



खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-9

(As appeared in National/Local Newspapers Received in Central Library, IBM, Nagpur)

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It is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email **ibmcentrallibrary@gmail.com** (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information.

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Mrs. D. H. Vairagare
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KHANIJ SAMACHAR



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INDIAN BUREAU OF MINES

VOL. 2, NO-9, 1st –15th MAY, 2018

BUSINESS LINE
DATE: 7/5/2018 P.N.8

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	2370	6.6	20.3	24.3	2603	1855
Copper	6790	0.5	1.5	23.1	7216	5462
Iron Ore	65	1.4	4.0	-2.4	81	54
Lead	2315	-1.3	-2.4	5.6	2683	2030
Zinc	3046	-2.6	-6.7	18.7	3619	2434
Tin	21345	1.4	1.9	7.2	22104	18867
Nickel	13974	1.0	6.7	55.8	15720	8710

BUSINESS LINE
DATE: 14/5/2018 P.N.8

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	2278	0.4	0.8	21.9	2603	1855
Copper	6909	1.7	-0.1	25.1	7216	5488
Iron Ore	65	2.6	7.0	10.6	81	54
Lead	2333	3.4	-3.1	7.5	2683	2030
Zinc	3064	2.5	-5.1	18.5	3619	2434
Tin	21038	-1.4	-0.1	5.5	22104	18867
Nickel	13995	2.0	1.3	50.6	15720	8710

'Bhushan Power: Final call on second round of bids today'

SURYA SARATHI RAY
NEW DELHI, APRIL 30

THE COMMITTEE of creditors (CoC) for Bhushan Power and Steel is in the process of deciding whether to go for a second round of bidding or not. Sources said that after the voting process initiated by the resolution professional (RP) concludes on Tuesday, a final decision in this regard will emerge.

The race for the bankrupt company had taken a turn on April 23 when the National Company Law Tribunal (NCLT) asked its lenders led by Punjab National Bank to consider the late bid submitted by UK-based Liberty House.

Liberty House had, on February 26, challenged the rejection of its bid by the RP on the grounds it had been submitted late. The two bidders who had submitted their bids within the deadline of February 8 were Tata Steel and JSW Steel. So far these

two steelmakers have not challenged the order.

Bhushan Power and Steel owed lenders close to ₹47,000 crore as on March 31, 2017.

In its order, the NCLT had said that the bid by Liberty House could not be disqualified only on the grounds that it had been submitted after the deadline.

"Resolution plan of the Liberty House shall not be rejected on the ground of delay emanating from process document or any other document internally circulated by the RP or the CoC. The rejection shall be on some substantive ground as against flimsy one," the bench had said. The tribunal had directed the CoC to complete its resolution proceedings by June 23.

The bench's order had noted that since the resolution plan is under consideration and yet to be decided by the CoC, there is still considerable time left for completion of resolution process. **FE**

Goa ex-CM quizzed by crime branch in mining scam probe

PANAJI, Apr 30 (PTI)

THE Goa police's Special Investigation Team (SIT) on Monday quizzed Congress MLA and former Chief Minister Digambar Kamat in connection with an alleged multi-crore mining scam.

Kamat appeared before the SIT on Monday morning and an investigating officer questioned him for almost an hour for his alleged involvement in the Rs 35,000 crore illegal mining scam.

The 64-year-old legislator, who was the State Mines Minister when the alleged illegalities took place between 2005 and 2012, had earlier also been questioned by the SIT set up by the Crime Branch. "We wanted to seek some more information from Kamat for which he was summoned. He has been named as one of the accused in this case, so his state-

ments are important," a senior SIT officer told PTI.

Kamat is currently the Congress legislator from Margao constituency in South Goa district.

The MLA, who was the Chief Minister from 2007 to 2012, has been named a key accused in several chargesheets filed by the Goa Police's Crime Branch in the multi-crore scam.

The SIT is investigating a complaint filed by the mines and geology department in July 2013 seeking to fix criminal liability on those involved in the illegal mining, as pointed out by various committees, including the Centre-appointed Justice M B Shah Commission.

The Crime Branch had registered an FIR in August 2013 against those named in reports prepared by the Shah Commission and other committees, including Kamat.

Lenders OK Orissa Manganese Bid, Ready to Take 95% Haircut

Ghanashyam Misra & Sons will pay ₹250 cr cash upfront for the firm that owes ₹5,433 cr to lenders

Sangita.Mehta@timesgroup.com

Mumbai: Creditors, led by the State Bank of India, have voted in favour of accepting the offer of little-known Ghanashyam Misra & Sons for Adhunik group company Orissa Manganese & Minerals, which involves a 95% haircut, said two executives who did not want to be named.

Ghanashyam, which is said to be engaged in mining, will pay ₹250 crore cash upfront to lenders, as per its bid, which got the backing of 89% of the creditors by value. The company owes ₹5,433 crore to lenders.

Orissa Manganese is among four Adhunik group companies facing bankruptcy proceedings. The others are Zion Steel, Adhunik Metalliks and Adhunik Alloy & Power. Ghanashyam Misra will retain

debt of ₹150 crore in the mining unit and ₹400 crore in the pellet division. A part of the debt will be converted into equity, following which the stake of the lenders in the company will amount to 25%.

Some lenders raised queries over the manner in which the process was carried out, saying that the resolution plan needed to have been submitted at least 24 hours before the vote.

"As the RP (resolution professional) was present through an audio conference, it is not very clear how he has certified the process was conducted in accordance with IBC (Insolvency and Bankruptcy Code) rules," said one executive. "Also, the issue regarding the ₹940 crore claim of the government's mining department is not addressed in the resolution plan."

Resolution professional Sumit Binani didn't respond to queries.



Another executive said the 270-day period within which a resolution plan needed to be agreed was coming to an end. Once this deadline expires, companies have to be liquidated.

"The RP probably wanted to complete the process within 270 days, which was coming to an end on April 29, failing which the company would have gone for liquidation. He was not physically present because of another matter where he is serving as RP," said the bank official.

"However, it is for the tribunal (National Company Law Tribunal or NCLT) and the regulator (Insolvency and Bankruptcy Board of India) to decide on how prudent the plan is."

The resolution professional is expected to submit the resolution plan to the NCLT's Kolkata bench in the middle of the week when it opens after several public holidays.

The lenders have also approved the setting up of a monitoring committee comprising ICICI Bank, Punjab National Bank and SBI, which will oversee implementation of the Orissa Manganese resolution plan.



जिम्मेदार खनन समय की मांग

2 दिवसीय राष्ट्रीय संगोष्ठी का समापन

नवभारत समाचार सेवा

रायपुर. एनएमडीसी द्वारा फेडरेशन आफ इंडियन चेंबर आफ कामर्स एंड इंडस्ट्री (फिक्की) के सहयोग से 'नए परिदृश्य में जिम्मेदार खनन एवं खनिज समृद्ध राज्यों में खनन एवं इस्पात के लिए निवेश और विकास के अवसर' विषय पर आयोजित संगोष्ठी का समापन हुआ. दो दिवसीय संगोष्ठी के दौरान विभिन्न विषय विशेषज्ञों द्वारा तीन पैनल डिस्कशन के साथ ही 18 तकनीकी पेपर प्रस्तुत किए गए. इस अवसर पर संबोधन में छत्तीसगढ़ के पीसीसीएफ.आर.के. सिंह ने कहा कि छत्तीसगढ़ के विकास में एनएमडीसी का महत्वपूर्ण योगदान रहा है. कम्पनी प्राकृतिक संसाधनों के संरक्षण की एक नई संस्कृति विकसित करने का प्रयास कर रही है.

इसके अधिकारी खनिज संरक्षण की दिशा में कार्य कर रहे हैं. एनएमडीसी के निदेशक (तकनीकी) डॉ एन के नंदा ने कहा कि पर्यावरण हितैषी खनिक के रूप में एनएमडीसी कर्नाटक के दोनीमलै में लगभग पांच किलोमीटर सिंगल कन्वेयर और स्लाइम के इस्तेमाल से पैलेट बनाने जैसी पर्यावरण के अनुकूल आधुनिक तकनीक का इस्तेमाल अपनी विभिन्न परियोजनाओं में कर रही है. जीरो इफेक्ट, जीरो डिफेक्ट और जीरो वेस्ट का हमारा लक्ष्य पर्यावरण के हित में ही है. एनएमडीसी के निदेशक (उत्पादन) और सेमिनार के संयोजक पी.के. सत्यथी ने कहा कि इस दो दिवसीय सेमिनार ने नए परिदृश्य में जिम्मेदार खनन संबंधी जानकारी के आदान प्रदान कर नए आयाम तय किए हैं. उन्होंने इसके लिए सभी सहभागी कंपनियों के प्रयासों की भी सराहना की. इस अवसर पर एनआईटी राउरकेला के वरिष्ठ प्रोफेसर एस जयंतु, एनएमडीसी के पूर्व सीएमडी पीआर त्रिपाठी, बी रमेश कुमार सहित अन्य उपस्थित थे.

Silver Imports May Rise 10% in FY19

Fall in prices making the metal attractive in rural India

Sutanuka Ghosal
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Kolkata: Silver imports may rise by 10% in the current fiscal, as rural India is leaning towards the metal – known as the poor man's gold – because its price has dropped by 3.29% from a year ago.

Traders and analysts believe that there's room for silver prices to move up in tandem with base metals which are showing an upward trend, which is also attracting rural buyers towards silver. Price of silver is currently hovering around ₹39,270 per kg.

"The demand for silver is rising in rural India as the price recovery of kharif crops had been good. Also, gold prices are shooting up which is why rural folks are buying silver instead of gold. Also the Met Department has forecast a normal monsoon this year which is expected to spur demand for silver further in the coming months. Keeping all these parameters in mind, the trade is expecting a 10% increase in imports of silver," Harsh Acharya, secretary, Bullion Federation, told ET.

Surendra Mehta, national secretary of India Bullion & Jewellers Association (IBJA), said, "Thirty-year historical average of gold-to-silver ratio is around 66. However, currently it is hovering around 80. For an ounce of silver priced as \$16.42, the price of

gold is \$1317.25 per troy ounce. If we take historical gold-to-silver ratio of 66, then silver rate should be around \$20 per troy ounce. Thus, there is possibility of silver to cross ₹47,000 per kg."

Basically, the gold-to-silver ratio is the amount of silver it takes to purchase one ounce of gold. Investors who deal in bullion, both gold and silver, monitor the gold-to-silver ratio as the right time to buy or sell the particular metal.

When the ratio is high, the general consensus is that silver is the favoured metal. This is because, relative to the ratio, silver is somewhat



cheap. Similarly, a low gold-to-silver ratio tends to favour gold and sends out the signal that it is the right time to buy the yellow metal.

Analysts too felt that silver is looking undervalued compared to gold at this point of time, and chances of silver outperforming gold is very high. "In the immediate short term, \$16 ounce is expected to offer strong support to the prices and it can move higher towards \$17-\$17.5 per ounce in the coming months," said Himanshu Gupta, AGM (research) at Karvy Commodities.

Trump deters metal tariffs on EU, Canada and Mexico by a month

But rules out extensions beyond June 1

REUTERS

Washington, May 1

US President Donald Trump has postponed the imposition of steel and aluminum tariffs on Canada, the European Union and Mexico until June 1, and has reached agreements for permanent exemptions for Argentina, Australia and Brazil, the White House said on Monday.

The decisions came just hours before temporary exemptions from the tariffs on these countries were set to expire at 12:01 am (0401 GMT) on Tuesday.

In a statement, the White House said the details of the deals with Brazil, Argentina and Australia would be finalised shortly, and it did not disclose terms.

"The administration is also extending negotiations with Canada, Mexico, and the European Union for a final 30 days. In all of these negotiations, the administration is

focussed on quotas that will restrain imports, prevent transshipment, and protect the national security," the White House said.

A source familiar with the decision said there would be no further extensions beyond June 1 to stave off tariffs.

Trump on March 23 imposed a 25 per cent tariff on steel imports and a 10 per cent tariff on aluminum, but granted temporary exemptions to Canada, Mexico, Brazil, the EU, Australia and Argentina. He has also granted a permanent exemption on steel tariffs to South Korea as part of a revision of a free trade pact that he sharply criticised.

