खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-2

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भारतीय खान ब्यूरो
INDIAN BUREAU OF MINES
सतत कार्यरत
ON WITH THE JOB

खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

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INDIAN BUREAU OF MINES

VOL. 3, NO-2 , 16th – 31st JANUARY , 2019

BUSINESS LINE DATE : 21 /1/2019 P.N.11

GLOBAL	Price	Change in % Weekly	Monthly	Yearly	52-Week High	Low
Metals ($/tonne)						
Aluminium	1862	2.7	-3.1	-17.0	2603	1775
Copper	6030	1.8	1.4	-14.3	7324	5810
Iron Ore	73	-0.1	5.1	-0.4	77	58
Lead	1989	0.0	1.2	-23.7	2683	1867
Zinc	2591	3.7	0.4	-23.8	3619	2285
Tin	20735	1.7	7.7	1.3	22104	18400
Nickel	11772	3.1	9.5	-5.2	15749	10437

BUSINESS LINE DATE : 17 /1/2019 P.N.17

Singareni Collieries to take up new coal blocks in other States

Sales more than doubles in 3 years, profit zooms

V RISHI KUMAR

Hyderabad, January 16

Singareni Collieries Company Ltd plans to take up seven coal blocks in various other States and 48 mines in Telangana to meet the growing demand for coal from thermal power plants and other consumers.

The 129-year-old State-owned mining company has already taken up the Naini Block in Odisha which has a capacity of 500 million tonnes of coal.

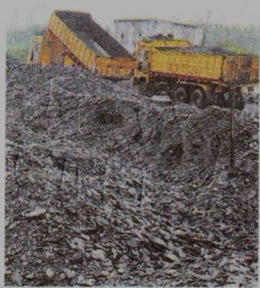
Efforts are on to begin work on the New Patrapura block, also in Odisha. The company is gearing to take up six more new blocks in Odisha and Chhattisgarh.

Production target

Telangana Chief Minister K Chandrashekar Rao, who has been monitoring the progress of SCCL, submitted a letter to Prime Minister Narendra Modi seeking allocation of more blocks.

Once these new blocks are taken up, Singareni expects to reach a production of 100 million tonnes.

N Sridhar, Chairman and Managing Director, said, "In the past few years, Singareni Collieries has witnessed a rapid growth in terms of output, revenues and profit, putting the company into a profitable path,



Telangana Chief Minister K Chandrashekar Rao has submitted a letter to the Prime Minister seeking allocation of more blocks

and to sustain the growth momentum with expansion, we are taking up new mines in the State and coal blocks in other States."

The 1,200 MW Singareni thermal power plant is currently operational and another unit of 800 MW super critical thermal plant will be set up.

The company is also in the process of setting up 300 MW solar power plants, with 130 MW likely to be completed in the first phase.

Jump in sales

Coal production, transport, and over-burden (OB) removal and profits are much higher and unparalleled in the last five years (2014-19) when compared with the 2009-14 period before the formation of Telangana.

Sales surged from ₹5,600 crore in 2014-15 to ₹13,000 crore in 2017-18, registering a growth of 132 per cent. Profits were up from ₹290 crore to ₹1,200 crore, up 314 per cent.

In the process of business consolidation, the sales of Singareni coal also increased considerably. Along with power companies in Telangana, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Chhattisgarh, Haryana State power companies are also purchasing coal from Singareni.

Some of the power plants and organisations which used to procure coal from Coal India are looking to purchase coal from Singareni because of timely supplies and the quality of coal.

BUSINESS LINE DATE : 17 /1/2019 P.N.6

Hindustan Copper to ramp up output to 20 million tonnes in five years

NARAYANAN V
Raipur, January 16

The country's only copper ore producer, Hindustan Copper Ltd (HCL), is adopting a multi-pronged strategy to achieve its ambitious production target of 20 million tonnes per annum (mtpa) by 2024.

"Construction of new mines, re-opening the closed ones and expansion of existing mines is the three-pronged strategy that we are currently working on to achieve our production target," said Santosh Sharma, Chairman and Managing Director, Hindustan Copper.

Capacity expansion

The company will re-open its closed mine in Rakha (Jharkhand) and expand existing mines in Khetri Copper Complex (KCC) in Rajasthan and Malanjkhand Copper project (MCP) in Madhya Pradesh, besides exploring new mines in the leasehold land available with it. The company, which currently produces 3.8 mtpa, will ramp up the production capacity of its Malanjkhand copper mine, which accounts for 60 per cent of the company's revenue and also the largest copper mine in India with 200 million tonne copper ore deposit.

"We are going to take up copper exploration in Malanjkhand in a very big way," Sharma said.

The company has invested around ₹1,178 crore on underground mine construction and development in Malanjkhand which currently produces about 2.5 mtpa copper through open pit mining and will begin production from underground mine from September 2019.

"We are gradually moving towards underground mining and will shut open pit mining in another four years as it has become unviable to operate," Sharma said.

The company has projected to increase its output to 4.1 mtpa by March this year, 5.1 mtpa by 2019-20 and reach 6.1 mtpa by 2020-21.

"We have targeted to produce 20 mtpa of copper ore by 2024 out of which Malanjkhand will contribute about 8 mtpa," Sharma said.

Sharma also said that the company is not looking at significantly expanding smelting capacity since India already has about 10 lakh tonnes of smelting capacity which is far in excess of the requirement.

"Smelting is a high-volume, low-margin business, whereas mining is low-volume, high-margin business and our focus will be only on mining," Sharma added.

Sharma also added that the company has recently received permission from NITI-Aayog to explore strategic minerals like cobalt, lithium, tungsten and nickel.

Exploring other minerals

"We have entered into a three-way joint venture with National Aluminium Company (Nalco) and Mineral Exploration Corporation Limited (MECL) for extraction of strategic minerals," said Sharma. Nalco will have 34 per cent share while HCL and MECL will have 33 per cent share each in the joint venture.

The company also expects to generate 313 kg of gold and 3130 kg of silver annually from its Copper Ore Tail (COT) mineral recovery once the capacity of the newly built recovery plant reaches 3.29 million tonnes annually.

(This correspondent was at Raipur at the invitation of the company).

THE ECONOMIC TIMES DATE : 17 /1/2019 P.N.3

SBI Puts Essar Steel Loan on the Block

Cleanup Act

SBI to conduct e-auction on **JAN 30**

LAST DATE FOR SUBMISSION OF EXPRESSION OF INTEREST IS JANUARY 18

RESERVE PRICE FOR AUCTION **₹9,586 CRORE**

SBI ready to accept more haircut as resolution delayed

ArcelorMittal was ready to pay SBI **₹11,313 crore**

Over 90% of Essar Steel's creditors voted in favour of a proposal by ArcelorMittal

₹9,586 cr floor price set for bank's ₹15,431 cr exposure to steelmaker

Our Bureaus

Kolkata | Mumbai: State Bank of India (SBI) has put its entire loan of Rs 15,431 crore to Essar Steel on sale, setting a floor price that amounts to a haircut of more than a third on the sum due and demonstrating the intent of the country's biggest lender to get its money back at the earliest.

The lender set the minimum reserve price for the loan at Rs 9,586 crore. That is also at a discount to Rs 11,313 crore, the amount the bank would have received if the ArcelorMittal resolution plan, as approved by the committee of creditors (CoC), were to finally become a reality.

SBI's willingness to accept the haircut suggests the lender is not sufficiently confident of an early resolution on Essar Steel's outstanding debt. About 70% of the cases admitted to the NCLT, the dedicated bankruptcy resolution framework, failed to meet the deadlines set by the revamped insolvency regulations.

"We think we have waited enough for a resolution. There is also a limit until which we can wait," said a senior SBI official, requesting anonymity.

THE INDIAN EXPRESS DATE : 17 /1/2019 P.N.15

BIDS INVITED FROM BANKS, ARCs & NBFCs

State Bank of India to sell Essar Steel assets worth ₹15,341-cr

ENS ECONOMIC BUREAU
MUMBAI, JANUARY 16

WITH PUBLIC sector banks under pressure to speed up bad loan resolutions and recoveries, State Bank of India (SBI) has put Rs 15,431 crore worth bad loans belonging to Essar Steel for auction. The SBI move follows the banks' decision to seek release of assets of former chairman of the now-defunct Kingfisher Airlines, Vijay Mallya, attached by the Enforcement Directorate at the PMLA (Prevention of Money Laundering Act) Court to recover their dues "immediately".

Inviting bids from other banks, asset reconstruction companies and NBFCs for the Essar assets, SBI said, "The resolution plan has been approved and filed in NCLT, Ahmedabad. As per approved resolution plan of AMIPL, minimum recovery to SBI is Rs 11,313.42 crore. The reserve price of Rs 9,587.64 crore is on the basis of NPV of minimum recovery discounted at the rate of 18 per cent with a time factor of one year."

"The facility may be assigned in whole or in part and all the security in relation to the same will be transferred and shared pari-passu to the extent of the amount of facility assigned. In case the amount is realised prior to one year, the buyer must offer a claw back option based on the time factor," SBI said. "The bank shall retain pari-passu charge on the securities relating to un-crystallised non-funded facilities. In case of crystallization of non-funded facilities after the sale, that portion (converted into funded) will also be sold by the bank to the same ARC/ buyer who will give acceptance for the same through offer letter/ supplementary agreement/ assignment agreement," SBI said.

According to banking sources, PSU banks, hit by bad loans, are speeding up their initiatives to recover their loans stuck as non-performing assets with defaulters like Mallya's airlines. "The government is also keen that banks should speed up recovery in the current fiscal ending March 2019. When Vijay Mallya asked the lenders and the government to sell the attached assets so that banks' money can be repaid, some of these banks had opposed the proposal. Now the same banks have asked to court to release the assets of Mallya to recover their dues," said a source.

In October 2018, the Ruias had sought to turn the tables on ArcelorMittal with its eleventh hour offer of Rs 54,389-crore offer to settle the dues of banks and other creditors of debt-laden Essar Steel and keep the company within their stable. The Ruia offer was Rs 12,188 crore more than the Rs 42,202 crore bid put in by ArcelorMittal, which has been selected as the preferred bidder by the lenders as part of the corporate insolvency resolution process under the Insolvency and Bankruptcy Code. The total dues of Essar Steel is Rs 54,389 crore.

A day later, ArcelorMittal had said lenders of Essar Steel have approved a joint offer by ArcelorMittal SA and Japan's Nippon Steel & Sumitomo Metal Corp as the final bid for the debt-laden company. The committee of creditors of Essar Steel has accepted the joint offer made by ArcelorMittal and Nippon Steel, it said. The resolution plan includes an upfront payment of Rs 42,000 crore to the lenders and a Rs 8,000-crore capital injection in Essar Steel to support operational improvement, the LN Mittal-owned firm had said.

More banks are expected to speed up the NPA recovery efforts as gross NPAs of the banking system shot up to Rs 10,39,700 crore, or 11.2 per cent of total advances, during the fiscal ended March 2018 as against Rs 791,800 crore (9.3 per cent of advances) in the same period of last year.

EXPLAINED

E. PSU banks to step up bad loan recovery plans

THE GOVERNMENT is in a hurry to show better recovery of bad loans by PSU banks ahead of the Lok Sabha elections in April-May this year. The recovery under IBC has been painfully slow with many big bad loan accounts still remaining unresolved.

The Financial Stability Report of the RBI had said the asset quality of banks showed an improvement with the gross non-performing assets (GNPA) ratio of banks declining from 11.5 per cent in March 2018 to 10.8 per cent in September 2018. It's likely to decline to 10.3 per cent in March 2019. Banks are expected to speed up bad loan recovery in the coming months. Moreover, 11 banks which are under prompt corrective action (PCA) framework of the RBI are keen to come out of the curbs in order to lend more.

BUSINESS LINE DATE : 17 /1/2019 P.N.12

Rally gains momentum in MCX-Nickel

GURUMURTHY K
BL Research Bureau

The Nickel futures contract on the MCX has begun the new year 2019 on a positive note. The contract has been on a strong rally since the beginning of the year. The MCX-Nickel futures contract made a low of ₹735.2 per kg on January 1 and has been moving consistently higher from there. The contract has surged 13 per cent from the low and is currently trading at ₹832 per kg.

The strong rally since the beginning of this month has taken the contract well above the key resistance levels of ₹790 and ₹810. Additionally, this upward reversal has happened from a key trendline as well as the 200-week moving average support.

The short-term outlook remains positive. The region between ₹800-810 will now act as a strong support and will limit the downside. An upmove to the next resistance at ₹845 — the 21-week moving average, is likely in the near term. Inability to breach this hurdle can trigger an intermediate pullback move to ₹810 or ₹820. But the downside is likely to be limited as fresh buyers are likely to emerge at lower levels. As such, an eventual break above ₹845 will then increase the likelihood of the contract targeting ₹870 over the short term.

The bullish outlook will get negated only if the contract declines below ₹790. The next targets are ₹750 and ₹730. But such a sharp fall breaking below ₹790 looks unlikely at the moment.

Trading strategy

High risk appetite traders with a short-term perspective can make use of dips to go long at ₹815 and ₹825. Stop-loss can be placed at ₹795 for the target of ₹870. Revise the stop-loss to ₹835 as soon as the contract moves up to ₹855.

BUSINESS LINE DATE : 18 /1/2019 P.N.10

MCX-Lead trades in a narrow range

GURUMURTHY K
BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange of India inched higher in the initial part of the past week but failed to sustain the momentum. The contract made a high of ₹141.2 per kg on Tuesday and has come off slightly from there. It is currently trading at ₹139 per kg.

The contract has been stuck in a narrow range between ₹139 and ₹141 over the last few days. Though the 21-day moving average is providing support, the contract is not gaining strength to breach the resistance at ₹141. This leaves the near-term outlook unclear.

A decisive breakout on either side of ₹139 or ₹141 will determine the direction of the next move. Traders can stay out of the market until a clear trend emerges.

