environmental Clearance approval, Mining Plan production approval is based on the ROM production only and the same is being monitored by IBM.

It pointed out that as per Rule 45 of MCDR, 1988/2017 the lease holders are required to submit statutory Monthly & Annual Returns in specified Perfora to the concerned RCOM of IBM and concerned State Government in online system followed by hard copy of the same.

As per MCDR, 2017 which came into effect from February 27, 2017, it is mandatory to file online Monthly and Annual returns with digital signature

with digital signature. "However, in the online system of IBM, yet provision is not made for submission of returns with digital signature. Therefore, the mining leaseholders are bound to submit the online return followed by hard copy of the same with signature," the report stated.

"The hard copy of the returns submitted to the RCOM, Regional office, IBM, Goa and to the DMG, Goa is same since hard copy is print out of the return submitted online. Therefore, the ROM production of the iron ore compiled and reported by the RCOM, Regional office, IBM, Goa and the DMG, Goa are matching," the committee observed.

The Committee further said that in order to capture the data on Grade-wise Production, Dispatches, Stocks and Ex-Mine prices of ROM Iron ore, the online system of filing of Monthly and Annual Return of IBM is being modified forthwith through the online return submission component of IBM's ongoing Mining Treatment System (MTS) project.

GF had pointed out that while as per DMG the total production from 2015 to March 15, 2018 was around 37 million tonnes, IBM claims that it was only 16 million tonnes. Similar for the last financial year till March 15, 2018 the production figures placed on record by DMG are 10.58 million tons while as per

## Revving palladium demand smokes out gold

**BLOOMBERG**  
December 5

Gold just got left behind by one of its sister metals. After a demand-fuelled rally over the past four months that's seen prices hit a record, palladium for immediate delivery topped gold following a surge higher.

Palladium, which hasn't traded at a sustained premium to gold in 16 years, gained as buyers scrambled for supplies of the metal used in vehicle

smog-control devices. Demand has risen as consumers turn away from diesel towards petrol-powered cars, which tend to use more palladium in auto-catalysts. "People are grasping for whatever ounces of material they can get in the palladium market," Tai Wong, head of

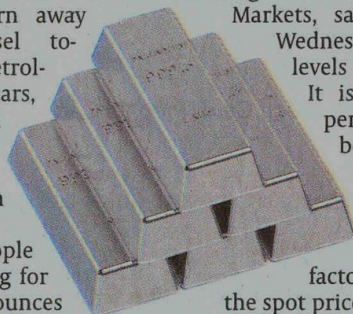
base and precious metals trading at BMO Capital Markets, said before Wednesday's

levels were hit. It is very expensive to borrow, and that is perhaps the biggest factor driving the spot price higher.

Palladium for immediate delivery climbed as much as 1.7 per cent to a

peak of \$1,252.68 an ounce, and was at \$1,251.88 at 9:09 am in London, according to Bloomberg pricing. Spot gold was 0.2 per cent lower at \$1,236.29.

The supply of palladium is very restricted, Chirag Sheth, a consultant with London-based Metals Focus Ltd, said by phone from Mumbai. The narrowing of the ratio is as much about the strong performance of palladium as about the poor performance of gold.



## Gold seizures double, raise fear of rise in smuggling

DRI seizes 3,223 kg gold worth ₹974 crore in 2017-18, against 1,422 kg gold worth ₹472 crore in 2016-17

**SHISHIR SINHA**  
New Delhi, December 6

Gold smuggling seems to be on the rise as seizures by the Customs Department has doubled in one year.

According to data compiled by the Directorate of Revenue Intelligence (DRI), the total quantity of gold seized by the Customs in 2017-18 was 3,223 kg valued at ₹974 crore, an increase of 103 per cent from 1,422 kg valued at ₹472 crore seized in 2016-17.

Unofficial estimates suggest that seizure forms anything between 5 and 10 per cent of the total illegal trade. Considering this, smuggling of gold could be up to 30 tonnes during the last fiscal with a value of over ₹9,000 crore. The agency is taking all steps to check innovative ways of smuggling.

According to the publication 'Smuggling in India Report 2017-18' by DRI, a large part of the domestic gold market is being served by the illicit smuggling of gold. Majority of seizures made by the DRI has been those imported through India's land borders in cities such as Kolkata, Mumbai, Chennai and Delhi, which are high consumption centres of smuggled gold.

### Land borders

Large quantities of smuggled gold reaches Kolkata from India's land borders with Myanmar and Bhutan and is then transited to other metropolitan cities. In terms of the State-wise seizures by the DRI in 2017-18, the maximum number of seizures were made in North-Eastern States, followed by Delhi, Tamil Nadu, Karnataka,

### India's gold rush

	2016-17	2017-18
Total supply	773.1	873
Net legal import	684.2	776.3

### Seizure by Customs



Source: World Gold Council, DRI

and Maharashtra. Bulk cash smuggling has also increased exponentially in 2017-18. The Customs seized foreign currency worth ₹89 crore primarily from prominent airports like Delhi, Mumbai, Kolkata, Chennai and Ahmedabad. Smuggling of foreign exchange is used to fund purchase of contraband goods such as gold, electronics and garments

abroad, which is then smuggled into India. It is also used as a remittance for undervalued imports into India.

Cash smuggling increases the returns of organised smuggling syndicates as physical movement of foreign currency saves the commission (3.5 per cent) payable on hawala transactions, the report mentioned. According to a report by FICCI,

### Consumer demand per capita



outright smuggling as defined by the DRI is "the secret movement of goods across national borders to avoid Customs duties or import or export restrictions."

Non-declaration (where no product is declared at port of entry) as well as not being in possession of any legal import documentation can also be considered as outright smuggling.

gling. But, smuggling could also take place through legal channels of trade by various means to evade Customs duties and other taxes applicable on such goods and products. This is referred to as technical smuggling and such goods are liable for confiscation under Section 111 of the Customs Act 1962. Ways and means of technical smuggling may be classified into four categories based on seizure data of DRI which include undervaluation, mis-declaration, misuse of end use and other notifications and other means.