Trump has invoked a 1962 trade law to erect protections for US steel and aluminum producers on national security grounds, amid a worldwide glut of both metals that is largely blamed on excess production in China.

The tariffs, which have increased frictions with US trading partners worldwide and have prompted several



Trump has invoked a 1962 trade law to erect protections for US steel and aluminum producers on national security grounds

challenges before the World Trade Organisation, are aimed at allowing the two US metals industries to increase their capacity utilisation rates above 80 per cent for the first time in years.

Exemption terms unclear
Trump administration officials have said that in lieu of tariffs, steel- and aluminum-exporting countries would have to agree to quotas designed to achieve similar

protections for US producers. Australia's Prime Minister Malcolm Turnbull and the country's Trade Minister Steven Ciobo welcomed the tariff exemption, and said the country would continue to work with Washington to prevent dumping.

"The exemption reflects the fair and reciprocal trade relationship Australia shares with the United States and underpins the unbreakable friendship between our two

great nations," they said in a statement.

Australia's sole steel producer Bluescope, which supplies locally made steel to its own factories in the United States, said it was pleased with the exemption.

"Now its time to refocus, and get back to business, Managing Director Mark Vassella said in a statement.

South Korea earned its permanent exemption from steel tariffs by agreeing to quotas that will cut its steel shipments by about 30 per cent from 2017 levels. Seoul is still subject to US aluminum tariffs

Most Asian markets were closed for a holiday on Tuesday but on the London Metal Exchange, aluminum and steel-linked materials eased on prospects supply could be cheaper to come by.

The White House said the agreements reflect administration efforts "to reach fair outcomes with allies to protect our national security and address global challenges to the steel and aluminum industries."

Cabinet gives nod for IBM's restructuring

NEW DELHI, May 2 (PTI)

THE Government on Wednesday approved the restructuring of Indian Bureau of Mines to reform the mineral sector regulation.

The restructuring would enable the adoption of IT and space technology by the bureau to improve its effectiveness in mineral regulation and development, the Mines Ministry said in a statement. It said that the Union Cabinet has approved "the restructuring of the Indian Bureau of Mines (IBM) by upgradation, creation and abolition of certain posts of Joint Secretary-level and above".

"Further, the posts entail a great deal of decision-making and accountability in the functioning of the organisation," it said.

It said that the move will create direct employment opportunities for technical personnel with higher responsibility for contribution in faster development of mineral sector.

(Contd on page 9)

Cabinet gives nod for IBM restructuring

(Contd from page 1)

The total cadre strength of IBM has been maintained at the existing strength of 1,477. The restructuring at IBM consists of creation of one post of Chief Controller of Mines in Level 15 and three posts of Controller of Mines in Level 14.

It will also lead to "upgradation of 11 posts i.e. 1 post of Controller General from Level 15 to 16, 2 posts each of Chief Controller of Mines and Director (Ore-Dressing) from Level 14 to 15 and upgradation of 8 posts (5 posts of Controller of Mines, one each of Chief Mineral Economist, Chief Ore-Dressing Officer and Chief Mining Geologist) in the existing Level of 13A to 14," it said.

Besides, it will lead to "abolition of one existing cadre post of Deputy Director General (Statistics), an officer of Indian Statistical Service in Level 14 in pay matrix".

IBM was set up by the Centre in March 1948 under the Ministry of Works, Mines and Power, primarily as an advisory body to help in formulation of policy and legal framework for the mining sector and advising the Centre and State.

कोळसा खाणपट्टा वाटप प्रकरणात एक कोटीचा दंड गोंडवाना इस्पातचे संचालक डागा यांना चार वर्षांचा कारावास

लोकमत न्यूज नेटवर्क

नवी दिल्ली : महाराष्ट्रातील कोळसा खाणपट्टा वाटपाशी संबंधित असलेल्या एका प्रकरणात मंगळवारी विशेष न्यायालयाने गोंडवाना इस्पात लिमिटेडचे संचालक अशोक डागा यांना चार वर्षांच्या कारावासाची शिक्षा ठोठावली. विशेष सीबीआय न्यायाधीश भरत पाराशर यांनी चार वर्षांच्या कारावासासोबतच डागा यांच्यावर १ कोटी रुपये आणि कंपनीवर ६० लाख रुपये दंडही ठोठावला आहे.

न्या. पाराशर हे कोळसा खाणपट्टा प्रकरणाशी संबंधित खटल्यांची सुनावणी करीत आहेत. न्या. पाराशर यांनी महाराष्ट्रातील माजरा कोळसा खाणपट्टा मिळविण्यासाठी फसवणूक करणे आणि फौजदारी कट रचल्याबद्दल डागा यांना दोषी ठरविले होते आणि त्यानंतर २७ एप्रिलपासूनच डागा हे सीबीआय कस्टडीत आहेत.

डागा आणि कंपनीला भादविच्या

कलम १२० बी (फौजदारी कट) आणि ४२० (फसवणूक) अन्वये दोषी ठरविण्यात आले आहे.

गोंडवाना इस्पात लिमिटेडला २००३ मध्ये माजरा कोळसा खाणपट्टा वाटप करण्यात आला होता आणि २०१४ मध्ये त्याबाबत एफआयआर दाखल करण्यात आला होता.

२००३ मध्ये कोळसा खाणपट्टा वाटपानंतर डागा यांनी कोळसा मंत्रालयाला एक प्रतिज्ञापत्र सादर करून, आपण या खाणपट्ट्यात एक संयंत्र उभारणार किंवा त्याचा विस्तार करणार आणि कोळसा खाणीचाही विस्तार करणार, असे आश्वासन दिले होते. परंतु डागा यांनी २००५ मध्ये मोठा नफा कमावून गोंडवाना इस्पात कंपनी नंदकिशोर सारडा यांना विकली, असे तपासात आढळून आल्याचे सीबीआयने म्हटले होते.

गोंडवाना इस्पात लिमिटेड आणि डागा यांनी सादर केलेल्या माहितीची कोळसा मंत्रालयानेही शहानिशा केली नाही, असा आरोप सीबीआयने केला.

Fading aura: Gold set for further correction

COMMENTARY

G CHANDRASHEKHAR

All the known supports for gold are weakening. While fading geopolitical risks are seen calming the commodity markets, especially crude oil and gold, the dollar has begun to appreciate and the 10-year US treasury yield has jumped to above 3 per cent.

The odds of a hike in US interest rates in June have risen further. The upside risks to crude oil and thereby to inflation have weakened as the threat perception of trade friction is reducing. As a result, the yellow metal has begun to lose its lustre.

Prices falter

No wonder, on Friday (April 27), the metal was trading at \$1,321 per troy ounce, down from a week earlier rate of \$1,335/oz and a month ago at \$1,344. Less-committed gold bulls are gradually exiting the market as the upside is seen capped at the moment.

The price slide is expected to continue in the days ahead, raising the possibility of the metal testing the psychological \$1,300 soon, especially given the détente in conflict involving North Korea.

"The trade-weighted dollar index has climbed to a 3½-month high. What is more, gold dropped below the technically important 100-day moving average, spark-

ing technical follow-up selling," pointed out an analyst.

Slack Asian demand

The demand side too is anything but supportive. The volume of gold imports by key consumers has fallen. The latest trade figures show that imports into the world's top two consuming countries India and China fell in March. Clearly, price elasticity of demand is at play.

Demand in both importing countries is quite price-sensitive, and in India more so. While high prices discouraged buyers of jewellery, in case of investors the looming risk of a price fall proved negative.

Much is made of the Akshaya Trithiya demand. The auspicious day for gold purchase fell on April 18. But consumer interest was muted.

Calculations based on the Commerce Ministry data suggest that the country's gold imports declined by 40 per cent year-on-year in value terms in March to \$2.5 billion. This equates roughly to 58 tonnes based on average price of \$1,326. In the first quarter, India's gold imports have declined by a third.

The Chinese gold import story is no different. Demand is clearly subdued. Experts estimated that China's combined imports of gold via Hong Kong and Switzerland fell by 27 per cent in

March to 99 tonnes. In line with global developments, domestic prices are likely to fall. However, given the recent weakness of the rupee, the full benefit of overseas price correction is unlikely to be available to Indian consumers. The marriage season is likely to conclude in a few weeks after which — between June and September — demand for gold, especially in rural areas, will stay muted.

One silver lining for the gold market is the forecast of a normal South-West monsoon. If that materialises, one can expect farm output to increase, rural incomes to rise and rural demand to pick up from September onwards.

Gold policy

In the 2018-19 Budget, the Finance Minister announced that the government will formulate a comprehensive gold policy to develop the metal as an asset class. But more important than that is the strict monitoring of gold imports in terms of contract registration, tracking physical arrivals, tracking source of funds and payment towards imports, and disposal of the imported material. Given the humongous finances involved, it is critical the trade becomes more transparent.

The writer is a commodities market specialist and policy commentator. Views are personal.

CIL misses Apr target by 2 MT

NEW DELHI, May 2 (PTI)

THE State-owned CIL produced 44.8 million tonnes of coal in April, missing the target by 2 MT.

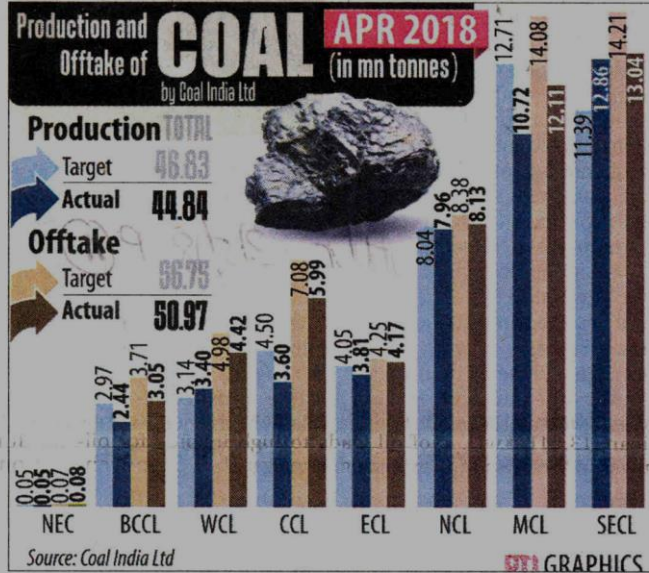
Its output target of for the month was 46.83 MT, Coal India Ltd (CIL) has said.

The company's offtake in April was at 50.97 MT against the target of 56.75 MT.

CIL accounts for over 80 per cent of the domestic coal output. Its output in the 2017-18 fiscal was 567.37 MT, missing the target by 33 MT.

With an assessment suggesting that the current trend may not warrant pursuing the projected coal output target of 1 billion tonnes by 2020 by the company, the Government last month indicated revising it.

The Government had said last December that of the 1.5 billion



tonnes coal the country was expected to produce by 2022 and

of this, 1 billion tonnes would come from Coal India.

BUSINESS LINE DATE: 3/5/2018 P.N.17

Industry associations see vested interests behind the agitation for Sterlite plant closure

OUR BUREAU

Chennai, May 2

A couple of downstream industry associations have come out to bat for the beleaguered Sterlite Copper. They have made an appeal to the State government that any step leading to permanent closure of the factory at Thoothukudi will not only affect the livelihood of thousands of people, but also cause hardship to small industries in the State.

Chemical Industries Association (CIA) and Winding Wire Manufacturers Association (WWMAI) have raised concern over the growing trend of opposing every industrial project in Tamil Nadu, one of the few States that led industrialisation in the country, without respecting the decisions of

tribunals and courts. "The present agitation against Sterlite Copper appears to be another instance of whipping up passion against project unjustifiably," Chemical Industries Association (CIA) said its appeal to the State government.

There are more than 1,000 people directly employed in the Sterlite unit. Also, there are another 1,000 contract labourers. Behind each one of the earning employee, there is family of 4-5 people. Moreover, more than 100 small factories are using the by-products of Sterlite for their operation and existence.

A lot of people are depending on these small units for their livelihood, it added. CIA explained that

due to the recent closure of Sterlite, price of sulphuric acid has increased three-fold and chemical units are facing hardship. It may even lead to the closure of small units.