A break below ₹139 can drag the contract lower to ₹135. If the MCX-Lead futures contract manages to bounce from ₹135, an upmove to ₹140 and ₹141 is possible. But a break below ₹135 will increase the likelihood of the downmove extending towards ₹133 or even lower.

On the other hand, the contract will get a breather if it breaks above ₹141. Such a break can take the contract initially higher to ₹143 — the 21-week moving average resistance. A pull-back from this resistance can drag the contract lower to ₹140 and ₹135 again. But a strong break and a decisive close above ₹143 will turn the outlook bullish. The next targets are ₹150 and ₹152.

Global trend

The Lead (three-month forward) contract on the LME is not gaining strength to breach the psychological level of $2,000. The contract has been hovering in a narrow range between $1,950 and $2,000 in the past week.

Inability to breach $2,000 and a break below $1,950 can take the contract lower to $1,900. On the other hand, the contract will gain fresh momentum only if it breaks above the $2,000-2,010 resistance region. Such a break can then pave the way for $2,070, $2,100 targets.

THE INDIAN EXPRESS DATE : 18 /1/2019 P.N.6

UP sand mining: ED files money laundering case

Case based on CBI FIR in which agency said it would examine Akhilesh's 'role'

DEEPTIMAN TIWARY
NEW DELHI, JANUARY 17

THE ENFORCEMENT Directorate (ED) has registered a case of money laundering in connection with a sand mining matter, in which the CBI will examine the alleged roles of SP chief Akhilesh Yadav and his former Cabinet colleague Gayatri Prajapati.

The ED registered an Enforcement Case Information Report (ECIR) against politicians and bureaucrats from UP for allegedly laundering proceeds of crime earned through illegal allotment of sand mining licences in Hamirpur between 2012 and 2016.

The ED case is based on a CBI FIR where the latter said it would also examine the role of ministers who held the charge of the mining ministry during the period of the alleged scam. Yadav held charge of the mining ministry until Prajapati became mining minister in 2013.

In an FIR filed on January 2, the CBI had said, "The role of then mining ministers concerned during relevant period may be looked into during the course of investigation of the case." Both Yadav and Prajapati had the charge of mining ministry between 2012 and 2016 when the alleged irregularities in mining of minor minerals is supposed to have happened.

The CBI had on Saturday searched 14 locations across Delhi and UP in connection with the case. The locations included residences of SP MLC Ramesh Kumar Mishra and BSP leader Sanjay Dixit apart from then Hamirpur District Magistrate B Chandrakala. The premises were spread across Delhi, Hamirpur, Jalaon, Noida, Kanpur and Lucknow and are associated with the 11 accused mentioned in the CBI FIR.

The searches were carried out on the day the SP and BSP finalised seat-sharing for 2019 elections and sealed their Mahagathbandhan.

ED sources said the agency will now identify properties and assets created by the accused with the money earned through illegal licences and will proceed to attach these properties. The sources also said that the agency would examine the role of Yadav and Prajapati in the matter and call for questioning whoever it deems fit for investigation.

"Akhilesh Yadav was holding the charge of mining ministry from 2012 till June 2013. After that the ministry came under then Amethi MLA Prajapati. Since all irregularities have taken place between 2012 and 2016, the role of both Yadav and Prajapati would be examined. No decision has yet been taken on their questioning though," a CBI officer said.

CBI sources said that B Chandrakala, who is known as 'Lady Simha' in Hamirpur and is perceived as an anti-corruption crusader, gave out mining leases in violation of rules laid down by the UP government and allowed mining even in periods prohibited by orders of the NGT.

SP MLC Mishra along with his brother Dinesh Kumar are among mining lease holders who allegedly benefited from these irregularities. BSP's Dixit and his father Satyadev too held some leases during this period. All have been named in the FIR, sources said.

BUSINESS LINE DATE : 19 /1/2019 P.N.13

Centre to States: Step up spending, auditing of District Mineral Fund

Only 24% of mop-up spent so far, says Mining Secretary

TWESH MISHRA

New Delhi, January 18

With just 24 per cent of the ₹23,606-crore mopped up under the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) actually spent, the Centre has advised States to increase the spending under the District Mining Fund (DMF) programme, while ensuring that there is no fund diversion or leakage.

PMKKKY is aimed at providing welfare to those affected by mining operations. Under the programme, a portion of revenues (10-30 per cent of the royalty proceeds from the minerals) is earmarked for development activities in mining regions.

Quality of expenditure

At a national workshop on PMKKKY here on Friday, officials from the Ministry of Mines asked the States to ensure that the rate of expenditure for development works improves while ensuring timely audit of the spending.

"Expenditure is going to improve and it has improved. In the last six to eight months, expenditure has improved substantially. But equally important is the quality of expenditure. A proper monitoring mechanism has been put in place and we have a portal wherein data is being fed on a continuous basis. On-time monitoring is taking place," Mining Secretary Anil Gopishankar Mukim told *BusinessLine*.

Mukim was responding to a query on the pace and quantum of DMF fund utilisations.

State-wise collections

The States have raked in ₹23,606 crore under the DMF.

The top five States with maximum collection are Odisha (₹5,838.26 crore), Jharkhand (₹3,426.69 crore), Chhattisgarh (₹3,336.29 crore), Rajasthan (₹2,340.05 crore) and Telangana (₹2,028.87 crore).

"In proportion to the total funds that have been collected, around 80 per cent allocation has been made. The funds have been deployed in more than 1,00,000 projects. Quite a few of these projects have been completed also," Mukim said.

"Looking at the number of projects which have to be approved and the number of projects which are currently under implementation, I think the progress is going to improve in the days to come," he said.

Mukim said that State governments have been alerted about the expenditure and the need to ensure that it is monitored. "Once money of this magnitude has been spent, audit is a very important feature and all States have been informed that appointment of auditors and audit activities should also be expedited and completed in a time-bound manner," he said.

Mukim said health and education are being given due priority in DMF expenditures. Skill development and drinking water are also areas receiving attention.

Under PMKKKY, 10-30% of royalty from minerals is earmarked for development activities in mining areas

Funds utilised for projects in high priority sectors

Sector	(₹ cr)
Drinking water supply	1,039.37
Environment preservation & pollution control measures	113.63
Health	467.09
Education	1,020.87
Welfare of women and children	135.54
Welfare of aged and disabled people	36.26
Skill development	136.39
Sanitation	460.67

Source: Ministry of Mines

THE HINDU DATE : 19 /1/2019 P.N.14

Adani to invest ₹55,000 crore in Gujarat

Reliance, Tatas, Torrent also commit huge investments at Vibrant Gujarat event

SPECIAL CORRESPONDENT
GANDHINAGAR

The first day of Vibrant Gujarat Summit saw major investment announcements by top industrial groups, including Reliance, Adani, Birla, Torrent and Russian major Rosneft group's Nayara Energy.

Reliance Industries chairman Mukesh Ambani announced doubling of the group's current investment of about ₹3 lakh crore in Gujarat over the next 10 years, saying the State would continue to remain the hub of the group's overall investments in the country.

"With investments of over ₹3 lakh crore, the company has so far created and catalysed over one million livelihood opportunities in Gujarat," Mr. Ambani said. Reliance operates the world's largest grassroots refinery in Jamnagar and has petrochemical units in Vadodara, Dahej and Hazira.

Gautam Adani

Another major announcement came from Gujarat-based billionaire Gautam Adani who committed investments to the tune of ₹55000 crore in the next five years.

According to Mr. Adani, his investments would create employment opportunities for 50,000 people in the State.

Solar hybrid park

The investments would include ₹30,000 for solar hybrid park at Khavda (Kutch), 1 GW Data Center Park in Mundra, one MTPA copper smelting and refining project, a cement and clinker manufacturing unit in Lakhpat, an integrated lithium ion battery manufacturing complex and expansion of the existing photovoltaic manufacturing capabilities.

Another Gujarat based group Torrent had committed ₹10,000 crore investments in areas such as renewable energy, power and city gas distribution network in the State. "So far, Torrent Group's investment in the State stands at ₹30,000 crore," group chairman Sudhir Mehta said.

Aditya Birla Group chairman Kumar Mangalam Birla committed to invest ₹5,000 crore in the State over a period of next three years in the areas of chemicals, textiles, mining and minerals and green energy.

The Tata Group announced expansion plans for its existing soda ash plant to reach one million tonnes per annum capacity in Gujarat but chairman N. Chandrasekaran did not divulge the quantum of investments.

D. Casimiro, global head of Downstream, Rosneft, announced investing $850 million (approximately ₹6,000 crore) for the phase-1 expansion of Nayara Energy's Vadinar refinery.

NAVBHARAT (NAGPUR PLUS) DATE : 19 /1/2019 P.N.5

MOIL का GMDC के साथ करार

नागपुर. मायल लि. ने गुजरात मिनरल डेवलपमेंट कार्पोरेशन लि. के साथ संयुक्त रूप से मैगनीज की खोज करने के लिए करार किया है. दोनों कम्पनियां गुजरात में संयुक्त रूप से खनिज की खोज के लिए खनन आपरेशन करेगी. इसके अलावा गुजरात के वड़ोदरा और छोटा उदयपुर में संयुक्त रूप से एक वैल्यू एडिशनल प्लांट भी स्थापित किया जाएगा. इस पर कुल 250 करोड़ रु. का निवेश किया जाएगा. दोनों कम्पनियां इसी वर्ष से खनिज की खोज का काम शुरू कर देगी. गुजरात सरकार की ओर से मायल को जरूरी मंजूरियां, पंजीयन आदि प्रदान की जाएगी.

BUSINESS LINE
DATE : 19 /1/2019 P.N.4

Govt inks contract with Uzbekistan for uranium supply

PRESS TRUST OF INDIA
Gandhinagar, January 18

The government on Friday entered into a long-term contract with Uzbekistan to supply uranium ore concentrates to fuel the nuclear reactors.

The contract was signed in the presence of Prime Minister Narendra Modi and Uzbekistan President Shavkat Mirziyoyev, who are here for the Vibrant Gujarat summit that began Friday. The two leaders also held a bilateral meeting.

The agreement was signed between the Department of Atomic Energy and Novoi Minerals & Metallurgical Company of Uzbekistan, the External Affairs Ministry said in a statement without offering more details.

Meanwhile, the Exim Bank entered into an agreement with Uzbekistan to offer a $200-million credit line to finance housing and social infrastructure projects in the former Soviet republic, it said, adding this was announced by Modi during the official visit of Mirziyoyev last October.

Mirziyoyev said he was keen on attracting Indian capital in areas like IT, education, pharma, healthcare, agri business and tourism.

According to the World Nuclear Association, an international organisation that represents the global nuclear industry, the landlocked Central Asian country is the seventh largest exporter of uranium in the world.

Increased risk appetite pulling down gold

But supports can limit the downside in the short term

GURUMURTHY K

Gold prices tumbled during last week's final trading session, after trading in a narrow sideways range almost all through the week.

The global spot gold prices — which were stuck in between $1,290 and $1,295 per ounce for most part of the week — fell, breaking below $1,290 on Friday. The prices closed at $1,282 per ounce, down 0.6 per cent for the week. A strong dollar and reports indicating that the trade tensions between the US and China could ease going forward dragged down gold.

ISTOCK.COM/HOMETOWNCD

Silver, on the other hand, underperformed gold, and was beaten down badly. The global spot silver prices tumbled 1.7 per cent to close the week at $15.34 per ounce.

Easing trade tensions

Reports indicate that the US and China are making plans to resolve the ongoing trade war. China has offered to boost its imports from the US over the next six years in order to bring down the trade balance. This development has increased the risk appetite of traders and investors, thereby triggering a sharp rally in the equity markets and taking the sheen off gold.

Dollar snaps fall

After falling for four consecutive weeks, the US dollar index (96.34) made a sharp rally last week.

The index found strong support around 95 and moved up 0.7 per cent last week to make a decisive close above 96.

The immediate resistance is at 96.70, which is likely to be tested in the near term. A break above it can take the index further higher to 97.2. Such a rally in the dollar index can continue to keep gold prices subdued. On the other hand, if the dollar index reverses lower from 96.7, a dip to 95.9 or 95.8 is possible.

Gold outlook

The global spot gold ($1,282 per ounce) has a key trend line support near current levels at $1,280. A break below it can take gold lower to the next significant support level of $1,270. A further fall below $1,270 looks less probable at the moment.

A bounce from $1,270 can take the prices higher to $1,285 levels again. But if gold breaks below $1,270, a fall to $1,260 or even $1,250 thereafter cannot be ruled out.

Silver outlook

As expected, the global spot silver ($15.34 per ounce) fell last week to $15.30 per ounce. Support is in the $15.30-15.20 region. If silver manages to bounce from this support, an upmove to $15.55 or $15.60 is likely. A strong break and a decisive close above $15.60 will boost the momentum. Such a break will then increase the likelihood of the prices rallying towards $16.

On the other hand, if silver breaks below $15.20, a fall to $15 or $14.90 is possible. The region between $15 and $14.90 is a strong support zone. A fall below $14.90 looks unlikely at the moment.

Rupee comes to the rescue

On the domestic front, weakness in the rupee rescued the bullion prices. The rupee falling over a per cent last week helped limit the loss in the domestic gold and silver prices. The gold futures contract on the Multi Commodity Exchange (MCX) closed the week slightly higher by 0.5 per cent at ₹32,091 per 10 gm. The MCX-Silver futures contract fell marginally by 0.4 per cent to close the week at ₹39,198 per kg. The MCX-Gold (₹32,091 per 10 gm) has an immediate resistance at ₹32,150. As long as it trades below this hurdle, a dip to ₹31,900 or ₹31,850 cannot be ruled out in the near term. However, a fall below ₹31,850 looks less probable. A bounce back from this support and an eventual break above ₹32,150 will trigger a fresh rally to ₹32,500 and ₹32,600.