### Import duty

The main reason for smuggling are import duties. At present, import duty (technically known as Custom Duty) on gold is 10 per cent apart from GST (Goods & Services Tax) at the rate of 3 per cent. Once gold is smuggled, there will be price arbitrage by at least 10 per cent for the persons bringing gold.

# Daiki of Japan to set up recycled aluminium alloy plant in AP

To invest ₹225 crore; stone-laying in Feb

**V RISHI KUMAR**

Hyderabad, December 6

Daiki Aluminium Industry of Japan has signed up to invest \$30 million (about ₹225 crore) in Andhra Pradesh to build an aluminium alloy unit with a capacity of 84,000 tonnes a year.

The project is expected to generate direct employment for 600. The company has submitted the detailed project report and will apply for pre-establishment approvals and clearances soon. The foundation stone is planned to be laid in early February.

## MoU signed

A memorandum of understanding was signed by J Krishna Kishore, Chief Executive Officer, AP Economic Development Board, and Takaaki Yanamoto, Group President, Daiki Aluminium

## India foray

- Daiki project is expected to generate direct employment for 600
- The company will apply for pre-establishment approvals and clearances soon
- Daiki Aluminium Industry, established in 1922, is one of the oldest aluminium alloy manufacturing companies in the world

## Industry.

Established in 1922, Daiki Aluminium is one of the oldest alloy manufacturing companies in the world. Headquartered in Osaka, Japan, Daiki has five manufacturing locations in Japan and a market share of 35 per cent in the country.

In addition, Daiki has manufacturing locations in Malaysia, Thailand, Indonesia, the Philippines, Vietnam, China and Poland.

## Aluminium recycling

With a total production capacity of 80,000 tonnes a month, it is one of the largest aluminium companies in the world, with cli-

ents including Honda, Toyota, and Nissan.

APEDB CEO Krishna Kishore said, "Aluminium recycling is gaining in importance as an economically valuable secondary raw material across the world. The State continues to fill existing gaps in the circular economy and is delighted to have India's biggest recycling aluminium alloy plant in Andhra Pradesh."

This investment was facilitated by APEDB, a single point of contact for spearheading sustainable growth through investments, partnerships and collaborations.

The raw material initially will

be imported from the US, the UK and major European markets and the finished goods will be exported to ASEAN markets and Japan for supply to automobile companies.

Daiki aims to capture the demand requirements of aluminium alloy in India and expand the market sequentially.

"The plant will have a low-emission profile as 20-25 per cent of the investment will be spent on pollution-control machinery, equipment and environment education," Kishore added.

## Other Japanese companies

AP has attracted several leading companies from Japan, including Isuzu Motors, NHK Springs, Kobelco, Nippon, THK, Toray Industries, Mitsui and Mitsubishi.

Andhra Pradesh is working to set up a Japanese Industrial Townships and Japan India Institutes to attract capital as well as manufacturers.

# 'Steel Cos Import More Ore Despite Pileup in K'taka'

JSW Steel is allegedly importing when there is unsold iron ore in Karnataka

Vatsala.Gaur@timesgroup.com

**Mumbai:** Karnataka iron ore producers are sitting on around 5.5 million tonnes of idle iron ore capacity despite state-run NMDC temporarily closing its Donimalai mine due to increasing imports by steel players, industry insiders said, denying any scarcity of the mineral.

Rising imports have even forced NMDC, the country's largest iron ore producer, to cut prices as it led to a piling up of the mineral in the state, they said.

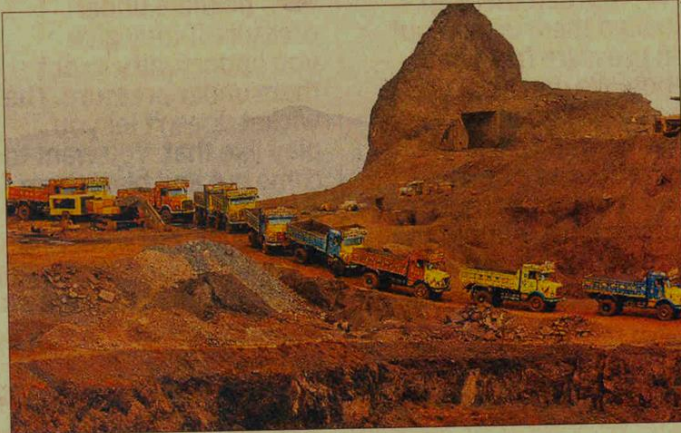
Without naming JSW Steel, which has Karnataka's largest steel plant of 12 mt annual capacity in Vijayanagar, a senior executive of a natural resources major accused "a major steel player in Vijayanagar" of importing at a time when about 6 mt of iron ore remains unsold in the state, allegedly spending more in the short term but depressing prices in the long run.

Sales of NMDC, formerly National Mineral Development Corporation, in Karnataka had started dipping from April, and the state-run miner cut the price of lump iron ore by ₹300 per tonne in December and that for fines by ₹200 per tonne.

The price cut was in line with a global softening of iron ore prices from \$74/tonne to \$64/tonne following a fall in steel prices. Domestic steel players have cut prices of hot rolled steel coils by ₹1,500 per tonne.

To be sure, on a net level, NMDC had increased average price of iron ore by ₹500 per tonne between April and December.

"If the current level of import is not curbed, this will create a glut-



like situation in the state," said the executive cited earlier.

JSW Steel's Vijayanagar plant has annual requirement of 22 mt of iron ore. It had plans to import 4 mt in the current financial year from Australia.

A person close to the company said the higher cost of imports does not impact the company in any way because it gets a higher grade of iron ore that cuts down costs on other processes like ore beneficiation, a process adopted to improve the grade of iron ore.

The person also countered the charge that JSW Steel was importing even as there was a glut in the state, saying the company often has to source iron ore from Odisha and abroad due to chronic shortage of the mineral in the state. If JSW Steel were to source its entire requirement from the state that would leave little for other customers, the person said.