Other units hit

"Sterlite Copper was meeting more than 50 per cent of our domestic requirement. The sudden closure of the factory has resulted in huge loss to winding wire industry and has also affected the production of electrical and electronic components," WWMAI said in a letter to the Chief Minister.

"If it remains closed, the industry will be forced to import copper at five per cent above the domestic prices, which will have huge

cost implications for the units," it added. They also questioned why only Sterlite unit was being opposed while all other sulphuric acid plants in Tamil Nadu were operating smoothly without any protest.

रत्न एवं आभूषण उद्योग व बैंकों के बीच विश्वास बहाली के लिए सम्मेलन

नई दिल्ली. आभूषण कारोबारियों द्वारा बैंकिंग क्षेत्र के साथ की गयी धोखाधड़ी से इस उद्योग की बनी नकारात्मक छवि को सुधारने और बैंकों का विश्वास जीतने के उद्देश्य से मुंबई में 11 मई को बैंकिंग सम्मेलन आयोजित किया जा रहा है जिसमें रत्न एवं आभूषण निर्यात संवर्धन परिषद (जीजेईपीसी) एक श्वेत पत्र जारी करेगा। संगठन के अध्यक्ष प्रमोद अग्रवाल ने आज यहां जारी बयान में यह जानकारी देते हुये कहा कि उनका संगठन बैंकों के साथ सहयोग करने के उद्देश्य से श्वेत पत्र जारी करने जा रहा है जिसमें जटिल बैंकिंग समस्याओं को हल करने, ऋण सीमा, प्रतिभूति, संबंधित संपत्ति लेनदेन का मूल्यांकन, इन्वेंट्री आकलन, अनुषंगी वित्त पोषण दिशानिर्देश आदि शामिल है। इसका लक्ष्य उद्योग के मुख्य श्रेयधारकों की चिंताओं को कम करना है जिसे हाल की जालसाजी की घटनाओं से झटका लगा है। उन्होंने कहा कि रत्न एवं आभूषण उद्योग और शीर्ष बैंकों के परामर्श से जीजेईपीसी द्वारा संकलित इस श्वेत पत्र को 'डायमंड फाइनेंसिंग 2018 नई चुनौतियाँ' शीर्षक से जारी किया जायेगा। यह श्वेत-पत्र धोखाधड़ी की घटनाओं से बने अविश्वास के माहौल को बेहतर बनाने का काम करेगा।

INDIAN EXPRESS

DATE: 4/5/2018 P.N.14

Vedanta Q4 profit up 34%

PRESS TRUST OF INDIA
NEW DELHI, MAY 3

MINING CONGLOMERATE
Vedanta Ltd on Thursday reported a 34 per cent rise in consolidated profit after tax (PAT) a Rs 5,675 crore for the fourth quarter ended March 2018.

The firm had posted a consolidated PAT of Rs 4,226 crore in the year-ago period. Vedanta's income from operations rose 17 per cent to Rs 27,630 crore from Rs 23,691 crore in the corresponding quarter of the previous fiscal.

BUSINESS LINE DATE: 4/5/2018 P.N.15

NMDC sets up remote sensing, GIS laboratory

To use space tech for mineral exploration

V RISHI KUMAR

Hyderabad, May 3

Iron ore mining major NMDC has set up a remote sensing and GIS lab to use satellite imagery for exploration.

N Baijendra Kumar, CMD, NMDC, inaugurated the Remote Sensing & GIS Lab on the company's premises in the presence of Santanu Choudhury, Distinguished Scientist and Director, National Remote Sensing Centre (ISRO), Department of Space.

Pact with ISRO

NMDC and NRSC (ISRO) had signed an MoU to promote "satellite-based geological mapping and multi-disciplinary exploration of iron, diamond and other mineral deposits."

NMDC is the first CPSE in the Ministry of Steel to sign up with ISRO for use of space technology in mineral exploration and mining and

this has been highlighted as a special achievement of the Union Ministry of Steel.

Several innovative methods were used by NMDC-ISRO to target diamond and iron bearing areas. Gravity and magnetic data of EL-GEN6C4 (NASA) satellite were also used for identifying potential corridor for diamondiferous rocks in the Central Indian Diamond Province. A few potential iron ore blocks have also been identified in Madhya Pradesh using Cartosat-2 and Aster Data.

Mobile app

NRSC and NMDC have developed a mobile app to collect geological information for viewing in "Bhuvan Portal".

This app is being used by NMDC in its Sidhi-Singrauli Iron Ore Block and Chhattarpur and Damoh Diamond Blocks for field data collection and has proved to be very useful.

NMDC is using Mobile GIS studies using the above app and 'Bhuvan Platform' in its exploration programmes.

Buy gold if it touches \$1,305/ounce

GNANASEKAAR T

Comex gold futures rose for the second consecutive session on Thursday after the US Federal Reserve held interest rates steady, while investors awaited US-China trade talks.

Comex gold futures moved higher as per our expectations. As mentioned in the previous update, we expected \$1,305-10 per ounce levels to hold for a push higher towards \$1,365 paving the way for \$1,374 or even higher to \$1,400 subsequently. So far, prices have respected the sanctity of the \$1,300-05 support.

Failure to follow-through higher above \$1,325 could once again dent the confidence of the bulls leading to bigger fall subsequently. The overall picture still hints at bullishness ahead, while crucial supports hold.

A positive trigger for the medium-term in sustaining the up trend is likely to be above a close of \$1,375.

In the coming week, we expect prices to gradually edge higher above \$1,325, but failure to close above it could lead to a potential break below \$1,300 and such a fall could see a sharp decline to \$1,278-80 again, which is not our favoured view.



Wave counts: It is most likely that the fall from record \$1,925 to the recent low of \$1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards \$1,025-30 or a complete correction of A-B-C ending with this decline.

Subsequently, a corrective wave "B" could unfold with targets near \$1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term.

An eventual break above \$1,355 could see the wave "B" scenario emerge in the coming sessions. While \$1,270 holds, we still favour prices

rising higher towards \$1,450-75 in the form of wave "B". We will re-assess around \$1,450-70 on the potential for a wave "C" decline subsequently.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD have gone below the zero line of the indicator again, indicating a bearish reversal. Only a cross over again above the zero line could hint at a bearish reversal in trend.

Therefore, buy Comex gold on dips around \$1,305-10 with the stop-loss at \$1,294 targeting \$1,335 followed by \$1,355.

Supports are at \$1,305, 1,295 and 1,280. Resistances are at \$1,325, 1,346 and 1,355.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.

Gold Jewellery Demand Falls 12% on Rising Price, Says World Gold Council

Fewer auspicious wedding days during Q1 hit demand; imports too were down 50%, says WGC India head

Sutanuka.Ghosal@timesgroup.com

Kolkata: India's demand for gold jewellery slumped by 12% in the first quarter from a year ago, as the rising price of the precious metal discouraged consumers and small jewellers facing issues transitioning to GST, the World Gold Council (WGC) said.

In the first three months of 2018, jewellers sold 87.7 tonnes of gold ornaments worth ₹24,130 crore, marking the third weakest quarter for gold demand in the country in almost a decade, according to the WGC.

Demand for gold bars and coins too ebbed, falling by 13% from a year ago to 27.9 tonnes. Total gold demand for the period stood at 115.6 tonnes, a decline of 12% from a year ago period.

India follows the global consumption pattern for gold, which witnessed a soft start, reaching 973 tonnes in the first three months, the lowest first quarter since 2008.



However, despite a drop in Q1 demand, WGC India managing director Somsundaram PR told ET that gold consumption in 2018 will be close to 800 tonnes, as rural demand is expected to pick up following the government's policy focus on doubling farm income and retailers in the unorganised sector settling down with goods and services tax (GST). In 2017, gold consumption in India stood at about 737 tonnes.

"A substantial drop in the number of auspicious wedding days during the Q1 of

2018 compared with Q1'17 could be a factor for muted demand, as consumers made less wedding-related purchases," the India head of WGC said. "Imports were also down 50% year-on-year in anticipation of an import duty cut in the Union Budget which did not materialise."

In value terms, India's Q1 gold demand was pegged at ₹31,800 crore, down 8% from a year ago. The value of jewellery sold during the quarter was 7% lower than the ₹26,050 crore in Q1 of 2017. Gold investment demand was pegged at ₹7,660 crore, a 9% fall from Q1 of 2017. During the quarter, jewellers recycled 14.1 tonnes of gold, down 3% from Q1 of 2017.

"Trade activity resumed positively during Akshaya Tritiya, demonstrating the resilience of the industry. Policy focus on doubling farm income and ease of doing business under GST augur well for the gold industry in 2018 and the medium term," Somsundaram said. "New ways of buying gold through digital platforms are catching up quickly. This will not just promote ease of savings but bring about a mindset change, thereby enhancing acceptability of centrally-vaulted gold — which underpins any attempt to mainstream gold including Gold Monetisation Scheme."

A Sensible Ruling On Binani Cement

The National Company Law Tribunal is right to direct the creditors of Binani Cement to consider UltraTech Cement's higher bid, even as it has allowed the Dalmia group to bid further, if it so chooses. It seeks to achieve the public-policy objective of obtaining the highest value for the distressed asset under resolution. This, in turn, would pay off not only secured lenders, the banks (who would avoid any haircut in the present case) but also the debts owed to unsecured creditors. If anything is still left over, that should be distributed among shareholders, pro-rata.

Reportedly, UltraTech's first bid was less than the Dalmia group's offer. The Committee of Creditors (CoC) had decided to only negotiate with the highest bidder. UltraTech had attempted to revise its offer, but was not allowed to do so by the CoC. The NCLT has said that denying UltraTech an opportunity to be heard is unfair, and against the goal of the Insolvency and Bankruptcy Code (IBC). It held that the "the reason that the process document does not permit the resolution professional and the CoC to consider the revised offer of UltraTech has no legal force". An extension of the deadline to complete the resolution process also makes sense.

Dalmia Bharat has held that any revised offer from an unsuccessful applicant outside the resolution process cannot guide the CoC. The argument is entirely valid. All bids should be within the resolution process. IBC is still evolving, and rules to enforce the law are far from perfect. The onus is on the regulator to fix the flaws and ensure that the rules for sale of assets do not depress the value below the highest figure that can potentially be obtained. The cement assets being sold off are worth more than either offer on the table, the bidding can continue.



Gold demand slides

A STAFF REPORTER

Calcutta: The demand for gold slipped 12 per cent in the January-March quarter of 2018 to 115.6 tonnes as high prices affected jewellery sales and investment.

The demand stood at 131.2 tonnes in the corresponding quarter of the previous year, the World Gold Council said in a report on Thursday.

In terms of value, demand fell 8 per cent to Rs 31,800 crore from Rs 34,440 crore.

Jewellery demand during the reporting quarter dipped 12 per cent to 87.7 tonnes from 99.2 tonnes a year ago.

Investment demand during the quarter was 27.9 tonnes against 32 tonnes in the year-ago period, a decline

WEAK QUARTER

Gold demand in Jan-March

(In tonnes)

	2017	2018
Jewellery	99.2	87.7
Investment	32	27.9
Total	131.2	115.6



of 13 per cent.

Net bullion imports plunged 41 per cent to 152.8 tonnes in anticipation of lower duties in the budget.

"After a strong fourth quarter of 2017, Indian jewellery demand saw a sharp downturn in the first quarter of 2018. The decline can be at-

tributed to a number of factors, including higher local gold prices, a substantial drop in the number of auspicious wedding days this year compared with the previous year and an anticipation of an import duty cut in the budget," said Somasundaram PR, managing director (India) of the World Gold Council.

In the first quarter, individuals explore financial instruments as investment options to save tax. The trade sentiment was also affected by the jewellery scam unearthed at Punjab National Bank. "Trade activity resumed positively during Akshaya Tritiya, demonstrating the resilience of the industry," he added.

Vedanta Hopes to Complete ESL Buyout in a Few Weeks

Says a steering committee will run operations at debt-hit firm till NCLAT clears deal

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Kolkata: Vedanta Group expects the acquisition process for the debt-laden Electrosteel Steels (ESL) to be completed in the next couple of weeks, paving the way for the entry of the non-ferrous metals and oil conglomerate into steel-making through Vedanta Star, a wholly-owned subsidiary of Vedanta.