The MCX-Silver (₹39,198 per kg) has support at ₹38,900. A range-bound move between ₹38,900 and ₹39,800 can be seen for some time. A breakout on either side of ₹38,900 or ₹39,800 will then determine the direction of the next move. A break below ₹38,900 can drag the contract lower to ₹38,500.

On the other hand, a strong break above ₹39,800 will trigger a fresh rally to ₹40,500.

MCX Gold

Supports
₹31,850/31,500
Resistances
₹32,150/32,600

MCX Silver

Supports
₹38,900/38,500
Resistances
₹39,800/40,500

BUSINESS LINE DATE : 21 /1/2019 P.N.7

Adding value

Robust demand for its products, capacity expansion and focus on high-value offerings are positives for the company

SATYA SONTANAM

With expectations of increase in defence expenditure by the Centre and the government's thrust to 'Make In India' products, the prospects for Mishra Dhatu Nigam (Midhani) — a public sector enterprise catering to the segment — look good.

The Mishra Dhatu Nigam caters to the needs of India's strategic sectors such as Defence, space, atomic energy and aeronautics by supplying critical materials and alloys.

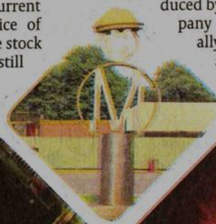
The niche segment that the entity operates in, visible demand for its products, expansion plans and focus on high-value products are positives for the company.

The government, in March 2018, had divested 26 per cent of its holding in the company by way of an initial public offering. The stock has moved up by about 43 per cent from the time of its IPO — we had recommended an invest in it.

At the current market price of ₹129, the stock is still quite reasonably valued at about 18 times the FY18 earnings.

At this level, it is a buying opportunity for high-risk investors with a two- to three-year horizon.

As the company is a Central Public Sector Enterprises (CPSE), the dividend pay-out has generally been attractive.



The dividend yield for FY17-18 was about 1.5 per cent.

Demand visibility

The products produced by the company are usually import substitutes.

The prominence given to 'Make in India' products and the Centre's focus on becoming self-reliant in Defence production can translate to steady order flows for the company in the future.

A report by Frost and Sullivan (F&S Report) in December 2017 suggests that India is expected to emerge as the third-largest country in terms of Defence-related expenditure from its current position (eighth), by 2020.

Also, the report states that the cumulative demand for high-value specialty steel, super alloy and titanium is expected to witness a minimum annual growth of around 6.5 per cent during 2016-21.

Further, titanium and its alloys are value-added products with high margins and the company aims to focus more on this segment, going ahead.

The share of titanium alloys in the sales volume has increased to 17 per cent in FY18 from 12 per cent in FY17.

The company, for the first time in FY18, entered the export market. It also seeks to enter segments such as oil and gas, mining, power, railways, chemicals and fertilisers. This will reduce the concentration risk for the company.

As of December 2018, the company has an order book of about ₹1,300 crore, more than twice the revenue recorded in FY18. The management expects the order book to remain robust in the coming years.

Expansion in the pipeline

The current capacity of Midhani in terms of turnover is around ₹800 crore. Currently, it has only one manufacturing unit at Hyderabad, Telangana and is in the process of setting up two more facilities — an armour plant at Rohtak, Haryana, and a tungsten plant at Nellore, Andhra Pradesh.

Products from these projects would be an addition to the current product portfolio of the company.

The management expects these plants to start operations in the last quarter of FY20 and would probably contribute to revenues a year later.

As a result, revenues are expected to increase by 10-15 per cent and boost margins considerably.

Currently, the company has negligible debt. Despite taking debt for capex requirements, its debt-equity ratio is expected to remain healthy at 0.5 times.

Good financials

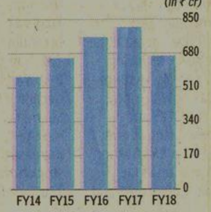
A maintenance shutdown was completed and operations were resumed in the initial part of this fiscal.

The company's half-yearly performance in FY19 has been healthy with sales (5 per cent Y-o-Y) and operational profit (10 per cent Y-o-Y) of ₹217 crore and ₹63 crore, respectively.

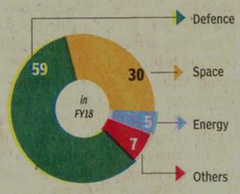
However, low cash flows from operational activities due to delays from customers will remain a concern for the company.

Given the steep rally in the stock, investors would be better off not expecting quick returns; the company is trying to still make up for the dip in revenues last year.

Steady revenue



Segment-wise revenue break-up *(in %)*



BUY

Why

- Niche player
- Healthy order book
- Low on debt

Did you know?

Midhani was set up in 1973 in Hyderabad

THE TELEGRAPH DATE : 21 /1/2019 P.N.8

Gold duty cut on agenda

R. SURYAMURTHY

BUDGET PLAN TO HALVE RATE

Case for the Cut

- Softening crude price and lower gold import to reduce current account deficit
- Gold jewellery export to increase. Potential to generate more jobs

- High duty of 10% and GST of 3% have led to smuggling
- Imports have declined almost 15% to 759 tonnes in 2018
- Demand muted this year on account of weak monsoon, Kerala floods

New Delhi: The interim budget could cut the import duty on gold by half to about 5 per cent as the softening of crude prices and lower imports of the yellow metal have reduced the worries over the current account deficit (CAD).

The government has indicated it would come out with a comprehensive gold policy and also consider the industry demand to reduce the import duty. With the interim budget a fortnight away, expectations are growing of an import duty cut in the budget followed by a policy for the yellow metal.

Industry is placing its case for a duty cut on crude price to be within an acceptable range in 2019-20 and the economy to grow at a faster rate.

The government had raised the import duty three times in 2013 to 10 per cent to curb imports, narrow a record CAD and stop a slump in the rupee. The Gem & Jewellery Export Promotion Council has demanded duty reduction to help double the gold jewellery exports

Data showed gold imports to decline 14.5 per cent in 2018 to 759 tonnes from 876 tonnes the previous year. Demand has been muted because of weak monsoon in many areas, floods in some key consumption regions such as Kerala in August, expectation of regulatory reforms and high prices.

In recent weeks there has been spurt in smuggling as the 10 per cent import duty and 3 per cent GST make it lucrative to take the risk. Data show the customs to have seized a record 3,223 kg valued at Rs 974 crore in 2017-18, an increase of 103 per cent from 1,422 kg worth Rs 472 crore confiscated in 2016-17.

The 10 per cent import duty on gold was imposed in 2013 when CAD was under severe stress. Ballooning imports of the yellow metal had pushed up CAD to 4.8 per cent of GDP in 2012-13.

Trade data showed imports to have fallen by 4.48 per cent to $22.1 billion during April-November in the current fiscal compared with the corresponding period last fiscal. The data showed that in December alone gold imports declined 24.33 per cent to $2.56 billion against $3.39 billion in the same month of 2017.

Similarly, the softening of the crude prices has given rise to expectation that CAD would be close to 2.3 per cent of GDP in the current fiscal.

"The benefit of lower crude oil prices will accrue October 18 onwards, which could potentially push CAD-GDP ratio lower towards 2 per cent in the second half of FY19 (2018-19)....we expect CAD-GDP ratio to correct to 2.3 per cent in FY19, down from our earlier estimate of 2.9 per cent," Yes Bank said in a research report.

Not abandoning operation to rescue trapped miners, Centre tells SC

EXPRESS NEWS SERVICE
NEW DELHI, JANUARY 21

IN AN indication that more miners trapped in the Meghalaya mine may have died, the state government Monday told the Supreme Court that "there is a strong possibility of other bodies being behind" the body of one of the 15 missing miners that was spotted by the Navy team in one of the shafts on January 16.

The miners were trapped inside an illegal rat-hole mine in Meghalaya's East Jaintia Hills since December 13, 2018.

"Presumably, and as per latest reports, the bodies of the remaining miners are behind the body detected on 16.01.2019," the state said in its status report filed before a bench of Justices A K Sikri and S Abdul Nazeer, even as the Centre told the court that rescue operations would not be abandoned.

The status report added that a remotely operated vehicle (ROV) detected the body at a depth of 210 feet in the flooded mine but its identity could not be determined as it was lying face down and had started decomposing.

The body was brought up to 100 feet with the help of the ROV but by then several parts, including the limbs and skull, "got disengaged". If pulled up further, there would have been total disintegration, rendering the same virtually impossible to retrieve, the report pointed out.

The medical team advised against moving the body any further, the state said, and added that family members of the missing miners were being consulted to decide the future course of action. The state told the court that pumps were used "consistently" but it did not result in any substantial decrease in the water levels.

"Further course of action shall be decided on the basis of consultation between the medical team, the Navy team and the family members of the miners," it added.

The state said continuous seepage of water from the nearby Lytein river into the mine was the main hindrance for rescue work and a team of hydrologists and geologists were trying to fix it. "The continuous recharge in the shaft may be from some fracture zone or limestone caverns at similar level in the river bed. It is possible that the miners may have punctured the condoned aquifers."

Appearing for the Centre, Solicitor General Tushar Mehta assured the court that it was not abandoning efforts to rescue the trapped miners. The court, which is hearing a PIL seeking its intervention, had sought status reports from the Centre and state on the status of the operations.

The petition by advocate Aditya N Prasad sought a directive to the Centre to put in place a standard operating procedure for rescue work in such eventualities. Senior advocate Anand Grover, representing the petitioner, alleged that rescue work was abandoned and members of NDRF, Navy and other organisations were waiting for the court's nod to call it off.

CM: Next to impossible to retrieve body

Guwahati: Meghalaya CM Conrad Sangma on Monday reiterated that retrieving a miner's body, detected inside the disaster-struck coal mine in East Jaintia Hills, was "next to impossible" even as senior government officials said that rescue operations in the cave will continue as per the Supreme Court's order.

"Even as we try to bring out the body, it is disintegrating. Therefore it is becoming a next to impossible task to bring out the body. Therefore, we had decided to suspend the operation of trying to take it out because it's really not working out," Sangma told reporters.

Sangma said the government will decide on the future course of action after taking inputs from various organisations, including the Navy and NDRF. **ENS**

THE ECONOMIC TIMES DATE : 22 /1/2019 P.N.5

Address the Mineral Imports Malady in Resource-Rich India

ANIL AGARWAL
Chairman,
Vedanta Resources Plc

The Narendra Modi government must be complimented for showing urgency in bringing about policy changes and legislations to address economic concerns. No wonder the economy is on an upswing, recording the fastest growth in the world, and on the verge of becoming the fifth largest after the US, China, Japan and Germany. Backed by arguably one of the largest young working populations and consumption driven by increasing middle-income households, the nation is provided with many unprecedented growth opportunities. To cash on these, policy planners have to tackle many challenges.

> INDIA IS ENDOWED WITH RICH NATURAL RESOURCES, BUT NOT LEVERAGED. I WISH THE SHARE OF MINING INDUSTRY QUADRUPLE, FROM 2.5% TO 10% OF GDP

One of the biggest challenges the government has undertaken is Make in India. It can be a reality if the industry is promoted — to meet domestic consumption, replace imports gradually and become self-reliant, especially in areas where the country has resources — natural or otherwise — in abundance. High import dependency, to the extent of over 80% on minerals and crude oil, is a big drag and needs to be addressed as the topmost priority.

In line with this focus, the government has pushed an open acreage policy in the oil sector and speeded up auction of even small and marginal fields.

Minerals are next only to oil on the imports bill. India is richly endowed with natural resources, yet is not recognised or leveraged the way Australia, Brazil and China are. I wish India to quadruple share of the mining industry, from 2.5% to 10% of GDP.

This could, in turn, be the panacea for welfare-centric policies. Stepping up mineral production with conducive policy measures can help generate resources to fund these policies.

The next budget can be a good starting point to raise additional funds by unlocking natural resources. In my recent communication with the government, I said there were around 40 listed companies and PSUs which had the potential to at least triple their production.

The country has already paid a price by delaying the open acreage policy for oil and gas and that has cost us dearly in terms of domestic production, GDP, imports bill and outflow of hard-earned forex. Mining should not suffer the same fate, and a comprehensive policy should be formulated for responsible and sustainable exploration of natural resources.

Related PSUs should be autonomous, empowered with strong and independent boards and, to help these companies, take their own decisions, including on fund-raising. This can be achieved without any employee retrenchment. PSU autonomy will free up around 50% of our bureaucrats' time, which can be used for more innovative projects.

Similarly, the government needs to empower district collectors with decision-making powers on land, environment and other matters for smooth industrialisation.

These are some of the ideas the government should consider ahead of the budget.

Beyond the budget, as we head towards elections, I hope and I am confident that national development will be the focus of political discourse. This alone can ensure that pro-growth policies are continued. It is for the government to unleash the untapped energy of the nation to ensure India reaches among the top three economies in the next decade.

THE ECONOMIC TIMES
DATE : 22 /1/2019 P.N.13

Aluminium Imports Rise 24% on China, US Sanctions

Sarita.Singh@timesgroup.com

New Delhi: Aluminium imports have risen over 24% in the last three quarters of this fiscal after US and Chinese sanctions, leaving the domestic industry jittery.

Post US imposing 10% import duty on Aluminium and China's 25% import duty on aluminium scrap from the US, the aluminium imports into India increased during April-October. While total imports increased by 24% the scrap imports rose by 22%.

The industry expects further increase in the imports as China has classified aluminium scrap in restricted import from July 2019, and plans to ban all scrap dumping by 2020. India on the other hand doesn't have any standards to restrict scrap imports, said Vedanta CEO (aluminium and power) Ajay Kr Dixit. He said India generates sufficient domestic scrap which can replace the entire aluminium scrap imports.

"Despite significant presence of primary Aluminium capacity and potential to generate sufficient domestic scrap, India's consumption of scrap is 100% import dependent. Thus aluminium scrap imports in India are totally non-essential in nature and should be restricted to encourage domestic aluminium industry and recycling of indigenous scrap," Dixit said.