NMDC had temporarily suspended mining at its Donimalai mine

## SUPPLY GLUT

JSW Steel's Vijayanagar plant has annual requirement of 22 mt of iron ore. It had plans to import 4 mt from Australia

in November after a dispute with the state government, which wanted to impose an additional 80% levy on the sales from the mine, reached a stalemate.

Iron ore producers denied any scarcity situation due to the closure of the Donimalai mine.

According to data by Pellet Manufacturers Association of India, iron ore imports are projected to touch 15 mt by the end of this fiscal year, 60% higher than the import level of last year. Up till July, iron ore imports had touched 1.6 mt, 33% rise from the same time last year.

# Thyssenkrupp, Tata Steel near decision on steel JV board

Andreas Goss, head of Thyssenkrupp's steel unit, is front runner for chief executive's position

REUTERS  
DUESSELDORF/LONDON

Germany's Thyssenkrupp and India's Tata Steel are close to deciding who will lead their planned European steel joint venture, four people familiar with the matter said.

Settling on the venture's leadership has been delayed by a strategy crisis and the change of CEO at the German industrial conglomerate, which has said it would split

into two companies.

The hold-up has riled the Thyssenkrupp workforce. A labour leader said there would be "trouble" if the matter was not resolved soon.

Andreas Goss, head of Thyssenkrupp's steel unit, is the front runner to become chief executive of the combined entity, which will be Europe's second-largest steelmaker after ArcelorMittal, the people said.

The new company will have around 48,000 workers and about €17 billion (\$19.4 billion) in sales, with production facilities in Germany, the Netherlands and Britain.

Mr. Goss, seen as well connected in the industry, has led Thyssenkrupp's steel division since 2014.

The unit's adjusted operating profit rose by 26% to €687 million over the past financial year. His appointment would further strengthen

Thyssenkrupp's position in the 50:50 venture, which already includes a greater share of proceeds should the entity be listed on the stock exchange, which is widely expected.

## Approval needed

Signed in June, the planned entity still needs European anti-trust approval, which is expected towards the end of the first quarter of 2019.

Hans Fischer, CEO of Tata

Steel's European subsidiary, is also likely to join the venture's management board, the people said.

Thyssenkrupp and Tata Steel, in June, said the joint venture's management board would consist of six members, shared equally between both groups. That number could be reduced to four to give a more focused structure to the entity, which will be called Thyssenkrupp Tata Steel, the people said.

## MCX Zinc: Break above ₹216 could push contract higher

GURUMURTHY K

BL Research Bureau

Zinc futures contract on the Multi Commodity Exchange was volatile in the past week. The contract opened with a wide gap-down at ₹208 per kg last Tuesday (May 1) and fell to a low ₹198.7 on Friday. However, the contract has bounced back and is currently trading at ₹207 per kg.

### Near-term view

The strong return is technically positive for the contract. This indicates that the contract is getting fresh buying interest around the psychological level of ₹200. The near-term outlook is positive. The current upmove is likely to extend towards ₹216 in the coming days. Whether the contract breaks above ₹216 or not will be key in deciding further developments. Inability to breach ₹216 decisively and a



subsequent pull-back from those levels can drag the contract lower. A fall to ₹210 or ₹205 is likely. Also, in that case there is a strong likelihood the contract can remain in a sideways range between ₹200 and ₹216 for some time.

On the other hand, if the MCX-Zinc futures contract breaks above ₹216 decisively in the coming days, it can gain fresh momentum. Such a break will increase the possibility of the contract rallying towards ₹225.

*Note: The recommendations are based on technical analysis and there is a risk of loss in trading.*

# Bhushan Promoter Challenges IBC Sections in SC

Says sec 29(A) violates his right to equality before law and freedom of individual rights

Vatsala.Gaur@timesgroup.com

**Mumbai:** Bhushan Power and Steel promoter Sanjay Singhal has likened the insolvency and bankruptcy code (IBC) to an enabler of takeovers or liquidation instead of the intended objective — resolution of bad loans — to justify his eligibility to bid for asset he has run for decades. Singhal described the dedicated IBC framework as an “unbalanced economic provision” in a writ petition filed in the Supreme Court. He has challenged the constitutional validity of four sections of the law, including the contentious section 29(A) that deals with the bidding eligibility for assets under resolution.

A writ petition is filed in the High

Court or Supreme Court when a fundamental right is violated. Singhal has called the sections “violative” of articles 14, 19, 20, 21, 39 and 300A of the Constitution.

ET has seen the petition that is expected to be brought up for hearing on Tuesday. IBC is “metamorphosing into a takeover or liquidation code instead of its objective of being a financial resolution code,” Singhal said in petition.

If his contentions are held valid, certain IBC provisions could get a re-look, perhaps affecting the resolution process in several cases.

Singhal said by excluding the promoter from bidding through section 29(A), the resolution process of BPSL has been converted into its sale at a “hugely discounted” rate based on its liquidation value of ₹9,700 crore instead of its going concern value of ₹25,000 crore.

Section 29(A) bars defaulting promoters and persons related to them to bid for stressed assets.

Singhal has also questioned the retrospective applicability of the section on BPSL's resolution process since the amendment was in-

## Key Contentions

IBC an enabler of takeover or liquidation

Sections “violative” of articles 14, 19, 20, 21, 39 & 300A of Constitution

Section 29(A) turned BPSL resolution into its sale by excluding promoter from bidding

Sale based on cos ₹9,700 cr liquidation value instead of going ₹25,000 cr concern value



roduced in the law in November last year while the steel company was admitted for insolvency in July.

He has called the clause violative of his right to equality before law and his freedom of individual rights as well as of his right to property. “... the rules of the game are being changed in such manner that the petitioner's (Sanjay Singhal's) rights are reduced in the company created by him and compulsory transfer of the said company is incurred at unnaturally discounted prices,” he said in plea.

The subject of section 29(A) was also discussed at length in the October 4 SC judgement on Essar Steel, but in that case the section itself had not been challenged and only the terms by way of which the two bidders — ArcelorMittal and Numetal adhered to it were debated upon.