The National Company Law Appellate Tribunal (NCLAT) stayed the Electrosteel acquisition on an appeal by Renaissance Steel earlier this week. But Vedanta said on Thursday that a Steering Committee (comprising members from Vedanta and lender banks) shall continue to run the operations at the debt-stricken company. Vedanta Resources, the parent company of Vedanta, called a shareholders' meeting on May 18 to seek their approval for the acquisition.

"The NCLT Kolkata bench had approved the acquisition. While the appeal is being heard by the appellate court, we hope the matter will be settled in a couple of weeks," Vedanta CEO Kuldip Kaura said, responding to ET's query during a conference call to announce the company's results.

"A steering committee, comprising members of Vedanta and the lender banks, will run the company's operations in the interim," he said. NCLAT will hear the case next on May 17.



According to Vedanta officials, shareholder approval for the acquisition and legal challenges against it are two separate processes that could run simultaneously, media reports said.

In a notice to shareholders, Vedanta Resources PLC chairman Anil Agarwal said as per the resolution plan, Vedanta Star, a wholly-owned subsidiary of Vedanta Ltd will take 90% stake in Electrosteel for ₹1,805 crore and provide additional funds of ₹3,515 crore as debt. Out of outstanding dues of ₹14,177.3 crore, unsustainable debt of ₹7,618.24 crore would be converted into equity shares. Following the change in Electrosteel's share capital, Vedanta Star will subscribe for new shares for ₹1,805 crore and lend it ₹3,515 crore.

Vedanta Star will thus get 90% stake

in Electrosteel and of the remaining 10%, 7.6% would be owned by the lenders and 2.4% by original promoters of the company. While listing out the risks and delays involved, Vedanta said it expects "the outstanding consents will be obtained for the acquisition to close in the second quarter of 2018".

Listing out the advantages of acquiring ESL, Kaura said: "We are a significant player in iron ore. ESL gives us an opportunity to increase our value-added portfolio. It is also a vehicle for our overall growth plans."

While ESL will mark Vedanta's entry into steel, it will remain a smaller piece of the overall business that will continue to be dominated by zinc, oil & gas, and aluminium, he added.

Improved volumes and better prices led to a 40% jump in Vedanta's consolidated attributable net profit in Q4FY18 to ₹3,956 crore, while revenues climbed 17% to ₹27,630 crore. EBITDA rose 17% to ₹7,929 crore.

For FY18, Vedanta's net profit went up 34% to ₹9,561 crore, with revenues rising 22% to ₹92,923 crore. EBITDA went up 19% to ₹25,470 crore.

Vedanta is spending about \$2.3 billion in oil & gas to double capacity in 2-3 years.

The aluminium business has been ramped up to achieve over 2 million tonne (mt) annual capacity in FY19, with annual zinc output expected to increase to 1.6 mt from 1.2 mt now.

After iron ore, China to open more futures contracts to foreign investors

REUTERS

Dalian/Manila, May 4

China plans to open more of its futures contracts to foreign investors, said its securities regulator on Friday, as Beijing launched its "internationalised" iron ore contract to boost its sway over pricing for one of its top imports.

Iron ore is the second commodity China has opened to outside investors after launching crude oil futures in March. The move is expected to increase trading in the contract, which was launched in 2013 and is already among China's most liquid derivatives.

Major Western traders previously had access to the iron ore

contract through local Chinese entities, but Dalian's decision to internationalise means foreign companies no longer need to set up local Chinese units, opening the door to more market participants. The most actively traded September iron ore on the Dalian Commodity Exchange fell 1.2 per cent to 471.50 yuan (\$74) a tonne by 0153 GMT, retreating from a two-day spike that pushed the contract to a more than one-week high on Thursday.

Volume on the most-traded contract reached 1.74 million lots, over two-thirds of the total volume in the prior session.

"We will accelerate the pro-

cess to attract more foreign investors," Fang Xinghai, Vice-President of the China Security Regulatory Commission, told a packed crowd at the trading floor of the Dalian exchange.

"We will internationalise all the mature futures contracts and expand Chinese influence," he said.

Unlike oil, gold and copper, for which prices are set in London and New York, iron ore is one of the few commodities whose global pricing takes its cue from China.

In 2017, Dalian iron ore volumes reached nearly 33 billion tonnes versus global annual iron ore trade of about 1.5 billion tonnes.

Bombay HC bans moving of iron ore lying outside Goa mining lease areas

INDO-ASIAN NEWS SERVICE

Panaji, May 4

The Panaji Bench of the Bombay High Court on Friday directed a stop to all transportation of iron ore, for which royalty had been paid to the State government, by setting aside the Goa Chief Secretary's order allowing movement of royalty-paid iron ore lying outside the mining lease areas.

The order by Justice Prithviraj Chavan and Justice NM Jamdar, which could be seen as a setback to the State's

mining industry, also directs the State government decide within four weeks as to whether it can take possession, sell and dispose the disputed iron ore to utilise the proceeds for public purpose.

"The court has also asked the Indian Bureau of Mines to verify the iron ore production figures in view of large discrepancies, while also asking the state Director of Mines and Geology to take charge of mines safety, since they were no longer in possession of lease holders," pe-

titioner and Goa Foundation Founder Claude Alvares, who had filed a petition in the High Court Bench seeking a stoppage to the illegal transportation of iron ore, told reporters here.

What will propel the growth of mining?

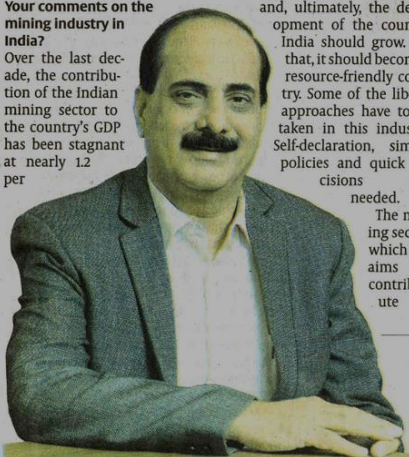
Self-declaration, simple policies and quick decisions, says Sunil Duggal, CEO, Hindustan Zinc

SATYA SONTANAM

Hindustan Zinc, a dominant player in zinc and silver in India envisions to increase its production from about one million tonnes per annum (mtpa) to 1.5 mtpa in the coming years. Also, it has been increasing its focus on the silver business and hopes to become the third largest manufacturer of silver globally in the next five to six years. In an interview, Sunil Duggal, CEO of Hindustan Zinc shares his outlook on the Indian mining industry and company's business. **Edited excerpts:**

Your comments on the mining industry in India?

Over the last decade, the contribution of the Indian mining sector to the country's GDP has been stagnant at nearly 1.2 per



cent. And the Indian mining sector grew at a compounded annual growth rate (CAGR of 7.3 per cent over the last decade compared with 22 per cent in China.

If India is unable to keep the pace with the growing demand of infrastructure development, it would only be increasing the import bill. Not just that, it also decreases the employment opportunities. Just 10 per cent of the value of metals imported to India is produced domestically (excluding iron, precious metals and hydrocarbons).

These imports largely impact foreign exchange, employment, and, ultimately, the development of the country. India should grow. For that, it should become a resource-friendly country. Some of the liberal approaches have to be taken in this industry. Self-declaration, simple policies and quick decisions are needed.

The mining sector, which aims to contribute 7-8

per cent to the GDP, could create 25 million jobs in the country, directly and indirectly, and has the potential to propel GDP growth to 9 per cent.

How is FY-19 expected to be for Hindustan Zinc?

It is going to be a landmark year for us as we transform to a fully underground mining company (open pit mine contributed nearly 24 per cent of total metal production in FY-18). We will make up for the reduction from open cast mines by ramping up our production from underground mines. The metal production in FY-19 would be better than in FY-18.

We are targeting another record year of production in FY-19 (with run rate of 1.2 mtpa in some quarter), in line with our expectation of delivering 1.2 mtpa in FY-20. Silver production is expected to be 650-700 tonnes this year. With expansion of our mines, implementation of new technologies, debottlenecking of smelters, installation of fumers, commissioning of shafts at our mines and two new mills becoming functional this year, it is going to be an exciting year. Our strategic vision is to grow our output to 1.5 mtpa and our silver portfolio to 1,500 tonnes in the next few years.

Silver has the potential to bounce back to \$30 per ounce from around \$16 now

SUNIL DUGGAL
CEO of Hindustan Zinc



What will be the demand for zinc?

The global zinc market is expected to grow at a CAGR of 3.96 per cent during 2017-2021. Zinc consumption in India is also increasing every year. The issues of rust and corrosion in steel will drive the consumption of zinc in sectors such as automobiles, railways, galvanised re-bars in coastal structures, electricity distribution network, defence and agriculture.

Setting up of two new mills at a capital cost of ₹600 crore is a part of our plan to match the growing demand for zinc in India. With three million-plus tonnes of additional treatment of ore, we would be able to increase the volume of the metal substantially.

What is your outlook for lead?

Lead, zinc's sister metal, was in deficit in 2017, driven by shortage in mine supply. Globally, refined production grew at 1.1 per

cent in 2017 to 12.5 million tonnes but fell short of demand, which recorded a 2.2 per cent growth.

In India, lead consumption has grown at over 8 per cent CAGR for the past five years, driven primarily by growth in the automotive segment of e-rickshaws, cars, UVs and two-wheelers, which comprise 55 per cent of consumption. Lead consumption is expected to grow at 7 per cent CAGR during 2017-2022, as estimated by CRISIL in a recent lead market study.

Looks like there is an increased focus on your silver business...

Silver is our top-up product (the company derived nearly 10 and 16.65 per cent of its revenue and operating profit respectively from the silver segment in FY-18). Margins on silver are close to 80-85 per cent and most of the revenue from it is contributing to our bottomline.

The CAGR of our silver produc-

tion is also much faster compared to that of zinc. In the last 15 years, we grew from 40 tonnes to 555 tonnes.

There is an increase in our silver-rich resources and many recovery measures are in place to extract silver from the waste. For instance, fumer plant is to be commissioned soon, which will help us recover lead and silver from the waste.

Also, our silver refinery has been recently added to the LBMA's (London Bullion Market Association) good delivery list. This recognition gives us an edge, as LBMA-certified products fetch a premium. So, we are quite bullish on silver. Last year, we were ranked as the tenth largest manufacturer of silver in the world. We plan to produce nearly 1,500 tpa of silver in the next five to six years and aim to become the third largest producer globally.

But aren't silver prices too volatile?

Nobody can control the price movements. Silver prices are at their multi-year low. Five years back, it was \$30 per ounce and now it hovers at \$16 per ounce. Silver being a rare metal and with constraints on its supply, I believe that it has the potential to bounce back to \$30 per ounce.

Is Hindustan Zinc exploring to separate its silver business?

We are exploring various options in the interest of our stakeholders. Ultimately, it should benefit the overall business.

The writer was in Udaipur at the invitation of Hindustan Zinc

Gold shows resilience despite strong dollar

The yellow metal is likely to retain its \$1,300-\$1,370 sideways range

GURUMURTHY K

Gold prices were down for the third consecutive week. Strong dollar is continuing to keep the bullion prices under pressure. The global spot gold prices tumbled about 2 per cent intra-week to test the psychological support level of \$1,300/ounce in the early part of the week. The yellow metal made a low of \$1,301.8/ounce on Tuesday. However, it managed to sustain above \$1,300 and bounced back from there, recovering some of the loss, and closed at \$1,314 per ounce, down 0.7 per cent for the week.

Silver, on the other hand, managed to outperform gold in the past week. Though it fell along with gold in the initial part of the week, it recovered all the loss and closed on a slightly positive note.

The global spot silver prices plummeted close to 3 per cent intra-week to make a low of \$16 per ounce on Tuesday. However, it managed to claw back and closed at \$16.53, up 0.12 per cent for the week.

On the domestic front, both the gold and silver futures contract on the Multi Commodity Exchange moved in tandem with the global prices last week.

The MCX-Gold was down 0.3 per cent for the week. The contract closed at ₹31,114 per 10 g. The MCX-Silver futures con-

tract closed at ₹39,094 per kg and was up 0.23 per cent for the week.