He said low prices and rising costs have added to the woes of the Indian aluminium industry. Aluminium prices on the London Metal Exchange crashed by 23% in the last eight months to \$1800 per million tonne against \$2290 per million tonne in May 2018. The production costs for the overall industry have risen by 30% in the last 3-4 years due to increased cost of raw materials, coal cess, electricity duty, logistics costs.

"The Indian aluminium industry is going through a challenging phase and is under immense threat by rising imports, declining domestic market share, increasing production and logistics costs. Moreover, the recent global developments leading to surge in aluminium imports have adversely affected the sustainability of Indian aluminium industry," the Aluminium Association of India has written to the finance minister.

The association has sought tariff barriers on imports. It has demanded a 10% import duty on both aluminium scrap and primary aluminium metal, in line with other non-ferrous metals like copper, zinc, lead, nickel and tin.

THE ECONOMIC TIMES DATE : 22 /1/2019 P.N.17

METAL PRICE SLUMP TAKES A TOLL ON EARNINGS

Hindustan Zinc Q3 Profit Falls 3.8%

Our Bureau

Kolkata: Hindustan Zinc reported a 3.8% dip in net profit to ₹2,211 crore for the quarter ended December, while revenue fell 6% to ₹5,540 crore on lower zinc prices.

Operating profit or earnings before interest, tax, depreciation and amortisation (EBITDA) for the third quarter of FY19 was ₹2,851 crore, down 13% from a year earlier, while nine-month EBITDA decreased 9% on year to ₹7,950 crore. Net profit for the nine months ended December declined 11.4% to ₹5,944 crore, in line with EBITDA, higher treasury income and higher depreciation, though it was partly offset by a lower tax rate.

At 247,000 tonnes, mined metal production in Q3FY19 went up 3% on year driven by increase in underground ore production and improvement in ore grades, an official statement said. Refined zinc production stood at 188,000 tonnes in Q3FY19, down 6% year-on-year due to higher lead ratio in ore.

During the quarter under review, underground mined metal output was up 38% on year with continued ramp-up of mines at Rampura Agucha, Rajpura Dariba and Zawar with refined silver production going up to 178 tonnes, an increase of 34% year-on-year on better silver grades. HZL's refined lead production went up to 54,000 tonnes in the quarter, growing 18% on year.

With ramp-up of underground mines, overall production of mined metal and zinc-lead production in FY19 is expected to be slightly higher than in FY18, the company said, adding that silver production is expected at 650-700 tonnes for FY19. The HZL statement said the mining projects were progressing in line with the expectation of reaching 1.2 million tonnes per annum (mtpa) of mined metal capacity in 2020. Planning for the next phase of mined metal capacity to 1.35 mtpa from 1.2 mtpa announced in April 2018 is underway, the statement said.

38%

RISE IN UNDERGROUND MINED METAL OUTPUT

The HZL scrip closed at ₹267.60 on the BSE on Monday, down 1.76% over its previous close.

"All our ongoing projects are nearing completion. We are set to reach a design capacity of 1.2 million tonnes per annum in the coming quarters. I am also delighted by the substantial increase in silver production which we expect to continue next year as well," HZL chairman Agnivesh Agarwal said.

The company also announced the appointment of Swayam Saurabh as deputy chief financial officer (acting CFO) with the current CFO Amitabh Gupta being elevated to another role.

THE HITAVADA

DATE : 22 /1/2019 P.N.9

Hindustan Zinc Q3 net profit down at Rs 2,211 cr

NEW DELHI, Jan 21 (PTI)

VEDANTA Group firm Hindustan Zinc on Monday posted 3.7 per cent decline in net profit to Rs 2,211 crore for the quarter ended December 31, 2018. The company had posted a net profit of Rs 2,298 crore in the year-ago period. The total income of the company declined marginally by 1.8 per cent to Rs 6,090 crore, compared to Rs 6,203 crore in the corresponding quarter previous fiscal. "The all-round performance of our underground mines has been gratifying. As our ongoing projects are approaching completion, we are set to reach design capacity of 1.2 million tonnes per annum in the coming quarters. I am also delighted by the substantial increase in silver production which we expect to continue next year as well," company's Chairman Agnivesh Agarwal said.

Why verdict on Karnataka mining case is crucial for NMDC

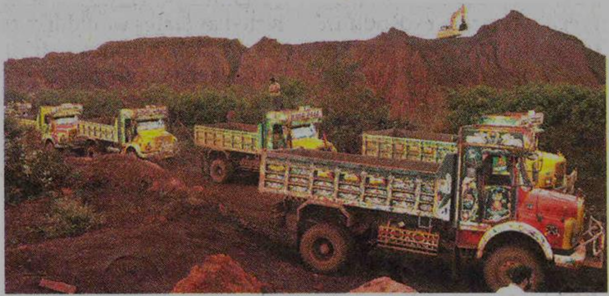
V RISHI KUMAR

Hyderabad, January 21

The outcome of the ongoing case between the Karnataka government and iron ore mining major NMDC on the issue of payment of premium will have a significant bearing on the business prospects of the mining company going forward.

Posted for January 22, the case relates to the Karnataka government making a demand of 80 per cent share in revenue as a condition for renewal of mining lease agreement for the Donimalai mine.

The mining company's profits had to take a hit due to this in the third quarter this fiscal. The NMDC mining leases in Karnataka include Donimalai and Kumaraswamy mines with an annual output of about 7 million tonnes per annum each.



A file photo of lorries queuing up near NMDC at Devagiri village, Sandur, Karnataka

Revenue sharing

However, due to the ongoing tussle between the Karnataka Government and NMDC over Donimalai mine, linking its renewal to payment of 80 per cent share has impacted the mining prospect of NMDC and its overall output.

According to sources tracking the development, NMDC expects to despatch about 30 million tonnes (mt), which is likely to be down by about 15 per cent, in the current financial year even without Donimalai.

In the past three quarters, NMDC managed to dispatch 22 mt and expects to achieve another 9 mt in the fourth quarter, according to analysts at Motilal Oswal.

NMDC had achieved an annual production of 34 mt and 35.57 mt in 2016-17 and 2017-18 respectively. And if the stalemate continues, its overall production will be hit for the current financial year.

The Donimalai mine lease renewal was initially approved by the State government for 20 years from November 4, 2018. However, it called upon NMDC to sign up for 80 per cent premium.

The State-owned mining company has contested the matter in the High Court and is hopeful of a favourable judgement.

As per estimates, if the State insists on premium, NMDC is likely to lose nearly about ₹900-1,000 crore per annum.

If there is a stalemate, the State government has indicated that it will auction the mine and generate more revenues.

Buyback

Meanwhile, IDBI Capital has notified the NMDC buyback process approved earlier during the month by the company Board.

As per plans, it is proposed to offer up to 10.2 crore shares of ₹1 each for ₹98 each on a proportionate basis through a tender process.

This will mean buyback of 4.11 per cent of the equity will be within 10 per cent of aggregate fully paid up equity share capital and free reserves. And, the buyback offer size will not exceed ₹1,000 crore cap set by the company management.

BUSINESS LINE DATE : 22 /1/2019 P.N.10

Upmove gains momentum in MCX-Aluminium

GURUMURTHY K

BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange has risen sharply breaking above the key resistance level of ₹131 — the 21-day moving average. The strong surge above this hurdle has triggered the stop-loss on the short positions recommended last week. The contract is currently trading at ₹133 per kg.

The region between ₹131 and ₹130 will now act as a strong support for the contract. The contract is likely to extend its upmove and test ₹135 in the near term. Inability to breach ₹135 can trigger a pullback move to ₹133 and ₹132. But a further break above ₹135 will then increase the likelihood of the contract extending its rally towards ₹137 and ₹138. The region around ₹137 and ₹138 is a crucial resistance zone where a key trendline and the 100-week moving average are in place. The price action around this resistance region will need a close watch. A strong break above ₹138 will pave the way for the next targets of ₹140 and ₹145. Traders with high risk appetite can go long on dips at ₹132 and ₹131. Stop-loss can be placed at ₹129 for the target of ₹138. Revise the stop-loss higher to ₹133 as soon as the contract moves up to ₹134.5

Global trend

The Aluminum (three-month forward) contract on the LME dipped, as expected, to test the key support level of $1,800 per ounce last week. The contract has however, reversed higher from this support and is currently trading at $1,870 per ounce. Immediate resistance in the $1,885-1,890 region is likely to be tested in the near term. A strong break above $1,890 can take the contract higher to $1,915. A further break above $1,915 will then increase the likelihood of the contract extending its rally towards $1,975 and $2,000.

On the other hand, if the LME contract reverses lower from $1,890 it can dip to $1,800 again.

BUSINESS LINE
DATE : 23 /1/2019 P.N.4

Sourcing steel locally has ensured ₹8,000-crore savings: Minister

OUR BUREAU

Mumbai, January 22

India has managed to save about ₹8,000 crore by giving preference to domestically made steel in government projects and the country is expected to pip the US in steel consumption.

Chaudhary Birender Singh, Minister of Steel, said the National Steel Policy 2017 and the policy preference to domestically manufactured iron and steel products is not only to boost the steel industry but also act as a facilitator to the 'Make in India' initiative of the Government.

These policies have resulted in savings of over ₹8,000 crore till date, he said while inaugurating the fourth edition of India Steel 2019, organised by the Ministry of Steel and the Federation of Indian Chambers of Commerce & Industry.

India is likely to leave behind the US in terms of steel consumption this year. A budget of about ₹6 lakh crore has been allocated for infrastructure development in this financial year, he said. "Based on these enabling factors and with huge potential yet to be tapped, the per capita consumption can easily be increased from the current levels," he said.

BUSINESS LINE DATE : 23 /1/2019 P.N.3

NMDC revives sponge iron unit in Telangana

OUR BUREAU

Hyderabad, January 22

Iron ore mining major NMDC has announced the lighting up of its sponge iron unit today after a long shut-down due to administrative reasons.

The plant was shut down about two and half years ago as it was seen to be economically unviable then. However, in the changed circumstances and better demand for steel in the market, the company has decided to revive the unit.

Located at Paloncha in Telangana, the plant has a 100-tonnes-per-day capacity. According to NMDC sources, the plant will be operated at 80 per cent capacity which will enable the State-owned mining major to achieve break even of the expenditure and costs involved.

TS Cherian, Executive Director of NMDC, Bacheli Complex located in Chhattisgarh, lighted one of the units of the plant in the presence of the employees.

NMDC expects the plant to add value to the steel market providing. The supply of iron lump ore lumps will be from the captive mines of NMDC located at Kirandul and Bacheli of the Bailadilla complex. The coal required for the C-Round is being procured from the Telangana and Centre-owned Singareni Collieries Company Limited from its mines in the Kothagudam region.

NAVBHARAT DATE : 24 /1/2019 P.N.7

NMDC की स्पांज आयरन यूनिट में उत्पादन शुरू

नवभारत समाचार सेवा

हैदराबाद. एनएमडीसी की पालोंछा स्थित स्पांज आयरन यूनिट में दोबारा उत्पादन शुरू हो गया है. प्रशासनिक कारणों से लंबे समय तक बंद रहने के बाद एक कार्यक्रम में दीप प्रज्ज्वल के साथ इसकी शुरुआत हुई. प्लांट की तब 100 टन प्रति दिन अच्छी क्वालिटी के स्पांज आयरन उत्पादन की क्षमता थी. वर्तमान में यहां क्षमता का 50 प्रश उत्पादन किया जाएगा. बाद में इसे बढ़ाकर 80 प्रश तक किया जाएगा. प्लांट की एक यूनिट की शुरुआत कंपनी के कार्यकारी निदेशक टी.एस. चेरियन के हाथों की गई. इस अवसर पर यूनिट हेड आर.डी. नंद, वरिष्ठ अधिकारी, ट्रेड यूनियन के पदाधिकारी और प्लांट के कर्मचारी उपस्थित थे.

Supports to limit the downside in MCX-Nickel

GURUMURTHY K
BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange inched higher in the past week as expected. However, the upmove was shortlived as the contract faced resistance around ₹843 per kg. It made a high of ₹843.7 on Monday and has come off from there. It is currently trading at ₹829.

The 100-day moving average resistance at ₹841 has halted the current upmove. Though the near-term outlook is mixed, the broader view remains positive. Key support is in the ₹810-800 region. The indicators on the charts are also positive. The 21-day moving average is on the verge of crossing over the 55-day moving average. This is a positive signal indicating that the downside could be limited. This leaves the possibility less of the contract breaking below ₹800. As such an eventual break above the ₹840-845 region can trigger a fresh rally to ₹865 and ₹870.

Traders with risk appetite who have taken long positions at ₹825 and ₹815 can hold it. Retain the stop-loss at ₹795 for the target of ₹870. Revise the stop-loss lower to ₹835 as soon as the contract moves up to ₹855.

Global trend

The nickel (three-month forward) contract on the LME has come off after making a high of $11,885 per tonne on Monday. It is currently trading at $11,585. Immediate resistance is at $11,770. As long as the contract trades below it, there is a strong likelihood of it falling towards $11,150 and $11,000 in the coming days. The level of $11,000 is a strong support and a break below it looks less probable. If the LME-Nickel contract breaks below this support, a fall to $10,700 is possible.

A strong rise past $12,000 is needed for the contract to gain fresh momentum. Such a break will then increase the likelihood of the contract targeting $12,350.

BUSINESS LINE DATE : 24 /1/2019 P.N.13

Precious metals price movements unprecedented

COMMENTARY

G CHANDRASHEKHAR

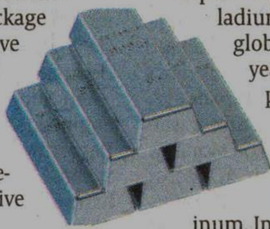
The precious metals complex continues to display unprecedented and curious price movements of late and it has taken market participants by complete surprise. The known price relationships among metals such as palladium, platinum, silver and gold have gone for a toss.