“In the SC judgement on Essar Steel, the matter was discussed at length, but it was assumed that the

section is constitutionally valid as it had not been challenged,” said Alok Dhir, managing partner at Dhir & Dhir Associates.

In terms of whether it's prospective, the court will have to consider whether the law applies to cases which had been admitted before it came into being, or to cases which had been admitted but had not invited expressions of interest, Dhir said.

Bhushan Power and Steel has three bidders in final lap of the race — Tata Steel, JSW Steel and Liberty House. JSW Steel revised its bid to over ₹19,500 crore, while Tata Steel and Liberty House have reportedly offered ₹17,000 crore and ₹18,500 crore, respectively. Singhal has said that if he were allowed to bid, he would have provided a plan as per fa-

ir value of asset whose capacity he has increased from 10,000 tonnes to 3 million tonnes over 40 years.

Singhal wants the SC to determine if section 29(A) is prospective in operation and, therefore, a person like him who had submitted an expression of interest before the law was introduced can be said to be ineligible to submit an offer.

# Tech to cut coal use in steel evolves

JAYANTA ROY CHOWDHURY

**New Delhi:** The Indian government is in talks with India-born Australian scientist Veena Sahajwalla of the University of New South Wales to bring in green technology to make steel, which could reduce coal use.

Sahajwalla has patented a technology, which breaks down used car tyres into hydrogen and oxygen in electric arc furnaces. This when combined with coking coal can be used as fuel to make steel.

On behalf of the university, she is in talks with the Steel Research & Technology Mission of India (SRTMI), a government outfit floated to merge all research activities on steel.

“It is ideal for application in

India as it is incorporated into conventional electric arc furnace steel making, so it does not require expensive new industrial infrastructure or any large scale new equipment,” the Mumbai-born scientist said.

The Indian government's SRTMI has already held talks with Sahajwalla and feels the technology could help reduce carbon footprint by using rubber and plastic wastes without creating pollutants as well as reduce coal imports.

Mukesh Kumar, director of the SRTMI, told *The Telegraph*, “We feel that this technology could be used in a direct reduction process and in electric arc furnaces used by most of secondary steel industry. At a later stage, we can work with them to see if this can be used in larger blast fur-

## GREEN ENERGY

What's the tech?

- Car tyres are thrown into furnaces
- Hydrogen and oxygen are generated which combined with coking coal used as fuel for steel
- Coking coal use curbed



Sahajwalla

naces, too.”

“Even if we can use this technology in 20 per cent of our secondary steel making, it represents huge savings in coal imports and in carbon emissions,” Kumar pointed out.

The SRTMI plans to continue its discussion with Sahajwalla at a meeting slated for

mid-December in New Delhi.

“It is our mandate to turn towards greener methods of making steel as well as to bring in technologies which result in significant cost efficiencies,” Kumar pointed out.

SRTMI has been set up by the steel ministry as part of its plans to turn India into the world's largest and most efficient steel maker. Environmentalists estimate every year around one billion tyres are manufactured worldwide and an equal number of tyres are turned into waste.

India is one of the major tyre producers, accounting for about 7-8 per cent of global volumes. The US is the largest producer, with a 30 per cent share.

While some of these tyres are retreaded (reused), the

rest go into landfills adding to the waste of the earth. The percentage of tyres which make it to landfill are estimated at about 60 per cent, and this volume is rising.

Sahajwalla's green steel technique uses what is called a Polymer Injection Technology which can use these tyres as well as certain plastics to produce the heat needed to make steel, without releasing pollutants.

This technology is already being used commercially by Australian steel makers, managing to reduce coke and coking coal consumption by up to 15 per cent.

*The reporter recently visited Australia at the invitation of the Australian government under its International Media Visits (IMV) programme*

# Steel stocks lose edge

**SAMBIT SAHA**

**Calcutta:** Multiple price cuts along with international headwinds are taking the sheen off the spectacular rally in steel scrips this year.

Stocks of all integrated majors – Tata Steel, JSW Steel, Jindal Steel & Power, SAIL – underperformed the broad-based indices last month as steel makers brace for further price cuts in the wake of a China slowdown, a less-than-anticipated output cut during winter and a weak outlook on the global economic growth.

SAIL led the pack on the downside correcting 24 per cent over one month, while Tata Steel corrected the least (see chart) after prices fell following nearly a year-long steady rise. There have been two cuts in November, while the one in December is expected on Monday.

“Put together, flat steel prices are likely to be moderated by Rs 3,000 per tonne,” an executive with a Mumbai-based steel giant said over the weekend. Benchmark hot-rolled coil (HRC) prices are hovering around Rs 44,000-45,000 (\$633) per tonne.

Jayanta Roy, senior vice-president of Icria, said three factors were pushing global prices down, which in turn is putting pressure on the Indian prices.

## MOOD CAUTIOUS

Stock prices on BSE (in Rs)

Scrip	Nov. 7	Dec. 7
Tata Steel	580	507.90
JSW Steel	351.9	302.15
SAIL	66.65	51.5
JSPL	184.35	147.65

“There is a slowdown in China’s property and auto markets. Moreover, unlike last year, the Chinese government has not ordered a 50-million-tonne blanket production cut in the winter months to curb pollution. Instead, they asked provincial authorities to decide on the amount of cut based on local requirement. The ongoing trade war has raised concerns over the global economy. All put together there is a downward pressure on the prices,” Roy told **The Telegraph**.

Seaborne steel price (free on board), which were hovering around \$560 a tonne, has now come down to \$480 a tonne by the end of November. However, it would take at least another 30-45 days before the steel contracted at those prices hit the Indian shore.

The anti-dumping duty imposed by

the Indian government on basic HRC has not kicked in as yet but will do so if the landed cost goes below \$489 per tonne

One reason why the stock market is less than kind to the steel scrips could be that companies’ profit margin will be squeezed under the present circumstances.

Raw material prices, coal and iron ore are yet to come down as much as steel. Iron ore prices have corrected 7 per cent, while coking coal prices are ruling at \$225 a tonne (free on board, Australia) in end November, up from \$173 a tonne in July.