Dollar gains momentum

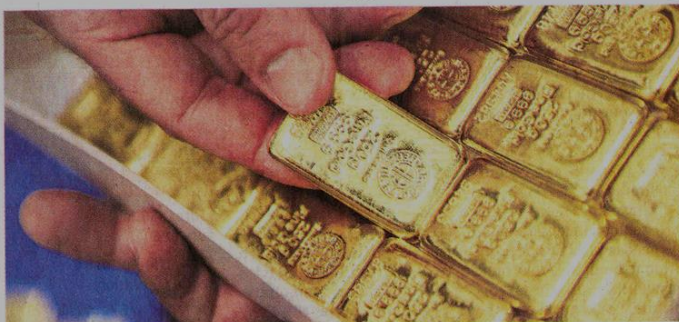
A strong rally in the US dollar index kept the bullion prices under pressure all through the week. The dollar index surged, breaking above the key resistance level of 92, and made a high of 92.9.

The index came off slightly from this high and closed the week at 92.56, up 1.12 per cent for the week.

The US Federal Reserve left the interest rates unchanged, as expected last week. The Fed statement also did not give any hint that the central bank would change its stance on interest rate hike.

As such, it leaves the projection unchanged for two more rate hikes from the Fed for the rest of the year. The outcome of the Fed meeting last week did not impact the dollar index much as there were no new surprises.

The US jobs data released on Friday were mixed. The unemployment rate fell to an 18-year low of 3.9 per cent. However, the non-farm payroll rose by 164,000 as against the market expectation of an increase of 192,000. Also, the increase in the average weekly earnings of employees remained stable at 2.6 per cent for the third consecutive month.



The data releases from the US in the past week did not influence the dollar movement much. The near-term outlook for the dollar index remains positive. Strong support for the index is at 92. As long as the index remains above this support, the possibility is high of it breaking above 93 in the coming days. Such a break can take the dollar index higher to 93.3 and 93.5 in the short term. This may continue to keep gold prices subdued in the short term.

Gold outlook

The bounce from \$1,301 in the global spot gold (\$1,314 per ounce) prices in the past week is technically significant. This leaves the broader \$1,300-\$1,370 sideways range intact. The yellow metal has been stuck inside this range since the beginning of this year.

Immediate support is at \$1,310; while gold remains above this support, the near-term outlook is positive. A rise

to \$1,320 looks likely. A strong break above \$1,320 will ease the downside pressure. Such a break can further take it higher to \$1,325, \$1,330, or even more over the short term.

The yellow metal will come under pressure only if it breaks below \$1,300 decisively. In such a scenario, gold can fall to \$1,285 or \$1,280.

On the domestic front, the support in the ₹31,000-₹30,800 region has held well for the MCX-Gold (₹31,114 per 10 g) futures contract. Immediate resistance is at ₹31,175. A break above that can take the contract higher to ₹31,385. A strong break and a decisive weekly close above ₹31,385 will then pave the way for the medium-term targets of ₹32,000 and ₹32,500. The outlook will turn negative only if the contract breaks below ₹30,800. The next targets are ₹30,500 and ₹30,200.

Medium-term traders who took long positions on dips last week at ₹31,150 and at

₹31,050 can hold it. Retain the stop-loss at ₹30,600 for the target of ₹32,000. Revise the stop-loss higher to ₹31,250 as soon as the contract moves up to ₹31,430.

Silver outlook

The global spot silver (\$16.53 per ounce) has reversed higher from around a crucial support level of \$16.10. The near-term view remains positive. Silver can move further higher to test \$16.90 in the coming days. A strong break above \$16.9 will then increase the likelihood of the prices rallying to \$17.2 or even higher.

The outlook for the MCX-Silver (₹39,094 per kg) futures contract is also positive. The contract has reversed sharply higher from a key long-term support level of ₹38,000. Support is in the ₹38,800-₹38,700 zone. As long as the contract remains above this support zone, a rally to revisit ₹40,000 levels is likely.



MCX Gold

Supports:
₹30,800/30,500
Resistances:
₹31,175/31,385

MCX Silver

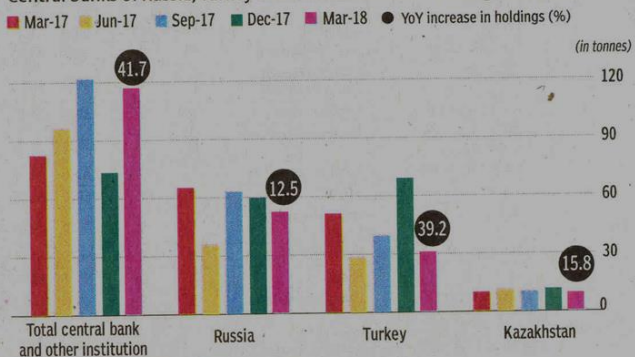
Supports:
₹38,700/38,000
Resistances:
₹40,000/40,750

GOLD INVESTORS MOVE AWAY

After a strong December quarter, gold demand declined in the January-March period due to lack of appetite for the metal from investors. Higher prices, too, kept a check on consumption demand in large markets including India, shows the recent WGC data

But central banks have increased purchase

Central banks of Russia, Turkey and Kazakhstan are building their gold reserve



Compiled by: Bavadharini KS

Gold demand falls

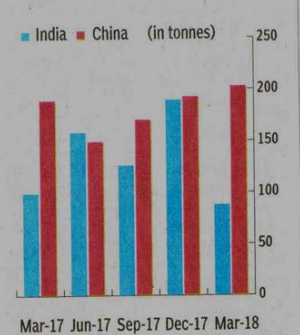
...led by drop in demand for ETFs and bars

	Mar-17	Jun-17	Sep-17 (in tonnes)	Dec-17	Mar-18	y-o-y % Change (Mar-18)
Total gold demand	1,046.8	1,007.6	948.2	1,105.9	973.5	-7.0
Jewellery	491.6	516.3	496.0	656.0	487.7	-0.8
Technology	78.9	81.5	84.3	88.5	82.1	4.1
Total Investment	394.2	313.4	246.2	287.8	287.3	-27.1
Gold bar and coin	298.2	248.7	233.0	258.9	254.9	-14.5
ETF	96.0	64.6	13.2	28.9	32.4	-66.3

As gold prices surge...



...Indian jewellery demand declines



Source: World Gold Council, IMF

Coal mine auction drill

JAYANTAROY
CHOWDHURY

New Delhi: The Narendra Modi-government will be putting up for auction a score of coal mines by June-end this year after tweaking some rules, besides starting work on the auctioning of around 288 iron ore and other mineral-bearing mines in the next financial year.

Top coal ministry officials said the coal auctions would be held by the end of June after incorporating changes in the way the previous auctions were held. The changes have been approved after an inter-ministry consultation.

"We have found that the interest in the five auctions held so far have been tepid. One auction round had to be cancelled altogether... so we are looking at redesigning the auction methodology, including suggestions such as working out a price index for bidding," said officials.

The government plans to sell half-a-dozen coal mines to steel makers and the rest to the makers of cement and sponge iron. The poor response to the earlier auction has prompted the government to tweak the rules to make the mines more lucrative for buyers.

"With steel coming out of an earlier depressed cycle as evidenced by the keen interest shown by bidders for sick steel mills, we feel the rule changes could induce better bidding for the mines," said officials.

The government also has plans to set up a coal regulator to oversee the sector and possibly indicate the pricing norms as well as act as an arbitrator between the coal players and the government.

JUNE DATE

COAL PLANS

- As many as 20 coal mines to be auctioned
- Auction process to be changed as the auctions so far have seen tepid response
- Six mines meant for steel industry; rest to cement and sponge iron
- Regulator on cards for the sector

However, the government is divided over whether the regulator should have the sole power of fixing prices or whether the pricing should be left to the market forces.

India has long been debating the setting up of an independent regulator as apart from monopoly producer Coal India, a large number of firms have been given captive blocks and some have been allowed to trade surplus production. Besides, there have been complaints of mis-pricing and the abuse of monopoly by CIL and counter complaints of being arm twisted by the government to favour private buyers.

The proposal to set up a regulator springs from the fact that coal mines are now being auctioned in a manner similar to telecom airwaves. A regulator is thus needed to arbitrate in disputes between the state and the miners as well as between rival miners instead of clogging up the courts with cases.

"If we need to have more coal on the table to satisfy demand, private sector participation through auctions to push production is a must," said officials.

NAVBHARAT DATE: 7/5/2018 P.N.9

गोवा खनन पट्टा पूर्व मुख्यमंत्री पारसेकर को समन

एजेंसियां

पणजी. गोवा के पूर्व मुख्यमंत्री लक्ष्मीकांत पारसेकर को राज्य में खनन पट्टों के नवीनीकरण के सिलसिले में लोकायुक्त के सामने पेश होने के लिए समन किया है. गोवा फाउंडेशन नाम के एक एनजीओ ने लोकायुक्त न्यायमूर्ति (सेवानिवृत्त) पी के मिश्रा के यहां शिकायत कर आरोप लगाया था कि इन खनन पट्टों का नवीनीकरण ' भ्रष्ट कृत्यों ' का



परिणाम लगता है. लोकायुक्त के एक वरिष्ठ अधिकारी ने बताया कि पारसेकर को उनके खिलाफ दायर मामले में लोकायुक्त के समक्ष पेश होने और अपना पक्ष रखने के लिए

समन किया गया है. शिकायतकर्ता ने लोकायुक्त से अनुरोध किया था कि एक नवम्बर 2014 से 12 जनवरी 2015 के बीच एक बहुराष्ट्रीय कंपनी समेत विभिन्न निजी कंपनियों को 88 खनन पट्टों के नवीनीकरण की परिस्थितियों की जांच करें. इस साल 7 फरवरी को उच्चतम न्यायालय ने इन खनन पट्टों के नवीनीकरण को रद्द कर दिया था.

केंद्र ने बदला IBM का ढांचा

कई बदलावों को कैबिनेट की मंजूरी

दिल्ली कार्यालय

दिल्ली. खनन की आधुनिक तकनीकों के चलते आईबीएम को प्रशासनिक रूप से नई चुनौतियों के लिए तैयार करने हेतु केंद्रीय मंत्रिमंडल ने बुधवार को उसके ऊपरी ढांचे में कई बड़े बदलावों को मंजूरी दी। इसकी घोषणा करते हुए केंद्रीय कानून मंत्री रविशंकर प्रसाद ने कहा कि नए अवसरों के हिसाब से वह कैसे प्रभावशाली रेगुलेटर बने, यह सुनिश्चित किया गया है। इसके कारण वह आईटी और अंतरिक्ष तकनीकों से लैस हो सकेगी। चीफ कंट्रोलर माइंस का 1 और कंट्रोलर के 3 नए पद बनाए गए हैं, जबकि कंट्रोलर जनरल से लेकर चीफ माइनिंग जिओलॉजिस्ट सहित कुल 11 पदों का स्तर बढ़ाया गया है। उपमहानिदेशक (स्टेटिस्टिक्स) का पद खत्म कर दिया गया है। जल्द ही प्रधानमंत्री नरेंद्र मोदी के निर्वाचन क्षेत्र वाराणसी में एक कौशल विकास केंद्र भी इसी कंपनी के तहत खोला जाएगा। आजादी के तुरंत बाद एक मार्च 1948 को इस ब्यूरो का गठन इसलिए किया गया था ताकि खरीद संसाधनों का प्रयोग करने के लिए वह केंद्र और राज्य सरकारों को सलाह दे सके। लेकिन धीरे धीरे उसकी भूमिका और जिम्मेदारियों में सरकार ने बदलाव करते हुए पेट्रोलियम व कोयला आदि को छोड़कर बाकी सभी खनन कार्यों के लिए रेगुलेटर बना लिया है। इस कारण अब खदानों की स्टार रेटिंग और भास्कराचार्य अंतरिक्ष संस्थान के सहयोग से लीज बाउंड्री से 500 मीटर क्षेत्र में अवैध खनन को रोकने और निचले ग्रेड के अयस्क को लेकर अनुसंधान जैसी बहुत जिम्मेदारियां उसे मिल गई हैं।

NAVBHARAT

DATE: 7/5/2018 P.N.11

इस्पात निर्यात बढ़ा

दिल्ली. देश का तैयार इस्पात निर्यात 2017-18 में 16.7 प्रतिशत बढ़कर 96.21 लाख टन हो गया है जबकि 2016-17 में 82.42 लाख टन इस्पात का निर्यात किया गया था। इसमें मिश्र धातु रहित इस्पात का योगदान 87.27 लाख टन जबकि शेष योगदान स्टेनलैस स्टील समेत मिश्र धातु इस्पात का है।

Gold jewellery demand may fall by 2-4% this year: Report

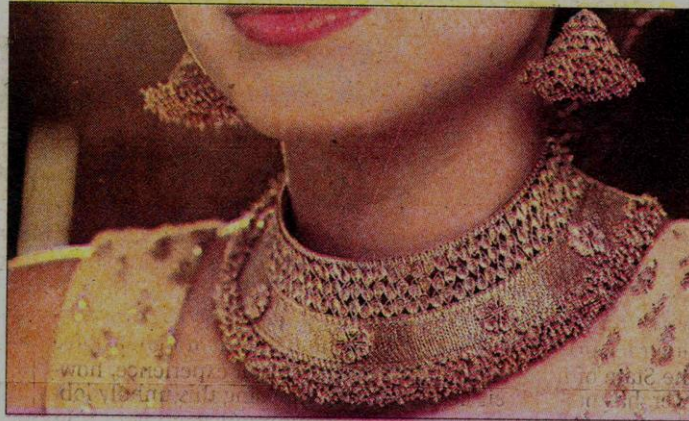
MUMBAI, May 7 (PTI)

DEMAND for gold jewellery is likely to decline by 2-4 per cent this calendar year due to high prices and subdued financing environment, said a report.