If anything, in the absence of the weekly Commitment of Traders report issued by the US commodity derivatives market regulator CFTC following the protracted shutdown of the government, the market positioning data are not available and price movements are becoming even more curious, leading to all kinds of speculation about what's causing the anomalous price movement.

In particular, palladium is breaking away from its kindred metals. To be sure, palladium was the best performing precious metal last year. But that performance would pale when you look at recent developments. From its August low, prices have stunningly rallied by nearly 50 per cent. This has been on the back of large structural deficits and lack of available supplies.

On January 17, palladium reached a peak of $1,440 an ounce, having risen by a whopping $70 (5.4 per cent) from the previous day's closing price.

A section of the trade believes that expectations of a stimulus package by China have triggered renewed buying interest. Also, it is widely believed that prices spurted because of speculative buying.



Technical charts, too, have favoured an upward price movement. However, coming on top of weak sales for automobiles in most major markets, especially China, this kind of rally is rather surprising. Palladium is widely used in auto-catalyst fabrication.

If anything, this market seems to be gathering a lot of speculative lather, which by its nature can disappear rapidly if experience is any guide. "Judging by the price movement, it looks to us as if a bubble is forming — and we believe it is only a question of time before the bubble bursts," asserted a research report.

Differential with platinum

Experts expect another palladium deficit on the global market this year. Interestingly, palladium is currently some $600 more than its counterpart platinum. Indeed, this extent of price differential between the two metals is unprecedented. On their part, platinum prices have not reacted robustly despite ETFs registering inflows even as the metal continues to trade only a tad above $800/oz. Equally, curious is palladium's premium over everyone's eternal favourite, gold. The former is at a 10 per cent premium over gold. The premium of over $100 was last seen some 16 years ago. If anything, the yellow metal is currently struggling to decisively break the psychological $1,300/oz barrier despite the fact that there is a chorus emanating from many analysts rooting for a sharp upswing in gold prices.

Surprisingly, after a poor performance in 2018, silver has started the New Year on an optimistic note, having comfortably breached the $15/oz mark and rallying to near a six-month high. Many analysts have give a 'buy' call on silver as it is likely to benefit from a possible rise in gold prices following expectations of a pause in the Fed rate hike cycle and weakness setting in the dollar.

The writer is a commodities market specialist. Views are personal

BUSINESS LINE DATE : 24 /1/2019 P.N.14

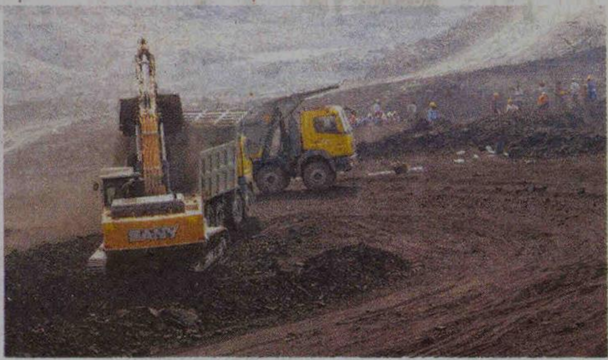
Are States' rules undermining the Centre's coal mine auction goals?

TWESH MISHRA

New Delhi, January 23

Regulatory hurdles at the State level create trouble for the Centre in meeting its ambitious coal mine auction targets.

During the coal mine auctions, it was promised that for operational mines, all local clearances such as environmental and forest, will be automatically transferred to the bidder. But this has not been the case. State governments have pushed for initiating fresh environmental and forest clearance approvals that have delayed the monetisation of auctioned blocks.



The Centre has re-allocated/auctioned 86 of the 208 coal mines cancelled by the Supreme Court REUTERS

Apex court curbs

According to officials in the know, this delay has dampened the enthusiasm for auctioned coal mines. "The coal mining sector has been worst hit by the Supreme Court orders. In addition to the order cancelling existing allocations, another order on illegal mining has spooked the sector. According to the August 2017 SC order, all mining is declared illegal even if a single regulatory approval is not accorded. This stance has slowed down the approval process, straining investor interest in the mines up for auction," a Coal Ministry official told *BusinessLine*.

This is corroborated by a report of the Comptroller and Auditor General of India. In its report on coal auctions, the CAG noted, "Pendency of various approvals at the level of the Central and State governments and with the allottees themselves affected the achievement of the very objectives of early auctioning of these coal mines."

Mine owners

According to the Ministry of Coal, there are 454 coal mines. Of these, Coal India Ltd (CIL) has 369 mines, Singareni Collieries Company Ltd (SCCL) 48 and the remaining 37 belong are captive or belong to private players.

They include the 31 coal blocks that were tendered during the first round of coal mine auction for that was announced by the Ministry of Coal in December 2014.

The auctions concluded by March 2015 and the Centre had managed to sell 29 mines. They were broadly divided into two categories: Those already producing (Schedule II mines) and the ones ready-to-produce (Schedule III mines). Of these, vesting orders had been issued for 26 coal mines (15 Schedule II and 11 Schedule III). For three mines, the vesting orders were not issued due to pending court cases.

In all, the Centre had re-allocated/auctioned 86 out of the 208 coal mines cancelled by the Supreme Court in 2014. But actual production is happening in just 23 as of December 2018.

BUSINESS LINE DATE : 24 /1/2019 P.N.14

'Govt willing to support secondary steel producers'

SURESH P IYENGAR
Mumbai, January 23

THE BL INTERVIEW

Debt-laden steel companies are facing a tough time with slowing demand and rising raw material cost. With demand expected to pick up, three of the five steel companies have found a suitor under insolvency process with banks taking a substantial haircut. Union Minister for Steel Chaudhary Birender Singh, in a chat with *BusinessLine*, is bullish on the sector and expects foreign companies to focus on specialty steel. Excerpts:

Why is the steel demand going down suddenly?

Steel demand always moves in cycles. In the last four years, steel demand has gone up by 14 per cent. In our Steel Policy 2017, we made it clear that transfer of technology is welcome. This has encouraged steel companies in Japan to consider brownfield expansion. Most of the PSUs have ample space, which can be used by any company without hassles. Foreign companies can partner with PSUs to set up units.

But Posco has waited so long to set up a plant?

Things have changed since the Posco episode unfolded in Odisha. There were three-four reasons why they could not make it. Now they are showing interest in India again. They are making enquiries with RINL (Rashtriya Ispat Nigam Ltd) and SAIL. Other foreign companies have also shown interest.

Can India achieve the 300-million-tonne target with just four to five big integrated players?

We are not just looking at just integrated steel players. The secondary steel is more important. That commands 57 per cent of total production capacity. In three-four years, its market share can grow to 70 per cent with right kind of support from the government.

Secondary steel companies can generate three times more employment than integrated steel plants. They are more keen on raw material security. The secondary steel producers want iron ore to be supplied through their association so that they have some supply guarantee. The government is ready to support them and open to consider their demand.

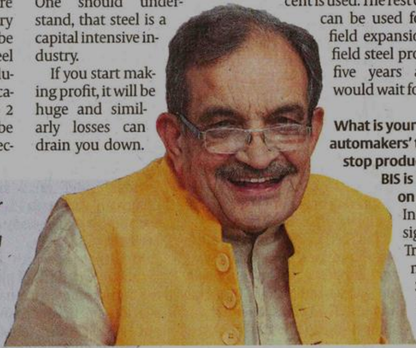
Funding is also an issue for small steel companies ...

The problem over funding from banking system is a closed chapter. In the debt-resolution process, banks are very happy that they could recover more money. The NPA of secondary steel producers will not even be three-four per cent of entire steel sector. The secondary steel producers are keen to ramp up their capacity from 30,000 tonnes to 2 lakh tonnes. Banks would be more interested to lend to secondary steel producers if they achieve the 2 lakh tonne size.

Should Ruia's bid for Essar Steel be considered?

(Laughs) Banks are enjoying haircut. In the case of Bhushan Steel, the recovery has been 70 per cent. In the Essar Steel case, the promoters have quoted the entire amount. The disturbance caused by NPA to this industry is over. One should understand, that steel is a capital intensive industry.

If you start making profit, it will be huge and similarly losses can drain you down. Ruias have understood that this kind of plant cannot be built even in 10 years. The generation to come would appreciate the resolution process under Insolvency and Bankruptcy Code.



Steel Policy 2017 made it clear that transfer of technology is welcome. This has encouraged steel companies in Japan to consider brownfield expansion

CHAUDHARY BIRENDER SINGH
Union Minister for Steel

Why are not many greenfield projects coming up now?

We have lot of land available. About 5-6 PSUs own about 80,000 acres of land and not even 20 per cent is used. The rest of the land can be used for brownfield expansion. Greenfield steel projects take five years and who would wait for so long?

What is your take on automakers' threat to stop production if BIS is imposed on imports?

India has signed Free Trade Agreement with South Korea and Japan. Automobile companies import 80-90 per cent of their components comes from there. Companies like Maruti and Hyundai get all kind of components under FTA. We may not call ourselves big brother, but we are almost there. We need to have balance in trade with other countries. BIS standard has been implemented on 86 per cent of products and we want to implement it on all products.

What is the progress on setting up recyling units?

We have a legislation pending moved by the Transportation Ministry which is limited to vehicles. If this is withdrawn we can submit our legislation which will cover recycling of every metal. We are only waiting for withdrawal of the previous Bill. There is only one recycling unit set up by Mahindra and MSTC in joint venture.

We need to have 50-60 recycling units. We need to get Cabinet approval for our scrap policy Bill. Now that we are more concerned about election it may take some time.

BUSINESS LINE DATE : 25 /1/2019 P.N.11

Odisha to offer 188 acres for Nalco's ₹5,500-crore downstream project

Billed as one of the largest investments in the metal space, the project is likely to generate 1,700 jobs

ABHISHEK LAW
SHOBHA ROY
Kolkata, January 23

The Odisha government is on course to offering 188 acres of land to National Aluminium Company (Nalco), for its proposed ₹5,500-crore downstream complex at Kamkhyanagar in Dhenkanal district of the State.

Finalisation of land requirements and other details are expected by the end of February.

This is billed to be one of the largest investments in the metal downstream space in eastern region and in Odisha as well.

According to government sources, Nalco, in its proposal, has sought the land in Markata and BS Sasan areas of Kamkhyanagar. Based on the report, the Industrial Promotion and Investment Corporation of Odisha Ltd (IPICOL) has engaged Engineers India Ltd (a Navratna PSU providing engineering and related technical services) to do the land assessment and submit a report on the technical and other requirements.

The report is expected next month, post which IPICOL will make its recommendations.

Nalco will have to purchase the land from the Odisha Industrial Development Corporation, government sources said.

Clearances from different approval committees of the State have been received between September and November last year. According to Sanjeev Chopra, Principal Secretary, Industries Department, Government of Odisha, the State government is "actively promoting" investments in the downstream metal business across steel, stainless steel and aluminium sectors.

Nalco will have to purchase the land from the Odisha Industrial Development Corporation

"The High Level Clearance Authority (headed by the Chief Minister, Naveen Patnaik) has already approved the (Nalco) project and land assessment is underway. This will be followed by land acquisition. Nalco's proposed downstream unit is expected to generate over 1,700 jobs and also give a fillip to establishment of ancillary units around it," Chopra told *BusinessLine*.

Downstream unit

For the planned downstream complex, Nalco expects to complete the project within 48 months of taking possession of land.

The complex will house facilities for aluminium foils, rolled products and extrusions, with a combined capacity of 170,000 tonnes per annum. Production of aluminium alloy wheels, used in automobile industry, will also happen here, as per Nalco's plans.

The Navratna PSU's enhanced focus on downstream applications comes at a time when its alumina arm is contributing handsomely to its gross turnover; and also Ebitda.

THE HINDU DATE : 25 /1/2019 P.N.10

A tragedy that was long in the making

Illegal rat-hole mining in Meghalaya persists despite ruinous effects on the environment

PATRICIA MUKHIM

The efforts to reach the 15 miners trapped in an illegal coal mine in the East Jaintia hills of Meghalaya since December 13 continue, but they began belatedly and have faced many problems.

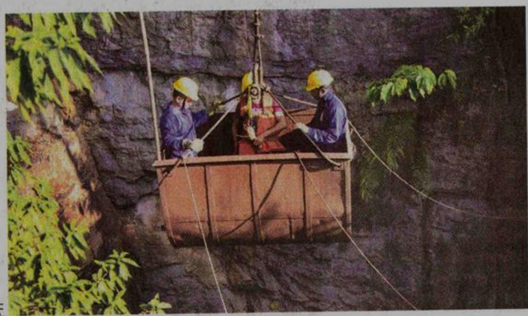
Doomed from the beginning

First, the Meghalaya government has no idea what happens inside these rat-hole mines, which are barely 2 ft wide, since mining is a private activity. Despite the National Green Tribunal ban of April 2014, mining continues in the State. Second, it was unfortunate that the district administration assumed the miners to be dead on the very day of the tragedy. This assumption was evident in the letter written to the National Disaster Response Force. It was only after a Delhi-based lawyer, Aditya N. Prasad, represented by senior Supreme Court advocate Anand Grover and his team of human rights lawyers presented their suggestions to the court that the Meghalaya government got different actors to the accident site. Mr. Prasad has never visited Meghalaya. When asked why he is the petitioner on behalf of the miners, he simply said: "They are fellow Indians and my brethren." That someone based in Delhi should have the empathy lacking in the people and the government shows that humanity is a dying virtue.

Mr. Prasad has done everything possible to put things together to assist the rescue mission. But despite his initiative, things were delayed. The distance of the mine, for one, was a major hindrance. Then there are other issues that need to be highlighted. The trapped miners were being racially profiled in the minds of the people and the state. Of the 15 miners, only three were locals from the nearby village of Lumthari. The rest were Muslims from Garo Hills, Meghalaya, and Bodoland, Assam. Their socio-economic profile also worked against them. They were the poorest of the poor who took a huge risk to enter a mine and dig for coal without any safety gear.