Only Tata Steel and SAIL meet the entire iron ore requirement from their own mines, while JSW and JSPL buy the majority from the market.

In the case of coking coal, Tata and SAIL are the only ones who partly meet the need from captive sources, while the rest are fully dependent on imports.

According to an Icria report, the possibility of a downward revision in domestic flat steel prices in the coming months is likely to lead to a sequential contraction in the gross contribution of a domestic blast furnace-based flat steel player by around \$20 per million tonnes (mt) in the third quarter of 2018-19 and by a sharper \$45 per mt in the fourth quarter, unless raw material prices start softening.

## Near-term outlook is unclear for MCX-Aluminium

### MCX Aluminium



GURUMURTHYK

BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange has been oscillating around ₹140 per kg over the last one week. The contract has been stuck in a narrow range between ₹137 and ₹141. It is currently trading at ₹139.5 per kg.

The near-term outlook is mixed. A breakout on either side of ₹137 or ₹141 will determine the direction of the next move. Traders can stay out of the contract until a clear trend and a trade signal emerges.

A strong break above ₹141 will ease the downside pressure. Such a break will trigger a fresh rally to ₹144 and ₹145 on the back of short-covering. The region between ₹145 and ₹146 is the next key resistance. Inability to breach this resistance zone can pull the contract lower to ₹141 and ₹140 again. But a strong break above ₹146 will boost the momentum. Such a break will then take the contract initially higher to ₹149. A further break above ₹149 will then increase the likelihood of the contract extending its upmove to ₹152 over the medium term. On the other hand, if the MCX-Aluminium futures contract breaks the current range below ₹137, it can come under renewed pressure. In such a scenario, the contract can fall initially to ₹133 or ₹132. A further break below ₹132 will increase the downside pressure. Such a break will then drag the contract lower to ₹129 and ₹127 thereafter.

### Global trend

On the global front, the Aluminium (3-month forward) contract on the London Metal Exchange has also been in a sideways range over the last few weeks. The contract has been stuck in between \$1,900 and \$2,000. Within this range, the contract made a high of \$1,996 per tonne in the past week and has come off from there. It is currently trading at \$1,955 per tonne.

The LME-Aluminum contract is likely to retain this sideways move for some more time. A breakout on either side of \$1,900 or \$2,000 is needed to get a clear cue on the direction of the next move.

## Ratan Tata gets steel industry's award

MUMBAI, Dec 10 (IANS)

EMINENT industrialist Ratan N. Tata was conferred the Steel Users Federation of India (SUFI) Lifetime Achievement Award for his association and contribution to the industry, an official said here on Monday.

The award was bestowed on Tata by Union Minister for Steel Choudhary Birendra Singh and other dignitaries on Sunday night, besides 450 delegates from 10 countries representing the industry attending the 2nd SUFI Steel Awards. The other prominent awardees included Hall of Fame category's 'Steel CEO of the Year' for Vipul Mathur, CEO, Welspun Corp. Ltd; Tata Steels Ltd. and Maharashtra Seamless Ltd sharing the 'Steel Company of the Year'; and POSCO Maharashtra Steel Pvt. Ltd and Naresh Steel Industries Ltd., jointly bagging the 'Emerging Steel Company of the Year' honours. In the special category, M. Junction won the

'Digital India Award', JSW Steels Ltd. got the 'Make In India Award' and Metal Street bagged the 'Start-Up India Award'.

Addressing the gathering, Singh said, that the steel industry needs in-depth research and motivation to stay ahead of competition globally, and accommodate the 'Make in India' initiative.

"The Government is pacing towards boosting and assisting the steel industry towards innovations and technology revolution," said Singh. SUFI President Nikunj Turakhia said that recognising the disconnect between the industry and government, the organisation has been instrumental in bridging the gap. "We believe it is imperative that the contribution of those who have made the steel industry reach its heights today is recognized through these awards," Turakhia added. SUFI Steel Awards with several categories added this year, were conducted in association with Steel Group, Steel Scenario and ASSAR.



# Govt. cancels beach sand mining lease in Srikakulam

'Company didn't obtain NOC, was mining in disputed area'

G.V.R. SUBBA RAO  
VIJAYAWADA

The State government has cancelled the beach sand mining lease of Trimex India Limited in view of the alleged violation of a mining grant order.

The allegation is that the company had not obtained a No Objection Certificate (NOC) from the Revenue Department, which is mandatory, for the 387.2 acres at Vatsavalasa village in the Srikakulam district, to take up beach sand mining (BSM), sources say.

The issue dates back to February 2004 when the lease grant was issued to the company for 30 years. The problem cropped up over

the land in Survey Numbers 216 and 271 of the village in the Gara mandal. The company has mining lease for beach sand mining, including garnet, sillimanite, ilmenite, rutile, zircon and leucoxene, over 720 hectares in different survey numbers in Vatsavalasa and Torangi in, sources say.

## Consent necessary

"The company allegedly took up mining in a disputed area. The company has to take the NOC if it were revenue land. Some *pattadars* claim its ownership. Their consent is necessary for mining. The mining lease for beach sand minerals over a huge 7.20 sq km has been

cancelled," highly placed sources say.

In addition, the Vigilance and Enforcement Department in its report of March 11, 2016, recommended, "recovery of ₹1,295.63 crore from the Trimex Group for illegally mining and selling 17,58,112 MTs of Beach Sand Minerals, including monazite." Also, the Supreme Court sought the Central government's response on a plea seeking a court-monitored Special Investigation Team (SIT) or Central Bureau of Investigation (CBI) probe into the alleged illegal mining. The apex court was responding to a petition filed by former Energy Secretary E.A.S. Sarma.

# No Bill regarding mining in Goa listed for winter session

43 Bills, 2 Ordinances lined up; LS to adjourn on opening day to pay homage to former minister late Ananth Kumar

Team Herald

**NEW DELHI:** The Central government has lined up 43 legislations for the winter session of Parliament beginning on Tuesday, including the Triple Talaq and two other Ordinances. There, however, is no Bill listed that will facilitate the start of mining operations in the State.