However, in value terms, the demand for gold jewellery is likely to register a growth of 5-7 per cent during the year, rating agency Icra said in its report.

"Demand is likely to be affected by 2-4 per cent in 2018. Prices of the yellow metal have increased steadily in the last three months, which coupled with lesser number of auspicious days, impacted jewellery demand. Also, financing to the gems and jewellery sector have been under increased scrutiny in the recent months following reporting of fraud by few lenders on their exposures to the sector," said K Srikumar, Vice-President, Icra.

He said that with enhanced



due diligence and checks on credit quality and inventory quality, lenders were more cautious on the sector. "We expect the tightened credit availability to affect the working capital position of jewellery retailers, especially the unorganised ones," Srikumar added. However, in the medium to long term (3-5 years), Icra expects the gold jewellery retail

industry to record a 6-7 per cent volume growth, supported by stable rural and wedding demand, cultural affinity for gold, rising disposable income, and favourable demographic profile. The industry revenues are also likely to witness 7-8 per cent growth led by socio-economic and cultural factors that are unique to the Indian market, the report said.

Depreciating Rupee to Hurt Retail Sales of Gems and Jewellery

Demand likely to fall 4-5% in 2018 second quarter as diamond, gold get costlier

Sutanuka Ghosal
@timesgroup.com

Kolkata: A depreciating rupee is expected to slow down the sale of gem and jewellery at the retail end as prices of diamond and gold are inching up.

Jewellers, diamond traders and analysts said that demand is likely to be lower by 4-5% in the second quarter of calendar 2018, compared with the same period last year.

Rating agency ICRA said on Monday that it expects demand growth for jewellery to weaken by 2-4% for 2018, owing to higher gold prices, and a subdued financing environment.

The industry continues to remain susceptible to the regulatory risks, which has affected both demand and supply, it said.

"A depreciating rupee is expected to bring cheers to exporters, but it will have a sluggish effect on domestic demand. We have to see how the rupee behaves against the dollar in the coming days. Also, a lot will depend on how crude oil prices move," said Vipul Shah, past chairman of Gem & Jewellery Export Promotion Council.

The rupee was down 0.4% to ₹67.13 in Mumbai on Monday, breaching the 67-to-a-dollar mark for the first time since February 2017. Gold, however, fell on Monday, snapping three days of gains as the dollar index climbed back towards its 2018 peak.

Spot gold was down 0.1% at \$1,313.03 an ounce, but in the Indian market, price of gold did not

drop as the rupee weakened against the dollar.

"Gold prices have increased steadily in the last three months, which coupled with fewer auspicious days, impacted jewellery demand. Also, financing to the gems and jewellery sector have been under increased scrutiny in the recent months following reporting of fraud by few lenders on their exposures to the sector. With enhanced due diligence and checks on credit quality and inventory quality; lenders are also more cautious of the sector. We expect the tightened credit availability to affect the working capital position of jewellery retailers,

especially the unorganized ones," said K Sri-kumar, vice president, ICRA.

ICRA, however, has estimated growth in value terms during the year at 5-7%. Over the medium to long term, ICRA expects the gold jewellery retail industry to record a 6-7% volume

growth, supported by stable rural demand and the wedding season, cultural affinity for gold, rising disposable income, and favourable demographic profile.

Vijay Jain, CEO, ORRA, said that diamond prices will rise as the rupee has weakened. "Earlier, the wholesalers and retailers would absorb the price rise. But since the margins have become slender, retailers will pass on the price rise to consumers. For the time being, it will have a sluggish impact but eventually the market will recover."

BUSINESS LINE DATE: 8/5/2018 P.N.14

Near-term view positive for MCX Aluminium

GURUMURTHY K
BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange has reversed sharply higher last week. The contract has surged over 6 per cent in the past week. This has given some relief to the contract after having fallen over 14 per cent in the week earlier. The contract is currently trading at ₹158 per kg.

Outlook bullish

The strong recovery in the past week has eased the downside pressure. Technically, the 21-day moving average halted the sharp fall in the contract and has been serving as a strong support by limiting the downside over the last couple weeks. This leaves the near-term outlook positive for the contract.

The support in the ₹154-152 region can limit the down-

side in the short term. Dips to this support zone is likely to find fresh buyers coming into the market. Immediate resistance is at ₹160. A strong break above it can take the contract higher to ₹167 or even ₹170.

The bullish outlook will get negated only if the contract breaks below ₹152. Such a break will increase the likelihood of the contract falling to ₹145 or even ₹143 on the back of profit booking.

Trading strategy

Traders can make use of dips to go long at ₹156 and ₹154. Stop-loss can be placed at ₹151 for the target of ₹165. Revise the stop-loss higher to ₹159 as soon as the contract moves up to ₹161.

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

Gold seen rising to 5-year high average

Uncertainty spurs investment in bars, bullion-backed funds: GFMS's 2018 forecast

REUTERS
LONDON

Gold in 2018 will deliver its strongest annual price performance in five years, GFMS analysts forecast on Tuesday, as political uncertainty drives investment in bars and bullion-backed investment funds.

The GFMS metals research team, a unit of Thomson Reuters, predicted gold would average \$1,360 an ounce this year, up 8% from 2017, with some short-term moves towards \$1,500.

Gold has not risen above that level since early 2013.

"Uncertainty revolving around President (Donald) Trump's politics, along with ongoing tensions in the Middle East and Brexit negotiations will remain gold's key drivers," GFMS said in its Gold Survey 2018.

The team expected demand by exchange traded



Shiny days ahead: Retail investment is forecast to rise in 2018 following four consecutive years of declines. ■ REUTERS

funds (ETFs) to rebound this year to 350 tonnes.

"Retail investment is forecast to rise in 2018 following four consecutive years of declines, thanks to a pickup in bar demand, supported by improving sentiment towards gold and rising price expectations," GFMS said.

Adding to the bullish picture, the Chinese central bank was expected to res-

ume purchases, GFMS said, leading to a rise in net official sector demand this year to more than 400 tonnes for the first time since 2015.

The Chinese central bank, once a major buyer of gold, has not reported any additions to its reserves since October 2016.

ETF demand totalled 177 tonnes last year, GFMS said, while physical gold demand,

including buying of jewellery, coins and bars, rose 10%, its first annual increase since 2013.

Weak China demand

Overall, China's gold demand was down 3% in 2017 and Chinese consumption was expected to weaken further this year, GFMS said, citing structural changes in the jewellery industry which have seen retailers focus on higher-margin products.

Global bar demand was expected to rise 1%, recovering after falling for four years in a row, while coin demand was forecast to remain subdued after falling in 2017 to its weakest since 2007, GFMS said.

"The continual increase in the gold price has kept bargain hunters on the sideline, as coin investors are usually the most price sensitive in the market," it said.

Tata Steel Facing Trouble in Bhushan Steel Takeover

Representatives allege interference by former promoter; labour unrest at plant over job loss fears

Rakhi Mazumdar
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Kolkata: Tata Steel, the successful resolution applicant for Bhushan Steel, is facing resistance in its efforts to assert control over the company's main plant at Dhenkanal in Odisha, according to people with knowledge of the development. As one of the first high-profile cases to be resolved under the Insolvency and Bankruptcy Code (IBC), how the process plays out through to takeover and recovery is being keenly watched, experts said.

Representatives of Tata Steel are allegedly being intimidated by people close to the former promoter of

Hitting A Hurdle

Bhushan Steel promoter allegedly interfering in affairs of co

Fear of job losses after takeover has triggered labour unrest at Odisha plant

NCLT still receiving petitions from staff, unions & suppliers regarding Tata Steel's bid

This is delaying the resolution process

₹55,000 CRORE Bhushan Steel owes to lenders

Tata Steel emerged highest bidder with ₹35,500 CR offer



the company, said the people cited above. They have been visiting the facility and interfering with the business, sources said.

There was no response to queries that ET emailed to Bhushan Steel's former promoter Neeraj Singal. When reached on the phone, he declined to comment.

A source close to Bhushan Steel said that there was labour unrest at the plant because of fears over job losses.

Co Challenges NCLT Order on Liberty Bid



Tata Steel has filed an appeal in National Company Law Appellate Tribunal challenging a decision by NCLT to allow a bid by Liberty House to be considered for Bhushan Power despite its late submission, reports Mohit Bhalla. >> 15

Tata Steel Moves NCLAT to Stall Liberty's Late Bid for Bhushan Steel

The UK firm has put its bid for the troubled steel co on Feb 20, well past the deadline

Mohit Bhalla
@timesgroup.com

New Delhi: Tata Steel filed an appeal in the National Company Law Appellate Tribunal (NCLAT), challenging the National Company Law Tribunal's (NCLT) order asking lenders to consider a late bid by UK's Liberty House Group for bankrupt Bhushan Power & Steel.

Liberty House submitted a bid for Bhushan Power & Steel on February 20, well past the deadline for making binding offers for the company. The bid was initially rejected by the creditors but was eventually opened under directions from the NCLT on April 23.

Tata Steel submitted its

offer for the company on February 8, in adherence to the timelines. Its offer at that time exceeded that of JSW Steel, the only other bidder to have submitted a bid for the company, by a significant margin.

Tata Steel's bid provided for upfront payments of ₹17,000 crore to the lenders and a working capital infusion of ₹7,000 crore, ET had reported in February.

Liberty House's bid, opened by the committee of creditors of Bhushan Power and Steel on April 27, was higher than Tata Steel's by ₹1,500 crore — it offered an upfront payments of ₹18,500 crore to creditors.

The counsel for Tata Steel, Abhishek Manu Singhvi, had made arguments in NCLT stating that Liberty House had an unfair opportunity as it was privy to details of the bids by Tata and the other bidders at the time it submitted a late bid.

Singhvi declined to comment when contacted on Tata Steel's appeal. A spokesperson for Tata Steel didn't respond to ET's queries until press time Tuesday.

'April gold imports plunge 39% on weak demand'

Prices in India jumped to highest level in almost 21 months

REUTERS
MUMBAI

India's gold imports fell for a fourth straight month in April from a year ago to 57 tonnes on subdued demand after local prices jumped to the highest level in nearly 21 months, provisional data from precious metals consultancy GFMS and bank dealers showed.

The drop in purchases by India, though, could weigh on global prices, which are still up nearly 6% from a mid-December trough, despite dropping back from a 17-month high hit at the end of January. Lower gold imports could also help the country reduce its trade deficit.