When a mine is flooded, the immediate response, apart from pumping out the water, is to stop further flow of water into it. This requires a hydrologist to scientifically map out the area from where water entered the mine. Sudhir Kumar, a hydrologist from the National Institute of Hydrology, Roorkee, arrived only two weeks after the disaster. So did the divers from the Indian Navy and the 100 HP water pumps from Kirloskar Brothers. The remotely operated underwater vehicle (ROV) from Planys in Chennai came three weeks later. So did the geologists from Hyderabad. All these delays happened because there was no one person or agency to coordinate the rescue mission. This shows the kind of disaster preparedness we have in our country. One shudders to think what the response would be if there was a massive earthquake in the North-east, which is listed as Zone 5 on the seismic scale.

There are many questions that arise with respect to rat-hole mining of coal. One, why does the state allow this archaic mining system, which has complete disregard for human life and safety? And two, why is Meghalaya exempted from national mining laws? Rat-hole mining, which started with gusto in the 1980s, has poisoned three rivers in the Jaintia hills: the Myntdu, Lunar and Lukha. Scientists from the North-Eastern Hill University have found that these rivers have very high acidic levels. Reports from other agencies suggest that pH of the water and sulphate and iron concentrations indicate significant deterioration of the rivers. Acid mine drainage from abandoned mines was a major cause for water pollution in the areas investigated, the reports added.



PTI

The coal mine owners have been hiring the best legal brains to argue for them in the highest court of the land. They say that rat-hole mining should continue because no other form of mining is viable (which means that their profit margins would reduce if other forms of mining were to take place). They argue that the NGT ban should be lifted. They claim that coal mining provides livelihoods for many, but at what cost?

The fault-lines

The tribes of Meghalaya are divided on the issue of rat-hole mining. The fault-lines are clear. Those who care for the environment and for a future for their children and grandchildren have been clamouring for an end to the practice of rat-hole mining and reckless limestone mining. On the other hand, the mining elite have mobilised forces to demonise environmental activists. A community of just over a million is now fragmented. To add to these woes, cement companies also release their effluents into the rivers. So we now have a deadly cocktail of pollutants being released into the environment. The scale of the problem is clear in this one fact: there are 3,923 coal mines in one district with a geographical area of 2126 sq. km.

The other troubling factor is that coal mine owners are insisting that since Meghalaya is a State under the Sixth Schedule of the Constitution, national mining laws should be exempted here. The Sixth Schedule was enacted to protect the community rights of tribals from any form of exploitation of their land and resources. How can it now be used as an instrument to protect an activity that is a private enterprise, that is inhuman, and that violates Article 21 of the Constitution? Why is the Sixth Schedule unable to protect the forests and rivers that are common property resources? Acid mine drainage has rendered even agricultural land non-productive. Mine owners do not care about environmental degradation.

Abandoning responsibility

The cement giant, Lafarge, mines limestone from Meghalaya's East Khasi Hills district and transports it to Chhatak in Bangladesh via conveyor belts. The Supreme Court placed a heavy penalty on Lafarge and asked it to strictly implement environmental laws apart from generating livelihoods for people residing within 50 km of the mining areas. In the case of coal mine owners, there are no such strictures. They have left thousands of abandoned mines as human graves. The State does not insist that they reclaim and afforest those mines. In 40 years of mining and profiteering, the mine owners have till date not constructed a single hospital or even a school. There is complete disregard for corporate social responsibility because the mines are privately owned by the tribals. How long can the Central government and the highest court of the land allow this to carry on in one part of the country when strict laws are applied elsewhere?

Patricia Mukhim is Editor, The Shillong Times

BUSINESS LINE DATE : 25 /1/2019 P.N.10

Upmove is gaining strength in MCX-Lead

GURUMURTHY K
BL Research Bureau

The Lead futures contract on the MCX seems to be gaining momentum. The contract has surged 3.5 per cent in the past week breaking above the key 100-DMA resistance level of ₹142.6 per kg. It is currently trading at ₹144.5 per kg.

An immediate resistance is near current levels at ₹145. The MCX-Lead futures contract is likely to breach this hurdle. Such a break can take the contract higher to ₹149 and ₹150 in the coming days.

The 100-DMA at ₹142.6 will now act as a key support. Intermediate dips, if seen, are likely to be limited. The outlook will turn negative only if the contract breaks below ₹142.6. The next target is ₹140. A further break below ₹140 will then increase the likelihood of the fall extending towards ₹137 or even ₹135 thereafter.

The 21-DMA has crossed over the 55-DMA. This is a positive signal indicating that the downside could be limited and the current upmove is likely to continue. As such, this leaves the possibility high of the contract breaking above ₹145 in the coming days.

Traders can make use of dips to go long at ₹142 and ₹140. Stop-loss can be placed at ₹138 for the target of ₹149. Revise the stop-loss higher to ₹144 as soon as the contract moves up to ₹146.

Global trend

The outlook for the Lead (three-month forward) contract on the LME is positive. The contract has risen breaking above the psychological resistance level of $2,000 per tonne. It is currently trading at $2,027 per tonne.

The region between $2,000-$1,990 is a strong support. As long as the contract trades above this support zone, there is a strong likelihood of it rallying towards $2,075 in the coming days.

THE ECONOMIC TIMES DATE : 26 /1/2019 P.N.5

Aditya Birla Arm Essel Top Bidder for Pro Minerals

Lenders led by BoB vote for the ₹450-cr offer which includes capital infusion

Anuradha.Himatsingka
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Kolkata: Essel Mining & Industries, the unlisted unit of the $44.3-billion Aditya Birla Group, has emerged as the top bidder for Pro Minerals with an offer of about ₹450 crore, a bid that would see banks getting a significant portion of their outstanding advances to the metals company.

Lenders led by Bank of Baroda voted for the Essel Mining plan that also involves some capital infusion, said two senior bankers aware of the development.

Pro Minerals has a one million tonne per annum iron-ore beneficiation plant and a one million tonne per annum pellet plant at Basantpur in Orissa. The iron-ore beneficiation process has been designed by allmineral GmbH, Germany and pelletization by Primetals Technology Austria GmbH (formerly Siemens VAI Metals Technologies GmbH, Austria).

Bank of Baroda referred Pro Minerals to the bankruptcy court after it failed to repay its dues. Other lenders included State Bank of India, UCO Bank, Union Bank, and Axis Bank.

"The total offer made by Essel Mining is of approximately ₹450 crore, which includes ₹275 crore as dues to lenders and the balance ₹175 crore by way of capital infusion for restarting the unit and running the company," said a banker who did not want to be named.

The capital infusion will involve both equity and debt portions. This apart, the plan also outlines 100% payment to operational creditors toward admitted claims other than related party.

Capital infusion will involve both equity & debt portions

The corporate insolvency resolution process (CIRP) was under Sumedha Management's Bijay Murmuria, who refused to give details when contacted. The resolution plan has already been filed with the Kolkata bench of NCLT for final approval. Apart from Essel Mining, Shyam Metalics was also in the fray, among others.

Essel Mining & Industries is among the largest iron-ore mining companies in the non-captive private sector and the largest producer of noble ferro alloys in India. The company operates mines in the mineral rich Barbil-Joda belt of Odisha, near that of Pro Minerals plant.

BUSINESS LINE DATE : 26 /1/2019 P.N.14

Steel imports, a major threat to industry: SAIL Chairman

SURESH P IYENGAR

Mumbai, January 25

The state-owned steel behemoth Steel Authority of India Ltd (SAIL) last August surprised the Government by refusing to pay dividend as it was facing liquidity crunch. While the market situation continues to be uncertain, Anil Kumar Chaudhary, Chairman, SAIL in an interview with *BusinessLine* is confident that things will turn around once its expansion and modernisation plans are complete. Excerpts:

THE BL INTERVIEW

Is the steel demand slowing down?

I do not think so. For us, demand has been good and I do not see it slowing down in futures. More than the demand, the threat of imports is major concern. Imports in the first nine months of the fiscal is at par with what was shipped in last fiscal. Falling steel prices due to excess production in China is another concern. Some people in India are taking advantage of the situation in China and demand lower price in India. It is not possible because the raw material prices are high here. India should clock a demand growth of over eight per cent this fiscal.

With the elections round the corner, do you think there will be a slowdown in demand?

Yes during this time demand slows down. However, a spurt in construction activities is expected which could lead to a slowdown in government spending. Traditionally, steel demand goes up during the last four month of the financial year.

Are you planning any measures to reduce debt?

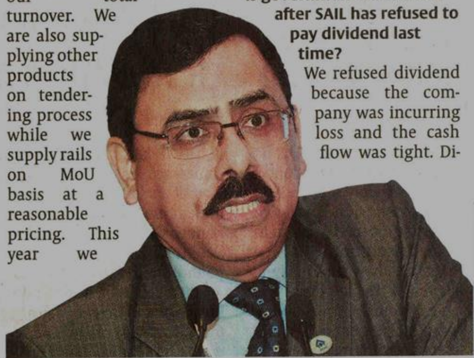
We are in the last phase of expansion and modernisation project. Unfortunately, in the last three months cash flows are constrained due to market condition. We are now borrowing more from the market. In future, we should be able to generate more resources to take care of our debt.

Will you reconsider joint venture with ArcelorMittal if it takes over Essar Steel?

From our end there will be no reconsideration. We are committed with the joint-venture plan. They have been taking more time to finalise the terms because they are busy with Essar Steel bidding.

What is the share of Railways in your overall sales?

It is not very high. People think Railways gives me my entire revenue, but it is not true. Our turnover is going to cross ₹60,000 crore. We supply about one million tonnes of rails which is about ₹ 6,000 crore or 8-10 per cent of our total turnover. We are also supplying other products on tendering process while we supply rails on MoU basis at a reasonable pricing. This year we have agreed to sell one mt of rails to them. For next year, we have set a target of 1.2 mt. Our combined capacity for rails is about 1.9 mt.



Will the fall in global prices impact India?

It is a temporary phenomenon. It happened between July and August, but of course it is there for longer period now. Price volatility is the order of the day in steel sector. In India there is no reason for prices to remain soft due to high raw material prices.

Is government concerned after SAIL has refused to pay dividend last time?

We refused dividend because the company was incurring loss and the cash flow was tight. Dividend depends on the financial condition of the company. Though government owns 75 per cent, the dividend is paid to everyone. We have framed dividend distribution policy and the board follows it diligently. We need resources for completing the ongoing projects.

What are the measures taken to reduce manpower cost?

It may not happen. The average cost of manpower in Sail is about ₹11 lakh per employee, while it is ₹3.75-4 lakh in private sector. Our top-level executive are getting salaries in lakhs while their counterparts in private sector are paid in crores. Despite private sector steel companies paying 10 times higher salary at top level, their per capita salary is much lower than us. Tell me which company is spending ₹1,500 crore in township, hospital and schools? While we are retiring 5,000 employees every year, we are also recruiting fresh blood at front-line position.

Price volatility is the order of the day in steel sector. In India there is no reason for prices to remain soft due to high raw material prices

ANIL KUMAR CHAUDHARY
Chairman, SAIL

How do you see the competition from the fast expanding private sector companies ?

We are also adding capacity. Sail is the largest producer with hot metal capacity of 23.46 million tonne and crude steel capacity of 21.5 mt. Of the operational 18-mt capacity, our utilisation is about 16.5 mt. Yes, our cost is on the higher than JSW Steel or Tata Steel. I leave apart Tata Steel for a moment as they are on higher pedestal with captive iron ore and coal mines. JSW Steel may be more competitive because of lower labour cost.

How is your overseas operations doing?

This year we will be producing 1.2 million tonne of washed coal in Mozambique. For next year we have a target of 1.6 million tonne. Both RNIL and SAIL is getting the supply in India.

BUSINESS LINE DATE : 28 /1/2019 P.N.9

NALCO eyes Rs 1,600 cr net profit in 2018-19

BHUBANESWAR, Jan 27 (PTI)

STATE-OWNED aluminium major NALCO is hoping to record a net profit of over Rs 1,600 crore and revenues of Rs 12,000 crore during the current fiscal, a top official has said. "We have a corporate plan to increase the turnover from the existing level of Rs 10,000 crore to Rs 30,000 crore. This year itself, we are likely to register a gross turnover of more than Rs 12,000 crore," CMD of the Navaratna PSU Tapan Kumar Chand said.

He said the company is likely to register a net profit of more than Rs 1,600 crore during the current fiscal as it aims to add alumina production by 1 million tonne and aluminium production by 1.2 million tonne.

During 2017-18, NALCO achieved its highest net profit in last 10 years at Rs 1,342 crore, up from Rs 669 crore recorded in the previous year.

Globally, NALCO is now leading from the front in promoting aluminium as the future metal in international aluminium summits, the CMD said.

LOKMAT DATE : 28 /1/2019 P.N.2

अब्जावधींच्या महसुलावर सोडले पाणी : कंत्राटदारांना समृद्ध करण्यासाठी सरकार मेहेरबान

गौणखनिजाकरिता लागणाऱ्या रॉयल्टीतून 'समृद्धी'ला वगळले

लोकमत न्यूज नेटवर्क

वर्धा : समृद्धी महामार्गाच्या कंत्राटदारांना लागणारी गौण खनिजावरील रॉयल्टी (स्वामित्व) शासनाने माफ केली आहे. गौणखनिज वाहतुकीकरिता लागणारे विशेष वाहतूक परवाने राज्यातील खनिकर्म अधिकाऱ्यांना पाठविण्यात आले आहेत. साधारण गौण खनिजधारकांकडे असणाऱ्या परवान्यापेक्षा वेगळे आहेत, हे विशेष. या विशेष परवान्यांमुळे पुन्हा गौण खनिजातील कंत्राटदारांची एकाधिकारशाही चर्चेत आली आहे. राजपत्रातून बहाल झालेल्या मोफत गौण खनिजाच्या अधिकारावर या परवान्यांमुळे शिक्कामोर्तब झाले आहे.