As the winter session begins on Tuesday, around 1000 mining dependents will be staging a three-day protest in New Delhi, demanding amendments to Bills that will pave the way for starting mining operations in Goa.

There are 20 new Bills besides 20 pending in the

Lok Sabha and seven in the Rajya Sabha, Parliamentary Affairs Minister Narendra Singh Tomar told media persons after an all-party meeting chaired by Prime Minister Narendra Modi.

He said there will be a total 20 sittings spread over 29 days in the session that concludes on January 8. The government has to also withdraw the 2017 Triple Talaq Bill (The Muslim Women (Protection of Rights on Marriage) Bill in view of promulgation of the Ordinance with changes that is to be taken up as the new Bill.

Two other Ordinances sought to be converted into Bills relate to the Indian Medical Council Act and the Companies Act. The minister

## TO BE TAKEN UP

■ 20 new Bills besides 20 pending in Lok Sabha and seven in Rajya Sabha

■ There will be 20 sittings spread over 29 days, will conclude on January 8

■ 2017 Triple Talaq Bill (The Muslim Women Protection of Rights on Marriage) Bill to be withdrawn in view of promulgation of the Ordinance

■ Two other Ordinances sought to be converted into Bills

also released the list of the Bills slated for the session.

The Prime Minister told the floor leaders of parties in the two Houses of Parliament that the government is always receptive to the issues raised by parties and discusses all issues of national importance on the floor of the two Houses.

Tomar said the PM urged all parties to create a constructive atmosphere in the winter session and collec-

tively address issues related to the welfare of the people.

"It is a prime responsibility for all of us to contribute to the service of the nation and its people by ensuring smooth functioning of Parliament," Modi said.

Though the minister claimed a consensus across party lines for smooth functioning of Parliament and resolution of deadlocks through discussions, the real atmosphere will be

known only after the results of the Assembly elections in five States become known on Tuesday, the day fixed for counting of votes.

The opposition parties have listed a large number of issues that they will like to raise in Parliament, including the agrarian crisis and unemployment.

The Lok Sabha will adjourn on the opening day to pay homage, as per tradition, to former Parliamentary Affairs Minister late Ananth Kumar and two Congress MPs who died since the last session. The Rajya Sabha may also not see much business as everyone will be glued to the TV screens to know the Assembly election results.

## 3-day Goa mining protest in Delhi from today

Team Herald

**PANJIM:** The three-day mining protest called by mining dependents begins at Ramlila Maidan in the national capital on Tuesday.

The Goa Mining People's Front, an umbrella body of mining dependents, will hold protest at Ramlila Maidan on December 11 and 12 and Jantar Mantra on December 13.

Several politicians from Goa, including mining company owners, are expected to join the protestors to show their support to the dependents.

The dependents are demanding early resumption of mining operations in Goa which has come to a standstill after the February Supreme Court order.

BJP MPs Shripad Naik (Union AYUSH Minister), Narendra Sawaikar and

Vinay Tendulkar will join the protestors besides three ministers of the alliance partner Goa Forward Party - V Sardesai, Vinod Paley and Jayesh Salgaocar - expected to join the protestors.

Maharashtrawadi Manta Party leaders led by its president Pandur (Deepak) Dhavalikar will be camping in Delhi for three days, PWD Minister Ramkrishna (Sudin) Dhavalikar said.

All India Congress Committee secretary A C Lakshman, Goa Leader Opposition Chandrak Kavalekar, former CI Minister Digambar Kar and others will also meet the protestors.

Shiv Sena Rajya Sabha MP Sanjay Raut is expected to visit the protestors on December 13 in the afternoon.

## THE TELEGRAPH

DATE : 12 /12/2018 P.N.8

## UML steel sale

■ **CALCUTTA:** The Competition Commission of India has cleared Tata Sponge Iron's acquisition of the steel business of Usha Martin Ltd (UML). With the acquisition, TSIL will enter the steel business.

## MCX-Copper stuck in a range with bullish bias

### PICK OF THE WEEK

**GURUMURTHY K**

BL Research Bureau

Copper prices have been stuck in a sideways range over the last few weeks. The copper futures contract on the Multi Commodity Exchange (MCX) has been range bound between ₹420 and ₹450 per kg since mid-November. Within this range, the contract is currently trading around ₹440.

#### Outlook

Though the contract has been trading in a sideways range for some time, the bias is positive. The price action on the chart indicates a formation of an inverted head and shoulder pattern on the daily chart. This is a bullish reversal pattern signalling that the downtrend could be coming to an end. The neckline resistance is poised around ₹450. This bullish reversal pattern on the chart increases the likelihood of the contract breaking the current range above ₹450 in the coming days. Such a break will confirm the pattern and will take the contract initially higher to ₹465.

A further break above ₹465

will then target ₹485 thereafter. Inability to breach ₹485 can trigger a pull-back move to ₹465 or ₹460. But a strong break and a decisive close above ₹485 will boost the momentum. It will also see strong and fresh buying interest coming into the market. In such a scenario, the possibility is high of the contract targeting ₹510 and ₹515 levels over the medium term.

The region between ₹420 and ₹418 is a crucial support for the MCX-Copper futures contract. A strong medium-term trend line support is also poised in this region. Only a break below ₹418 will turn the outlook negative. The next target is ₹400. However, such a strong break and a fall below ₹418 looks unlikely at the moment.

#### Trading Strategy

Traders with a medium-term perspective can go long at current levels and also accumulate on dips at ₹430 and ₹422. Stop-loss can be placed at ₹405 for the target of ₹510. Revise the stop-loss higher to ₹460 as soon as the contract moves up to ₹475.

## Key resistances ahead for MCX-Zinc



**GURUMURTHY K**

BL Research Bureau

The Zinc futures contract on the MCX has been sustaining higher in the past week following a strong rally in the week earlier. The contract has been stuck in between ₹184 and ₹191 per kg. Within this range, the contract made a high of ₹191.25 per kg on Monday and has come off slightly from there. It is currently trading around the mid-point of this range at ₹188 per kg.