The price rise curtailed retail purchases and also prompted jewellers to post-



pone restocking, Sudheesh Nambiath, a senior analyst with GFMS, a division of Thomson Reuters, said. Local gold prices jumped to their highest in 21 months in April following gains in the overseas market.

Rupee impact

The drop in the rupee to the lowest level in 14 months in April made gold even more expensive for retail buyers

and squeezed demand, said Abhishek Bansal, promoter of ABans Jewels Pvt. Ltd., which runs a gold refinery.

India imported 93.6 tonnes of gold in April 2017. Gold imports in the January to April period fell 34% from a year ago to 220.1 tonnes, GFMS data showed.

In April, Indians celebrated Akshaya Tritiya, during which buying of gold is considered auspicious. "Price rise weighed on Akshaya Tritiya demand," said a Mumbai-based gold dealer. India's imports in May would be higher than April, but would be significantly lower than the 119.3 tonnes imported in May 2017, said a Mumbai-based head of the gold trading desk at a private bullion importing bank.

BHUSHAN POWER & STEEL RESOLUTION

Liberty House bid: Tata Steel moves NCLAT

SURYA SARATHIRAY
NEW DELHI, MAY 8

TATA STEEL on Tuesday moved the National Company Law Appellate Tribunal (NCLAT) challenging an April 23 order of the National Company Law Tribunal which directed the committee of creditors (CoC) to consider the late bid submitted by UK-based Liberty House for Bhushan Power and Steel. NCLAT has listed the matter for hearing on Wednesday.

Apart from Tata Steel, JSW Steel was the only bidder which had submitted a bid for the loss-making steelmaker before the deadline ended on February 8. Liberty House placed its bid for the company only on February 20 and the resolution professional Mahender Khandelwal had rejected it on the ground it had been submitted after the deadline.

Liberty House challenged the RP's decision taking the matter to

Tata Steel Europe explores sale of non-core biz

New Delhi: Tata Steel Europe on Tuesday said it is seeking buyers for its non-core business units as the company looks to strengthen its focus on strategic strip products and markets. **PTI**

the Principal Bench of NCLT, New Delhi. The NCLT observed the bid by Liberty House could not be disqualified only on the grounds it had been submitted after the deadline.

Tata Steel's counsel had earlier argued in the tribunal that Liberty House was, with a view to gaining an unfair advantage over other bidders including TSL, submitting its bid after the other bids had been opened and material information regarding these had been reported in the press. **FE**

World's second oldest rock is from Odisha

The 4.2 billion-year-old zircon in the rock offers fresh clues about the earth's origins

SHIV SAHAY SINGH
KOLKATA

A rock sample recovered nearly eight years ago from Champua in Odisha's Kendujhar district has put India at the forefront of geological research in the world.

Scientists have found in the rock a grain of magmatic zircon (a mineral that contains traces of radioactive isotopes) that is an estimated 4,240 million years old – a discovery of great promise to study the earth's early years.

Geologists from the University of Calcutta and Curtin University, Malaysia, along with researchers from the Chinese Academy of Geological Sciences, Beijing, made the discovery, which was published last week in the journal *Scientific Reports*.

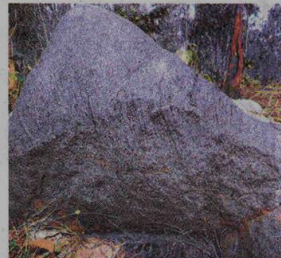
Rajat Mazumder, geologist and one of the

authors of the paper, said that the only instance of zircon older than this discovery was the one found in Jack Hill, Western Australia, which was 4,400 million years old and is the oldest known rock sample. But the zircon in this case was from metamorphosed sedimentary rock, unlike the Singhbhum one, which was formed from magma.

"Thus, the Singhbhum rock from where the zircon was recovered is the second oldest and its zircon, the oldest magmatic zircon on earth," Dr. Mazumder said.

Along with Dr. Mazumder, Trisrota Chaudhuri, a scholar with the University of Calcutta who is also associated with the Geological Survey of India (GSI), had spent years researching the Singhbhum rocks of Odisha.

Dr. Mazumder and Ms. Chaudhuri studied the



Priceless stone: The Singhbhum rock with the zircon ■ SPECIAL ARRANGEMENT

samples at the Geological Studies Unit of the Indian Statistical Institute, Kolkata. The isotopic analysis was a big challenge. They approached many laboratories in Australia, Canada, Germany and the US, in vain. They finally turned to China.

Analysis of samples

"The machine used is called Sensitive High Resolution Ion Microprobe (SHRIMP). It is not available in India. Dr.

Yusheng Wan, a Senior Researcher with the Beijing SHRIMP Center at the Chinese Academy of Geological Sciences, Beijing, agreed to analyse only four samples on a collaboration basis," Dr. Mazumder said.

The analyses confirmed the presence of two zircon grains that were 4,240 million and 4,030 million years old.

"The study of these zircons will add valuable information about the presence of water in the first few hundred million years of the Earth's history. It will also give us more clues to when plate tectonics began, adding to the speculation stemming from the Jack Hill Zircons of Western Australia," Dr. Mazumder said.

The study suggests that the Earth's primitive crust was mafic (rich in iron and magnesium).

MECL signs MoU with Ministry of Mines for FY 2018-19

■ Business Bureau

THE city based Mini Ratna CPSE, Mineral Exploration Corporation Limited (MECL), engaged in mineral exploration in the country has signed a memorandum of understanding (MoU) with Ministry of Mines, Government of India for the financial year 2018-19 recently at Shastri Bhawan, New Delhi.

The MoU was signed by Anil Gopishankar Mukim, Secretary to Government of India, Ministry of Mines and R N Jha, Chairman-cum-Managing Director (I/c), MECL in the presence of Dr K Rajeswara Rao, Additional Secretary, Bipul Pathak, Joint Secretary and Dr Joyesh Bagchi, Director (Technical) from Ministry of Mines and Yogesh Sharma, General Manager (BD/E), MECL.

During FY2017-18, MECL has carried out 6.32 lakh meters of drilling for various minerals viz., coal, lignite, iron ore, gold, copper, bauxite, limestone, etc., and has added 2656 million tonnes of mineral resources to the national mineral inventory. The finan-



Anil Gopishankar Mukim, Secretary to Government of India, Ministry of Mines, R N Jha, CMD of MECL and Dr K Rajeswara Rao, Additional Secretary, Ministry of Mines.

cial performance during 2017-18 has been highest since the inception of the company.

The company has paid first time interim dividend of Rs 19.73 crore to Government of India for FY 2017-18, informs a press release issued here.

The MoU has been prepared as per the guidelines of Department of Public Enterprise (DPE). The salient features of the

MoU include more than 6 lakh metres of drilling with enhanced productivity, development of in-house bore-well deviation camera, completion of client order without time over run, assessment of level in line with People Capability Maturity Level (PCML), online Human Resource Management System (HRMS) in MECL as well as registration of new MSE vendors, etc.

Steel prices gain Rs 4,000 to Rs 5,000/tonne in 6 months

■ Business Bureau

IT IS not only the soaring price of cement that is spoiling financial budget of those constructing houses but the inflated price of steel is also compelling them to shell out extra bucks. Cost of infrastructure projects has also gone up significantly as steel prices have seen hike of Rs 4,000 to Rs 5,000 per tonne in last six months.

Rajesh Lakhotia, President of Steel and Hardware Chamber of Vidarbha, told *The Hitavada* that the prices are constantly rising for the last six to seven months due to various reasons.

Lakhotia said that the prices are likely to go further up in coming days. "We normally see price rise in summer when demand for steel is at its peak but during monsoon the prices dilute," he said.

He said that 8 mm TMT bars were sold in the local market on Thursday in a price range of Rs 42,300 to Rs 42,800 per tonne (18 per cent GST extra). Price of 10



mm was Rs 41,300 to 41,800 per tonne while for 12 to 25 mm TMT bars, the price was between Rs 41,000 and Rs 41,500 (excluding GST), he said.

Lakhotia attributed the price

rise to overwhelming demand for steel in the country. "In the current scenario, Government and private agencies have been working on various projects which has created a huge demand for steel.

On the other hand, it seems that the supply is not up to the mark and it is ultimately pushing up the prices," he said.

Expressing his views, Sanjay Agrawal, Secretary of the

Chamber, said that steel prices have been going up in international markets because China has shut down many steel manufacturing units. "Showing concern for environment, Chinese authorities have stopped steel production and thus the supply of steel dipped in international market," he said adding that China is one of the major consumers of steel.

As soon as the prices of steel surged in international market, exports from the country started gaining momentum. Today, many leading steel producing companies in India are focusing on exports which is another reason for low supply in local market.

Apart from this, Agrawal said that increased prices of iron ore and coal have also contributed in the price rise of steel.

It is important to note that Indian Railways, which has recently announced that it will further strengthen its infrastructure in the coming days, has also generated huge demand for steel.

Cong Alleges Sriramulu Bribed Former CJI in Mining Scam

Battle for KARNATAKA 2018

Sowmya.AJI@timesgroup.com

Bengaluru: An alleged sting video that was telecast by Kannada private TV channels on Thursday, the last day of campaigning for the Karnataka assembly polls on Saturday, showed BJP leader B Sriramulu allegedly discussing a bribe with former chief justice of India K G Balakrishnan for a favourable verdict in an illegal mining case.

Sriramulu is being projected as the BJP's top Dalit and tribal leader and is contesting the elections from two seats - Badami, against chief minister Siddaramaiah and the reserved seat of Molakalmuru. BJP president Amit Shah said, "Lots of videos move around in the market, we should check their veracity first."

The 47-minute video, purportedly dated July 1, 2010 and shown to be recorded



Siddi tribe members at a voting awareness campaign in Bengaluru this week—PTI

at 10:47:40, was also uploaded by the Congress party on YouTube after it was released by state unit working president Dinesh Gundu Rao and home minister Ramalinga Reddy. The source of the video is said to be two disgruntled persons in the deal, who go by the names of Captain Reddy and Swami Rajinish.

Rao said that just a day CJI Balakrishnan retired, he had passed an order relating to a mining company belonging to the Reddy brothers. "Now, several videos have been released showing how bribery deals were done between the then CJI's son-in-law Srinijan, Sriramulu

and the Reddy brothers," he said.

Congress sources said that they had not got the videos directly but had "found" them while surfing the net. The disgruntled Swami is said to be connected to the Ramachandrapura mutt in Shivamogga, the home district and constituency of BJP chief ministerial candidate B S Yeddyurappa. The background to the video, according to sources, is the case of the Obalapuram Mining Company, owned by G Janardhan Reddy, the main accused in the illegal mining case in Ballari uncovered by Lokayukta Justice Santosh Hegde in 2011. Reddy is out

on bail on this case and is currently campaigning for Sriramulu at Molakalmuru. The case involves the illegal removal of boundary pillars between Karnataka and Andhra Pradesh. "Reddy kept avoiding cases by telling Andhra Pradesh that his mine was in Karnataka and vice versa," a Congress source said. In November 2009, the Andhra Pradesh government issued an order prohibiting illegal mining operations of OMC. This was after chief minister Y S Rajasekar Reddy, to whom Janardhan Reddy was reportedly close to, died in an aviation accident in September. In February 2010, a Division Bench of the High Court of Andhra Pradesh, quashed this order and allowed mining operations by OMC. The Supreme Court, however, ordered a survey of the boundary and on April 9, 2010 recommended that mining be stopped entirely. On May 10, 2010 the Supreme Court gave a favorable judgement and allowed OMC to continue its mining operations. Chief Justice Balakrishnan retired the next day, on May 11, 2010. "What led the Supreme Court to act in opposition with the Survey's recommendations? Despite 'grave irregularities' that were highlighted, how did the Supreme Court grant OMC relief and dilute the case against Janardhan Reddy?" Rao asked.

Buy gold if it touches \$1,305/ounce

GNANASEKAART

Comex gold futures edged higher on Thursday as the dollar paused for breath, holding near its 2018 peak, with investors focused on US inflation data due later and simmering tensions between the United States and Iran.