सर्वच कंत्राटदारांना गौण खनिजाची उचल करताना रॉयल्टी द्यावी लागते. गौणखनिजाकरिता बंधनकारक असणाऱ्या रॉयल्टीसाठी मात्र समृद्धी महामार्गाला वगळण्यात आले आहे.

समृद्धीच्या निविदा प्रक्रियेनंतर गौणखनिज माफ करण्यात आल्याचे राजपत्रक महाराष्ट्र शासनाने काढले होते.

शासनाचा अब्जावधींचा महसूल या रॉयल्टीमाफीतून बुडणार आहे. रॉयल्टीमाफीमुळे समृद्धी महामार्ग राज्याला समृद्ध करेल की, कंत्राटदाराला असा प्रश्न यानिमित्ताने उपस्थित झाला आहे. या रॉयल्टी माफीवर टीकेची झोड उठली, त्यांनतर या प्रक्रियेला कायद्याच्या चाकोरीत बसविण्याचा प्रयत्न करण्यात आला. विशेष परवाने मिळाल्यावर गौण खनिज समृद्धीसाठीच वापरले जाईल की, ते विकण्याचा घाट कंत्राटदारांमार्फत घातला जाईल, हा पेच महसूल प्रशासनापुढे निर्माण झाला आहे. वाहतूक करणाऱ्या वाहनांसाठी विशेष पासेस तयार करण्यात आल्या आहेत.

इतर वाहनांना देण्यात येणाऱ्या परवान्यापेक्षा याचा परवाना निराळा असणार आहे. त्यावर समृद्धीचा लोगो नमूद केलेला असेल.

वाहनांची अडवणूक होणार नाही

- साधारणत: गौण खनिजाच्या नेहमीच्या प्रक्रियेत खनिपट्टा आणि तात्पुरता परवाना या पद्धतीने परवानगी दिली जाते. गौण खनिज वाहून नेताना वाहतूक परवान्याची गरज असते, महसूल विभागाकडून गाडी अडविली जाणार नाही, याचीही खबरदारी घेतली जात आहे. त्यासाठीच अशा वाहनांना व्हीआयपी ट्रीटमेंट दिली जात आहे. या वाहनांना एक वेगळी पास असणार आहे. त्या पासच्या माध्यमातून वाहनांची कुठेही अडवणूक होणार नाही.
- समृद्धी महामार्गाला अब्जावधी रुपयांचे गौण खनिज संपूर्ण राज्यभरात लागणार आहे आणि मार्ग बांधकामाची निविदाही देण्यात आली. निविदा दिल्यावर १४ नोव्हेंबर २०१८ रोजी राज्य शासनाने चक्क गौण खनिजावरील रॉयल्टी माफ केल्याचे राजपत्रक काढले. नागपूर-मुंबई समृद्धी महामार्ग एकूण अंतर ७०० किलोमीटर अंतर असून ५५ हजार ३०५ कोटींचा हा प्रकल्प आहे. हा महामार्ग एकूण १० जिल्हे, २६ तालुके आणि ३९२ गावांतून जाणार आहे. ७०० किलोमीटरवर सरकारचे ५१३ कोटी ५९ लाख ५६ हजार रुपये बुडणार आहेत.

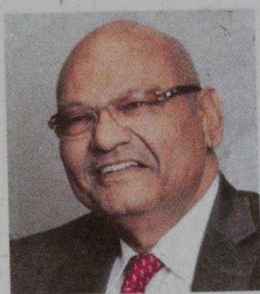
THE HINDU DATE : 29 /1/2019 P.N.13

Vedanta Resources to invest $1.2 bn in S. Africa

Firm will expand mining operations

SPECIAL CORRESPONDENT
MUMBAI

Anil Agarwal-led Vedanta Resources, a diversified natural resources company, has announced a fresh investment of ₹8,500 crore ($1.2 billion) to expand the company's mining and allied operations in South Africa.


Anil Agarwal

Mr. Agarwal, along with Srinivasan Venkatakrishnan, CEO, Vedanta Resources Ltd. and Ms. Deshnee Naidoo, CEO, Vedanta Zinc International, were part of the South Africa's President Cyril Ramaphosa's delegation for India's 70th Republic Day celebrations.

Zinc mine investment

President of South Africa, Cyril Ramaphosa acknowledged and appreciated Vedanta's contribution to South Africa's growth journey. Noting Vedanta Resources' investment of $1.6 billion in the Gamsberg zinc mine in the Northern Cape province, of which $400 million had already been spent, he remarked that this investmentr had triggered a new wave of industrial and economic development in that part of South Africa, said Vedanta in a statement.

BUSINESS LINE DATE : 29 /1/2019 P.N.16

Steel Ministry to set up Safety Directorate

Scrap policy will be ready soon: Minister

OUR BUREAU
New Delhi, January 28

The Steel Ministry will soon set up a Safety Directorate that will oversee the safety standards in the steel industry.

Speaking after the Parliamentary Consultative Committee meeting in Goa, Steel Minister Birender Singh said the safety directorate would be operational soon, an official statement said.

Singh also said that a National Scrap Policy is also being drafted, which will be ready in a few months. This will make available nearly 7 million tonne scrap in the country. At present, the requirement of scrap is around 8.3 million tonnes and most of it is met with scrap imports.

PTI adds: To ensure that there is no massive shortage of iron ore and coal from 2020 when the captive mining leases expire, the government is looking at mining of these resources in the North-East States, Singh said. Most of the captive iron ore and coking coal mining leases, mainly in Goa Karnataka, will expire in 2020, which may lead to supply shortages, the Minister said, and called for exploration on a war-footing in other areas where good quantity of iron ore/coal is available.

"Some kind of exploration on a prototype basis has already taken place in the North-East and if exploration on a large scale takes place, then we may have some good raw material," Singh said.

The Minister also said that an additional secretary is looking into measures to reopen the closed mines in Odisha, Karnataka and Jharkhand.

"Odisha Mineral Development Corporation has some of the best iron ore and coal mines), but they are closed now. We are taking efforts to come out of the legal bottlenecks under which we re-allot or transfer those mines so that those mines become functional by again and to our plants," Singh said.

NAVBHARAT DATE : 29 /1/2019 P.N.7

खनिज बदल सकता है विदर्भ की तकदीर

खनिज संपदा पर 9 से सम्मेलन

नागपुर. विदर्भ एकमात्र ऐसा क्षेत्र है, जहां पर औद्योगिक खनिज और कोयला एक ही जगह पर उपलब्ध है. देश में ऐसा और कहीं नहीं है. कहीं कोयला है, तो खनिज नहीं और कहीं खनिज है, तो कोयला नहीं. परंतु इस ओर किसी ने गंभीरता से ध्यान ही नहीं दिया. राज्य की खनिज नीति को भी और बेहतर बनाने की जरूरत है ताकि खनिज की प्रोसेसिंग, उन्नयन यहीं पर हो सके. इससे रोजगार और निवेश को बढ़ावा दिया जा सकता है. इन्हीं सब बातों को ध्यान में रखकर उद्योग मंत्रालय, महाराष्ट्र राज्य खनिज निगम (एमएसएमसी) ने वेद के सहयोग से 9 और 10 फरवरी को कान्क्लेव 'मिनकान' करने का निर्णय लिया है. होटल सेंटर पाइंट में आयोजित कान्क्लेव के पहले दिन मुख्यमंत्री देवेंद्र फडणवीस, केंद्रीय मंत्री नितिन गडकरी, उद्योग मंत्री सुभाष देसाई, पालक मंत्री चंद्रशेखर बावनकुले, वित्त मंत्री सुधीर मुनगंटीवार, एमएसएमसी के चेयरमैन आशीष जैस्वाल उपस्थित रहेंगे. एमएसएमसी के चेयरमैन जैस्वाल, प्रबंध निदेशक एस. रामामूर्ति, वेद के अध्यक्ष देवेंद्र पारख ने कहा कि राज्य सरकार खनिज नीति बनाने जा रही है. मिनकान में देशभर से आने वाले जानकारों, निवेशकों की राय के बाद हम सरकार के समक्ष प्रस्ताव देंगे कि किस प्रकार की नीति बनाई जा सकती है ताकि बेहतर विकास हो सके. खनन के अलग-अलग दृष्टिकोण पर इन दो दिनों तक चर्चाएं होंगी. देश में कार्यरत बड़ी कंपनियों को भी इसके लिए आमंत्रित किया गया है. एमएसएमसी को अधिक अधिकार देने, प्रत्येक तालुका में माइनिंग क्लस्टर बनाने आदि पर भी विचार-विमर्श किया जाएगा. गिट्टी से रेती बनाने, फ्लाई ऐश का उपयोग बढ़ाने आदि पर भी सुझाव लिए जाएंगे. इस अवसर पर शिवकुमार राव, प्रदीप माहेश्वरी, राहुल उपगलनावार, सुधीर पालीवाल, रीना सिन्हा, पी.वाई. टेम्भरे, आदित्य राठौड़ प्रमुखता से उपस्थित थे.

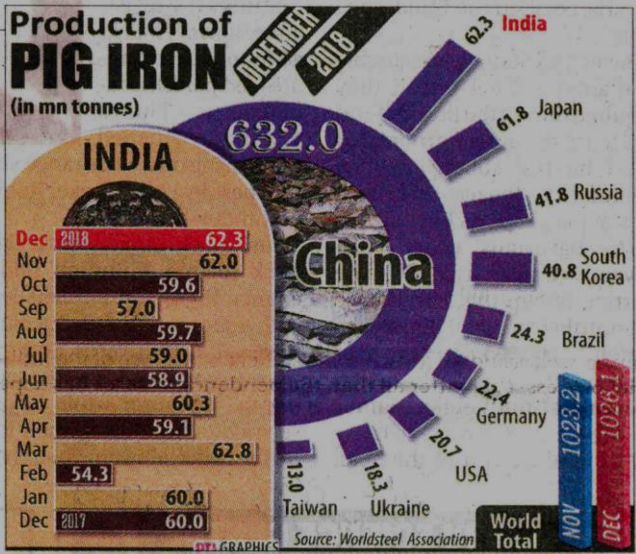
THE HITAVADA DATE : 29 /1/2019 P.N.9

India replaces Japan as second top steel producer

NEW DELHI, Jan 28 (PTI)

INDIA has replaced Japan as world's second largest steel producing country, while China is the largest producer of crude steel accounting for more than 51 per cent of production, according to World Steel Association (worldsteel).

The global steel body in its latest report noted that China's crude steel output jumped 6.6 per cent to 928.3 million tonnes (MT) in 2018 from 870.9 MT in 2017. China's share increased from 50.3 per cent in 2017 to 51.3 per cent in 2018.



"India's crude steel production in 2018 was at 106.5 MT, up by 4.9 per cent from 101.5 MT in 2017, meaning India has replaced Japan as the world's second largest steel producing country. Japan produced 104.3 MT in 2018, down 0.3 per cent compared to 2017," worldsteel said.

Global crude steel production reached 1,808.6 MT for the year 2018 from 1,729.8 MT in 2017, a rise of 4.6 per cent, it said.

Others in the top 10 producing countries include the United States, at 4th position, South Korea (5th place), Russia (6th), Germany (7th), Turkey (8th), Brazil (9th) and Iran (10th place).

THE ECONOMIC TIMES DATE : 29 /1/2019 P.N.8

Tata Steel Arm Sells 70% in SE Asia Business to China's HBIS

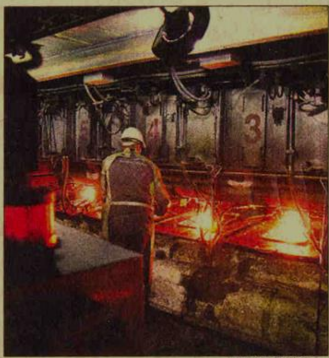
Divestment will be made to a holding co in which HBIS will own majority stake & TSGH 30%

Our Bureau

Kolkata: TS Global Holdings (TSGH), a wholly-owned subsidiary of Tata Steel, has signed definitive agreements with the state-owned HBIS Group of China to divest majority stake in its South-East Asia business in a $327-million deal.

TSGH executed the definitive agreements in Beijing on Monday with an HBIS Group co-controlled entity to divest its entire equity stake in NatSteel Holdings and 67% stake in Tata Steel (Thailand) Public Company.

As per the contract, the divestment will be made to a holding company in which 70% equity shares will be held by the entity controlled by HBIS and 30% by TSGH, an official statement from Tata Steel said.



ET ARCHIVES

ET was the first to report that Tata Steel was planning to sell its southeast Asian assets.

"Tata Steel Group and HBIS Group have been in discussions in relation to the future of the South-East Asia business, TV Narendran, Tata Steel CEO and managing director, said. "The definitive agreement signed between the two companies is a significant milestone in our strategic relationship, offering the SE Asia business robust growth opportunities, given the access to resources, technical expertise and HBIS' regional understanding." The deal includes Tata Steel's steel business in Vietnam, Narendran said during a conference call later.

Tata Steel will get two board positions in the holding company, while at the management level, the deputy CEO and deputy CFO will be Tata Steel nominees. The new entity will have an enterprise value of $685 million and a debt of $120 million-$150 million.

Tata Steel CFO Koushik Chatterjee said proceeds from the deal will help the company bring down its consolidated debt by around $450 million. "Tata Steel will stay invested in the SE Asia business by retaining its 30% stake in the holding company for another two to three years," he added. "Thereafter, we may look at ways to monetise it, including the option for an IPO. We will take a call on it later."

The deal completes Tata Steel's plan to divest its businesses in "other geographies" like Europe and SE Asia.