The near-term outlook is positive. However, key resistances are coming up which can slow down the pace of the upmove in the coming days. The immediate resistance is at ₹193, followed by the next at ₹195.5. Though these resistances are likely to be tested in the near term, whether the MCX-Zinc futures contract breaks above ₹195.5 or not will determine the direction of the next move.

A strong break and a decisive close above ₹195.5 will boost the momentum. Such a break will see strong and fresh buying interest coming into the market. It will then increase the likelihood of the contract rallying to ₹200 and ₹203 levels over the medium term.

On the other hand, if the MCX-Zinc futures contract reverses lower from the ₹193-195.5 resistance zone, a pull-back move to ₹190 or ₹185 is possible.

Medium-term traders can hold the long positions taken at ₹186. Revise the stop-loss higher to ₹182 for a target of ₹199. Move the stop-loss further higher to ₹190 as soon as the contract moves up to ₹192.

#### Global trend

The Zinc (three-month forward) contract on the LME has been hovering around a key resistance level of \$2,630 per tonne over the last one week. The contract has been oscillating around \$2,600 for some time.

Inability to breach \$2,630 can drag the contract lower to \$2,500 or even \$2,400 in the coming weeks. On the other hand, a strong break and a decisive close above \$2,630 is needed to gain fresh momentum. Such a break can take the contract higher to \$2,700.

## Bias is turning negative for MCX-Nickel



**GURUMURTHY K**

BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) seems to be lacking strength. The contract fell to a low of ₹762 per kg last Thursday. Though it has bounced higher from the low, the upward reversal is not strong. The contract made a high of ₹791 on Tuesday and has come off slightly from there. It is currently trading at ₹777 per kg.

The 21-day moving average resistance at ₹783 is restricting the contract from a strong rally. Also, there is another key resistance at ₹800. The outlook will turn positive only if the contract breaks above ₹800 decisively. Such a break will then ease the downside pressure and will take the contract higher to ₹830. But the price action over the last few days leaves the bias negative for the contract. It also keeps the possibility high of the contract to remain below ₹800.

As long as the contract trades below ₹800, a dip to ₹750 is likely in the near term. A strong break below ₹750 can take the contract initially lower to ₹740. A further break below ₹740 will then increase the likelihood of the downmove extending to ₹720 or even lower thereafter.

Traders who have taken long positions at ₹781 and ₹773 should remain cautious. Revise the stop-loss higher to ₹763 and book profits at ₹790.

### Global trend

The downtrend in the Nickel (three-month forward) contract on the London Metal Exchange (LME) remains intact. The contract has failed to sustain the break witnessed earlier this month above \$11,000 per tonne. It made a high of \$11,440 and has come off from there. It is currently trading at \$10,770 per tonne.

Support is at \$10,720. As long as the LME-Nickel contract trades below \$11,000, there is a strong likelihood of the contract breaking below \$10,720 in the coming days. Such a break will drag the contract lower to \$10,400 or even \$10,000 thereafter.

**THE HITAVADA**

DATE : 14 /12/2018 P.N.9

## Binani Cement renamed UltraTech Nathdwara Cement

NEW DELHI, Dec 13 (PTI)

ADITYA Birla Group firm UltraTech Cement on Thursday said it has changed the name of Binani Cement to UltraTech Nathdwara Cement Ltd after acquiring the debt-ridden company. The National Company Law Appellate Tribunal (NCLAT) had on November 14, 2018 approved the Rs 7,950 crore offer of UltraTech for the Rajasthan-based firm. "We write to inform you that Binani Cement Ltd is now 'UltraTech Nathdwara Cement Ltd'," UltraTech Cement said in a regulatory filing to exchanges.

## Ramco Cements on a ₹3,430-cr capacity expansion drive

Sees robust demand for cement, thanks to infra push

**OUR BUREAU**  
Chennai, December 14

The Ramco Cements, a prominent cement producer in south India, is undertaking one of its largest capital expenditure programmes by investing ₹3,430 crore in a greenfield cement unit in Andhra Pradesh and in brownfield expansion across two States over the next 24 months.

The company on Friday broke ground for a 3.16-million tonnes per annum (MTPA) cement unit at Kavalavata in Kurnool district. The new facility, for which Andhra Pradesh Chief Minister N Chandrababu Naidu laid the foundation stone on Friday, will entail an investment of ₹1,500

crore. The plant is expected to be completed within 15 months from the date of all requisite clearances. The new factory is expected to generate jobs directly for 300 people and indirectly for 1,000 people.

While the mining lease is in place, the company has obtained environment clearance and a substantial portion of land for the project has been acquired by the company and the State government.

### Capacity augmentation

AV Dharmakrishnan, Chief Executive Officer, The Ramco Cements, told *BusinessLine* that the company was running at full capacity and the new factory will cater to the emerging demand in Andhra Pradesh and target neighbouring markets such as Karnataka, Odisha and West Bengal. The

brownfield expansions include increase in clinker capacity to 4.60 MTPA from 3.10 MTPA along with a waste heat recovery system at the Jayanthipuram unit in Krishna district at a cost of ₹740 crore and expansion of grinding capacity at Visakhapatnam to 2 MTPA from 0.9 MTPA at ₹250 crore.

These two projects are expected to be commissioned by March 2020.

The greenfield and brownfield expansions will take the total production capacity of Ramco Cements in Andhra Pradesh to about 10 MTPA, making it the largest cement producer in the State.

In the West Bengal unit at Kolaghat, East Midnapore district, the grinding capacity is being increased to 2 MTPA from 0.9 MTPA with a railway siding facility at a

cost of ₹425 crore. The company is investing ₹515 crore in increasing grinding capacity at its Odisha unit with a greenfield capacity of 0.9 MTPA. These projects are expected to be commissioned by April and September of 2019 respectively.

With all these expansions, the company's total production capacity is expected to reach 20 MTPA by 2020.