"We are keen on creating structurally strong enterprises that stand on their own," Narendran said, stressing on the group's renewed focus on the home market. "If we have to invest capital, we would rather invest in India, which allows a lot of growth opportunities,"

BUSINESS LINE DATE : 30 /1/2019 P.N.12

Uptrend intact in MCX-Zinc

GURUMURTHY K

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange of India extended its upmove in the past week as expected. The contract surged 4 per cent intra-week to a high of ₹193.4 per kg on Monday. But it has slightly come off from the high and is currently trading at ₹191.5 per kg.

Support is in the band between ₹190 and ₹189. The 200-DMA and a key trendline support are poised in this region. Whether the contract manages to sustain above this support zone or not will determine the direction of the next move. If the contract declines decisively below ₹189, a fall to ₹185 is possible on the back of profit-booking.

On the other hand, if the MCX-Zinc futures contract sustains above ₹189, there is a strong likelihood of it breaching the near-term resistance level of ₹193.5. Such a break can take the contract higher initially to ₹196.5. A further break above ₹196.5 will then increase the possibility of the upmove extending towards ₹200 and ₹203.

Short-term traders with high risk appetite can go long on dips at ₹190. Stop-loss can be placed at ₹186 for the target of ₹198. Revise the stop-loss higher to ₹192 as soon as the contract moves up to ₹195.

Global trend

The Zinc (three-month forward) contract on the LME has risen breaking above the key resistance level of $2,635 per tonne. The contract surged 4 per cent in the past week and is currently trading at $2,680 per tonne.

The level of $2,635 will now act as a strong support. Intermediate dips to this support level are likely to find fresh buyers coming into the market. A break below $2,635 looks less likely. An upmove to $2,735 is possible in the near term. A strong break above $2,735 will then increase the likelihood of the contract extending its rally towards $2,800 in the coming weeks.

BUSINESS LINE
DATE : 30 /1/2019 P.N.14

Govt to allow women to work in underground mines

PRESS TRUST OF INDIA

New Delhi, January 29

The Labour Ministry has decided to amend rules for allowing women to work in underground coal mines during day time and in open cast mines round-the-clock, for the first time, in a bid to bring gender equity and generate job opportunities.

"The ministry has decided to extend the timing of women workers in coal mines initially and would be extended in other such mining sectors on the basis of the initiative. A notification in the regard has already been sent for publication and it will be enforced in next couple of days," a senior official said.

Present rules do not allow women to work in underground mines. This provision of allowing them to work in underground coal mines is expected to bring more employment opportunities for them. At present, women are allowed to work in open cast mines for fixed hours during day time mainly. The new provision will allow them to work in any shift in open cast mine at any time of the day.

BUSINESS LINE DATE : 30 /1/2019 P.N.4

Gems and jewellery exporters want import duties reduced

NANDANA JAMES

Mumbai, January 29

The Gem and Jewellery Export Promotion Council (GJEPC) is hoping for a reduction in import duty on polished diamonds to 2.5 per cent from the current 7.5 per cent and a cut in import duty on gold from 10 to 4 per cent in the upcoming Interim Budget.

"If India wants to be a serious manufacturing and trading hub, with such high duties it can never be one. Now it is up to the government to decide whether we want to take manufacturing seriously or not," said Colin Shah, Vice-Chairman, GJEPC.

I-T relief

Income tax relief for mining companies is another expectation. Shah said all the mining companies pay taxes in the country in which they mine. These companies want to start offices in India and sell directly to the manufacturers, but the current policy does not allow them to do so. While there are special notified zones where these companies can bring samples, they cannot bring their rough diamonds and sell it here because they need to pay income tax, said Shah. This deters mining companies from coming to India, which is not good for the manufacturers here. "There needs to be a progressive taxation policy for at least the mining companies... because most of the raw materials are not made in India," he said.

The HS code for lab-grown diamonds is another "big threat" to our industry, said Shah. He said the code for imports should have been separated for lab-grown and natural diamonds long back.

A risk management system and an SOP based on business practices all over the world also needs to be implemented, he said. A 5 per cent interest subvention has been given to several export industries in the last couple of months, but the gems and jewellery industry is not a part of it, he said. "If the government is giving an incentive to other exporters, then why is it that only our industry is left out?" asked Shah. Removal of IGST on goods for exhibitions and re-import is also another expectation from the Budget.

Manufacturing zone

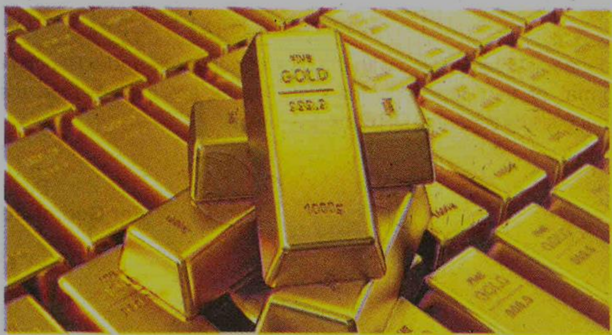
A proper implementation of the Baba Kalyani report on SEZ and the conversion of SEZ into a manufacturing zone is also needed. "Right now, we can only export. India being such a large market, we should be allowed to export as well as sell domestically from the same factory," said Shah.

BUSINESS LINE DATE : 30 /1/2019 P.N.16

Gold continues to rise; outlook positive

GURUMURTHY K

BL Research Bureau



The upmove in gold has been gaining momentum since last week. After oscillating between $1,275 and $1,300 per ounce in the first three weeks of the month, the global spot gold price has surged, breaking above the psychological level of $1,300 in the past week. The price is currently at $1,307 per ounce.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) has been inching higher over the last few weeks. The contract is currently trading at ₹32,663 per 10 gm.

Fed meet awaited

The outlook for gold continues to remain positive. However, the outcome of the US Federal Reserve meeting on Wednesday will need a close watch as it could set the next direction for gold. Any hint of slowing down the pace of interest rate hikes will be positive for gold.

Global spot gold ($1,307 per ounce) has gained momentum over the last few days on the back of the weakness in the US dollar. The break above $1,300 has boosted the momentum. The outlook is positive. Immediate support is in the $1,300-$1,295 region, which is likely to limit the downside in the near term. Though there is resistance near current levels in the $1,308-$1,310 region, there is a strong likelihood of gold breaching this hurdle in the coming days.

A strong break and a decisive close above $1,320 will take gold prices up initially, towards $1,320. A further break above $1,320 will then see the up-move extending towards $1,365 over the medium term.

MCX outlook

MCX-Gold (₹32,663 per 10 gm) has an immediate resistance around ₹32,750. A break above this can take the contract higher to ₹33,000 in the near term.

A strong break above ₹33,000 will then increase the likelihood of the contract extending its rally towards ₹33,500 and ₹33,700 in the coming weeks.

Support for the contract is at ₹32,000. The bullish outlook will get negated only if gold declines below ₹32,000. The next targets are ₹31.650 and ₹31,500.

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

THE HINDU DATE : 30 /1/2019 P.N. 1 & 10

Gold turns red hot, price at a peak

Touches ₹33,800 mark in Mumbai as global demand rises

ASHISH RUKHAIYAR
MUMBAI

Gold prices in India hovered near record levels on Tuesday as a combination of factors including an increase in global demand, especially from central banks, and a fall in the quantum of mining of the precious metal pushed up prices in the domestic market.

Jewellers at the Zaveri Bazaar here, one of the largest and oldest gold markets in India, said the price, inclusive of the 3% goods and services tax (GST), touched ₹33,800 on Tuesday, the highest ever for the yellow metal.

Jewellers attribute the surge to increased demand from central banks.

At current levels, gold's price is well above the high of about ₹30,600 around November 2016 when the government announced demonetisation.

Jewellers, meanwhile, attributed the surge to increased demand from central banks, especially from countries facing currency issues. "Central banks of many countries like Russia and Turkey, along with a few other smaller economies that have seen currency issues, are buying gold, thereby pushing up the demand," said Kumar Jain, vice-president, Mumbai Jewellers Association.

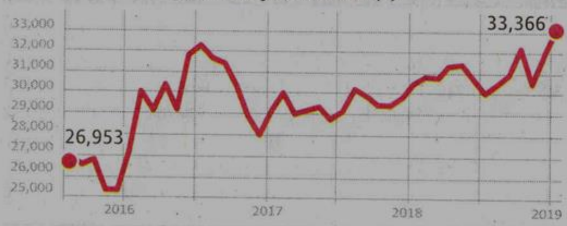
CONTINUED ON ▸ PAGE 10

Gold turns red hot, price at a peak in India

Glittering high

Price of 24 carat gold breached the ₹33,000 per 10 gram mark setting a new high for an extended period

Graph shows price for 10 grams of 24 carat gold over the past three years in India (₹)



A reduction in the quantum of mining is adding to price pressures, he added. While the Indian market is influenced by global prices – currently close to a seven-month high of about $1,300 per ounce – the addition of import duties makes the metal more expensive than the global benchmark price in rupee terms.

Analysts expect global gold prices also to increase in the near future.

"We expect gold prices to trade higher over short to medium term eyeing short-term resistance at $1,340, while prices may test previous resistance near $1,380 in the medium term," HDFC Securities said in a report released on Tuesday.

NAVBHARAT
DATE : 30 /1/2019 P.N.7

जल्द ही महाराष्ट्र की खदानों की नीलामी

नवभारत समाचार सेवा

अकोला. महाराष्ट्र के राजस्व और वन विभाग द्वारा लिए गए फैसले के अनुसार राज्य की किराया तत्व पर दी जाने वाली खदानों की अब नीलामी की जाएगी. सरकारी या अन्य किसी भी सार्वजनिक प्राधिक्रण की जमीनों पर खदानें किराया तत्व पर दी जाती थीं. महाराष्ट्र गौण खनिज उत्खनन नियम, 2013के तहत क्रमांक 9 के अंतर्गत की गई व्यवस्था के अनुसार रेत के अतिरिक्त मुरुम, पत्थर आदि दोयम खनिजों की खदानों की नीलामी होगी. यह नीलामी ई-टेंडरिंग पद्धति से होगी, जिसकी कालावधि नीलामीधारक के साथ अनुबंध के दिन से शुरू हो जाएगी. एक ही दिन हर जिले की खदानों का नीलाम होगा. यह प्रक्रिया जिलाधीश या अपर लिलाधीश की निगरानी में होगी. महाराष्ट्र गौण खनिज उत्खनन नियम, 2013के तहत नियम 10 (4) की व्यवस्था के अनुसार स्थानीय ग्रामस्वराज्य संस्था की सिफारिश आवश्यक है.

THE HITAVADA DATE : 30 /1/2019 P.N.9

Gems & jewellery sector seeks duty cut to 4 pc

MUMBAI, Jan 29 (PTI)

THE gems and jewellery sector, which is still reeling under the impacts of note-ban and GST implementation, has sought a reduction in gold import duty to 4 percent and bringing down the levy on cut and polished diamonds and cut and polished gemstones to 2.5 percent, apart from relaxation in credit norms.

All-India gems & jewellery domestic council Chairman Anatha Padmanabhan in a letter to Finance Minister ahead of the interim budget on Friday, said the 10 per cent import duty on gold was levied to curb current account deficit when it was too high and since then it has been contained with falling trade deficit.

He said the higher import duty on gold has given rise to the grey market and smuggling of the yellow metal and thus has not achieved its intended goals.

He also called for raising the mandatory PAN number declaration while buying gold jewellery to Rs 5 lakh from the present Rs 2 lakh. Since not even 50 percent of the population do not have PAN cards, making it mandatory for purchasing gold jewellery above Rs 2 lakh is difficult in rural areas especially as customers are either reluctant to share or do not have one, he added.

Meanwhile, Gem & Jewellery Export Promotion Council chairman Pramod Kumar Agrawal urged the Government to reduce the import duty on cut and polished diamonds and as on the cut and polished gemstones to 2.5 per cent from 7.5 per cent now.

THE TIMES OF INDIA DATE : 31 /1/2019 P.N.13

TIMES BUSINESS
THE TIMES OF INDIA, NAGPUR | THURSDAY, JANUARY 31, 2019

STEELING THE SHOW

Global crude steel production reached 1,809 MT for the year 2018, up by 4.6% compared to 2017. India edged out Japan to grab the second spot in 2018, from being in the third position in 2017

BUSINESS LINE DATE : 31 /1/2019 P.N.12

Uptrend in MCX-Nickel gains momentum

GURUMURTHY K
BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange of India has risen sharply in the past week as expected. The contract has rallied over 5 per cent in the past week, breaking above the key 100-day moving average resistance level of ₹839 per kg. The MCX-Nickel futures contract is currently trading at ₹872 per kg.

There is a key trendline resistance near current levels at ₹873. Inability to breach this hurdle can trigger a pull-back move towards ₹850 or ₹840. However, the overall outlook will continue to remain positive. As such, the downside is expected to be limited. The region between ₹845 and ₹840 will serve as a strong support and thus fresh buyers are likely to emerge around this support zone.

As such an eventual break above ₹873 will then increase the likelihood of the contract extending its upmove to ₹900 or even ₹920 in the coming weeks.

Traders with a medium-term perspective can wait for dips and go long at ₹855 and ₹845. Stop-loss can be placed at ₹820 for the target of ₹915. Revise the stop-loss higher to ₹870 as soon as the contract moves up to ₹885.

Global trend

The uptrend in the Nickel (three-month forward) that has been in place since the beginning of the year is gaining momentum on the LME. The contract has surged over 10 per cent so far and is currently trading at \$12,120. The contract has breached and closed above the key resistance level of \$12,000 on Tuesday.

Immediate support is at \$12,000 and the next significant support is at \$11,730 — the 100-DMA. A rally to 12,550 is likely in the coming days.

The outlook will turn negative only if the LME-Nickel contract declines decisively below \$11,730. The next target is 11,450. But such a fall breaking below \$11,730 looks less likely at the moment.