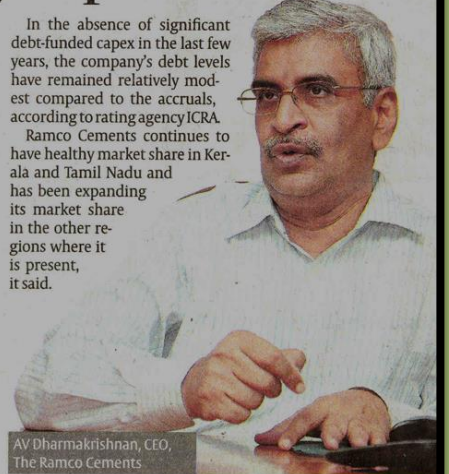
### Funding pattern

The projects will be funded through internal accruals and some debt, said Dharmakrishnan, who sees a robust demand for cement consumption due to infrastructure push both by the Centre and State governments.

The company had net cash accruals of close to ₹800 crore for FY2018 and about ₹200 crore in Q1 FY2019.

In the absence of significant debt-funded capex in the last few years, the company's debt levels have remained relatively modest compared to the accruals, according to rating agency ICRA.

Ramco Cements continues to have healthy market share in Kerala and Tamil Nadu and has been expanding its market share in the other regions where it is present, it said.



AV Dharmakrishnan, CEO, The Ramco Cements

## Export growth crawls in November as gems/jewellery, engineering goods falter

Trade deficit widens to \$16.67 billion; gold imports decline

**OUR BUREAU**

New Delhi, December 14

Fall in exports of gems & jewellery and engineering goods, two major product groups, slowed down India's export growth to 0.80 per cent in November with outbound shipments valued at \$26.5 billion.

Trade deficit widened to \$16.67 billion during the month, compared to \$15.1 billion in the same period last year as growth in imports was 4.31 per cent higher at \$43.17 billion, according to figures released by the Commerce and Industry Ministry on Friday.

"The growth trend, it seems, is dependent on the base. Last November, export growth was 30 per cent which led to low growth this November. Similarly, exports



Overall exports for the period April-November 2018-19 grew 11.58 per cent to \$217.52 billion

were in the negative zone last October which resulted in robust growth figures in October 2018. Overall, in absolute terms, export performance is good," said Ajay Sahai from the Federation of Indian Export Organisations.

Sahai said at the current pace, exports in 2018-19 would touch

\$340 billion compared to \$304 billion in 2017-18.

Engineering goods, which is the second largest export item after petroleum products, posted a 16.35 per cent fall in exports in November to \$5.9 billion while gems & jewellery exports fell 16.9 per cent to \$2.79 billion.

Other items which posted fall in exports include marine products, leather goods, meat, dairy & poultry products, yarn, fruits, oil seeds, tea, coffee and rice.

Items which posted an increase in exports during the month include petroleum products, ready-made garments, carpets, pharmaceuticals and plastic.

Imports of products including petroleum & products, project goods, electronics, chemicals, coal, steel, plastic and machinery increased, while imports of gold, precious & semi-precious stones and transport goods decreased.

Overall exports for the period April-November 2018-19 grew 11.58 per cent to \$217.52 billion. Imports during the period grew 14.71 per cent to \$345.64 billion.

Trade deficit widened to \$128.13 billion, compared to \$106.37 billion in the same period last year.

# Ramco Cements on expansion drive

## Stone laid for Kurnool greenfield plant

**SPECIAL CORRESPONDENT  
CHENNAI**

The Ramco Cements Ltd. is stepping up its presence in the South and East by setting up a greenfield cement plant and expanding its clinker and grinding capacities.

"All these proposals entail a total investment of ₹3,430 crore," said A.V. Dharmakrishnan, chief executive officer, Ramco Cements Ltd. "After the proposed expansion, our cement production capacity is set to reach the capacity of 20 million tonnes per annum (mtpa) by the end of 2020," he added.

On Friday, Andhra Pradesh Chief Minister N. Chandrababu Naidu laid the foundation stone for a 3.15 mtpa greenfield cement plant in Kurnool district. It would entail an investment of about ₹1,500 crore and generate direct employment to 300 people.

The company has already obtained environmental clearance for the Kurnool project. The new plant is expected to be completed within 15 months. "It will be a state-of-the-art plant with no-emission and no-effluent discharge and a model cement plant with the least

thermal and electrical energy consumption. The plant will have a waste heat recovery system and a thermal power plant for its energy requirement," Mr. Dharmakrishnan said.

### Clinker capacity

Besides the greenfield project, the company is also expanding its clinker capacity by 1.50 mtpa to 4.60 mtpa along with a waste heat recovery system of 27 MW at its Jayanthipuram plant in Krishna district at a cost of ₹740 crore. It would be commissioned in March 2020.

Ramco Cement is also expanding its grinding capacity at Vizag by another 1 mtpa with an investment of ₹250 crore. "With investments of nearly ₹2,500 crore, our production in Andhra Pradesh will be close to 10 mtpa," Mr. Dharmakrishnan said. In Odisha, Ramco is establishing a greenfield grinding plant with a capacity of 0.9 mtpa at a cost of ₹515 crore with railway siding facility. This is expected to be commissioned by September 2019.

"The proposed capex is expected to be funded largely through internal accruals and balance through borrowings," he added.

**THE HITAVADA**

DATE : 15 /12/2018 P.N.9

## SAIL posts highest single-day hot metal output

NEW DELHI, Dec 14 (PTI)

THE country's largest steel maker SAIL said it achieved its "best ever" hot metal output in a single day at 55,282 tonnes on Thursday. "Steel Authority of India Ltd (SAIL) has clocked its best ever hot metal production in a single day at 55,282 tonnes on 13th December," the PSU said in a statement on Friday. The PSU is augmenting output from its new plants and is also focussed on operating at its rated capacity after the commissioning of all its new blast furnaces at its three integrated steel units -- Rourkela, IISCO and Bhilai, it added. SAIL achieved its best production previously at 54,786 tonnes on Nov 24. SAIL's Rourkela Steel Plant also set a new benchmark by producing 13,051 tonnes of hot metal on Thursday. "The previous best of 12,622 tonnes was recorded on June 8, 2018," it said.