As mentioned in the previous update, we expected \$1,305-10 levels to hold for a push higher towards \$1,365 per ounce opening the way for \$1,374 or even higher to \$1,400. No change in view. So far, prices have respected the sanctity of the \$1,300-05 support. Failure to follow-through higher above \$1,325 could once again dent the confidence of the bulls leading to bigger fall subsequently. The overall picture still hints at bullishness ahead, while crucial supports hold.

A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of \$1,375. In the coming week, we expect prices to gradually edge up above \$1,325-30, where it could be met with strong resistance. Failure to close

above it could lead to a potential break below \$1,300 and such a fall could see a sharp decline to \$1,278-80 again, which is not our favoured view.

Wave counts: It is most likely that the fall from record \$1,925 to the recent low of \$1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards \$1,025-30 or a complete correction of A-B-C ending with this decline.

Subsequently, a corrective wave "B" could unfold with targets near \$1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to \$1,476. If the current decline as a whole from \$1,920 can

be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term.

An eventual break above \$1,355 could see the Wave "B" scenario emerge in the coming sessions. While \$1,270 holds, we still favour prices rising higher towards \$1,450-75 in the form of wave "B". We will re-assess around \$1,450-70 on the potential for a wave "C" decline subsequently.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD have gone below the zero line of the indicator again, indicating a bearish reversal. Only a cross over again above the zero line could hint at a bearish reversal in trend.

Therefore, buy Comex gold on dips around \$1,305-10 with the stop-loss at \$1,294 targeting \$1,335 followed by \$1,355.

Supports are at \$1,305, 1,295 and 1,280. Resistances are at \$1,325, 1,346 and 1,355.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.



MECL का खान मंत्रालय के साथ हुआ समझौता

नागपुर. मिनीरल कंपनी मिनीरल एक्सप्लोरेशन कारपोरेशन लिमिटेड (एमईसीएल) ने वर्ष 2018-19 के लिए खान मंत्रालय के साथ समझौता पर हस्ताक्षर किया। देश में खनिज गवेषण के क्षेत्र में एमईसीएल अग्रणी कंपनी है। समझौते पर सचिव भारत सरकार

अनिल गोपीशंकर मुकुम तथा एमईसीएल के सीएमडी प्रभारी आर.एन. झा ने हस्ताक्षर किए। इस अवसर पर अपर सचिव के. राजेश्वर राव, विपुल पाठक, जोयेश बागची, योगेश शर्मा उपस्थित थे। वर्ष 2017-18 के दौरान एमईसीएल ने विभिन्न खनिजों कोयला, लिगनाइट, लौह अयस्क, स्वर्ण, तांबा, बाक्साइट, चूना पत्थर आदि के लिए 6.32 लाख मीटर वेधन कार्य किए। इससे राष्ट्र की खान सूची में 2656 मिलियन टन खनिज संसाधन जोड़े। कंपनी ने उक्त वर्ष के दौरान सर्वाधिक वित्तीय निष्पादन भी



हासिल किया है। वर्ष 2017-18 के दौरान कंपनी ने पहली बार 19.73 करोड़ का अंतरिम लाभार्श का भुगतान किया। इस वर्ष समझौता सार्वजनिक उद्यम विभाग (डीपीआई) के दिशा निर्देशों के अनुसार किया गया है। समझौते में मुख्य विशेषता वृद्धिगत उत्पादकता के साथ 6 लाख मीटर से अधिक का वेधन, इन हाउस बोर होल डेविएशन कैमरा का विकास, बिना अधिक समय लगाये ग्राहक को सेवा देना, आनलाइन एचआरडी सिस्टम तथा नए ग्राहकों का पंजीयन पर जोर देना है।

Jindals extend \$1-bn power deal by a year

JSPL yet to ink PPA, get coal linkages for plant'



A question of time: Jindal Power had signed a binding agreement with JSW Energy for the 1,000-MW power plant, and June 2018 was to have been the 'long-stop date'. ■ REUTERS

PIYUSH PANDEY
MUMBAI

Brothers Sajjan Jindal and Naveen Jindal have agreed to extend the deadline for their \$1-billion power deal by another one year, as the latter's Jindal Steel & Power Limited (JSPL) has failed to meet the preconditions of the deal, the deadline for which expires in June this year.

Confirming the development, JSW Group chairman Sajjan Jindal told *The Hindu*, "The deal deadline has been extended by another year."

'₹6,500-crore deal'

In May 2016, JSPL had agreed to sell its 1,000-MW power plant in Chhattisgarh for an enterprise valuation of ₹6,500 crore. The brothers had decided to seal the deal on an arm's length basis (a deal in which typically the buyer and seller of a product act independently and have no relationship to each other).

"The deal is on the backburner as the power sector is not doing well," said a

source in the know of the development. "JSPL is yet to secure a long-term power purchase agreement (PPA) and coal linkages for the plant; both are preconditions for the deal."

A JSPL official clarified that its power unit is yet to secure a long-term PPA and coal linkages for the plant and the company was working towards achieving both milestones to close the deal.

"We have signed a binding agreement with JSW Energy for the 1,000 MW power plant, and June 2018 is the long stop date," a Jindal Power Limited spokesperson had earlier said in an e-mail reply to *The Hindu*'s queries.

As per the deal, Everbest Steel and Mining Holdings Limited (ESMH), a special purpose acquisition entity, had been created. The business undertaking of the JSPL plant was to be transferred to this entity and JSW Energy was to buy the entire shareholding of ESMH.

Analysts said that with JSPL's improving profitabili-

ty and debt reduction, the company may not be forced to sell its power plant.

The company posted a net profit of ₹145 crore for the March quarter, in a return to profitability after 13 quarters of reporting losses.

The numbers came on the back of the firm's highest-ever steel production and sales in the fourth quarter and for the financial year 2017-18, with the 5 MTPA integrated steel plant at Angul getting fully commissioned.

The credit ratings for JSPL have been upgraded by rating agency Crisil to a 'stable' outlook. The upgrade followed similar upgrades by agencies Care and ICRA.

The net debt for JSPL fell ₹4,500 crore from the peak level of ₹46,500 crore to end FY18 at ₹42,000 crore.

In January, JSW Energy terminated its deal to buy Jaiprakash Power's 500 MW Bina unit for ₹2,700 crore after two years of delay in getting necessary approvals from the lenders.

(With inputs from Sara Vernekar)

'Essar Lenders Should Open Vedanta Bid'

Vedanta Resources chairman Anil Agarwal says the company entered the fray after being urged by lenders and its offer should be considered

Vatsala Gaur & Satish John

Mumbai: Metals magnate Anil Agarwal wants the dedicated bankruptcy court to consider the Vedanta Resources bid for Essar Steel, arguing that bankers to the stressed alloy-maker themselves had urged him to join the auction to increase competitive intensity and fetch creditors a better price for the troubled mill.

"I'm not saying that I'm the highest bidder. But we believe that we have put in a very high offer and why should the public be deprived of their money if somebody is paying a higher bid," the Vedanta Chairman told ET in an exclusive interaction.

Agarwal's Vedanta was called to join the race for the debt-laden steel asset when questions arose over the eligibility of the first-round bidders, Russian investment bank VTB-backed Numetal, and Lakshmi Mittal's ArcelorMittal.

Vedanta, which is yet to formally begin a business in ferrous metals, is seen in the industry as an aggressive bidder. It has been shortlisted as the surprise winner putting in the highest offer for the Jharkhand-based Electrosteel Steels, and that wins marks the group's formal entry into ferrous metals.

"The bankruptcy law is a bold and good step but the delays are causing the government and companies... a lot (by way) of costs. A sense

of urgency is very important," added Agarwal, who has made formerly government-run zinc and aluminium producers hugely profitable after privatisations.

For Essar Steel, the Vedanta bid for the ailing Gujarat-based steel-maker is yet to be opened.

"As far as Essar (Steel) is concerned, we had been asked to look at it because there were only two parties (Numetal and ArcelorMittal) and a third party was asked to look

at it and we were fully eligible (having obtained the expression of interest documents)," he said. "We have spent more than ₹100 crore just to secure comfort from banks for putting the bid for Essar Steel and a lot of money has been spent to prepare

the documents. Hundreds of hours and hundreds of crores have gone to prepare the bid and now they are saying that they don't want to open the bid. This is a concern," said Agarwal.

"If you (bankers) have asked for a legitimate bid, it should be opened and whoever is the highest bidder should be looked at," Agarwal reasoned.

On Electrosteel, Agarwal says his group has done everything ac-



FILE PHOTO

"Some vested interest has again played a role. If you increase the production of oil and gas beyond a level, you will be penalised. I never heard anywhere in the world where you are penalised for increasing production. So vested interests have worked on it to make sure that Indian production does not increase," he alleged.

"(About) 18% of the world population resides here and if we just produce 15% of the oil (we need), we will always remain poor. Someone like me will have to hold the bull by its horns," he said, explaining the reason behind Vedanta putting in bids.

PUSHING VEDANTA EXECUTIVES...

Vedanta has bid for all the blocks, something he says he pushed his executives to do.

"My executives just wanted to bid only for 10 blocks. I fought with them and said why not 55 (blocks)? So I really persuaded my people and it took a lot of time to put an interest for all 55 blocks. Somebody has to

be an Indian to help kick-start the economy," Agarwal said, referring to his decision to go all the way despite certain reservations on the bidding conditions. On Aramco's

cording to the bankruptcy code process and yet "somebody" (the Renaissance Group) has gone to the appellate court. "It is again very unfortunate because in the process, the company suffers and the company gets sick. So, we would like to close it as soon as possible," he said.

OIL FIELD BIDS AND THE HURDLES...

On bidding for all the 55 blocks under the open acreage licensing policy (OALP), Agarwal complimented the government for "taking away" 90% of the earlier

checks, a simplification he described as "path-breaking". "...This is the first time that they are looking at not more revenue but more oil and gas production," Agarwal said.

However, he still has a few reservations. World over, the total revenue share for government's is about 50%, whereas in India it is 65-75%. Currently producers are not able to realise the international price of crude (no exports permitted), which is one of the major factors behind muted interest by foreign investors.

proposed investment in a refinery in India, Agarwal said the Saudi Arabian company should also be asked "to set aside at least 25% of their money for exploration" of oil in India.

"I would encourage them to explore here because our cost of production is only \$6 (a barrel) and they will be importing at \$70. Exploration will also create millions of jobs in production both offshore and onshore," Agarwal reasoned.

ON EXPANSION PROJECTS...

Agarwal is confident that his group has the wherewithal to fund the bids in addition to the greenfield and brownfield expansions it has lined up.

"People believe in us and we are the only company in the country with over \$33 billion invested in India's real foreign direct investment. We raise the money here and every investor who has invested in us is smiling because he gets good returns," he said.

BUSINESS LINE DATE: 14/5/2018 P.N.8

Gold snaps three-week fall

A near-term pull-back in the dollar can push the yellow metal higher

GURUMURTHY K

Gold managed to sustain above the psychological \$1,300-per-ounce mark for the second consecutive week. This keeps the prolonged \$1,300-1,370 sideways range intact.

The global spot gold prices made a low of \$1,304 per ounce and bounced from there to close 0.4 per cent higher for the week at \$1,319 per ounce. This brings the three consecutive weeks of fall to an end. Silver was up 0.8 per cent in the past week. The global spot silver prices have closed the week at \$16.67 per ounce.

The gold and silver futures contract on the Multi Commodity Exchange (MCX) is

showing signs of increasing strength. A weak rupee is continuing to provide additional support for the domestic contracts. The MCX-Gold and MCX-Silver futures contracts outperformed the global spot prices by surging 1.3 and 3.7 per cent, respectively. The MCX-Gold contract has closed the week at ₹31,078 per 10g and the MCX-Silver contract has closed at ₹40,541 per kg.

Easing dollar

The dollar index surged to a high of 93.42 by last Wednesday. However, the index reversed lower from there, giving back all the gains, and closed the week on a flat note at 92.53. The index can dip in the near term to 92. A break below 92 can take the index



BLOOMBERG

further lower to 91.5. A near-term correction in the dollar index can help gold prices to remain above \$1,300 and move further higher in the coming days.

Gold outlook

The global spot gold (\$1,319 per ounce) has a series of resistances ahead in the \$1,327-1,330 region and then in the \$1,335-1,340 region. A test of these resistances is possible as long as gold remains above

\$1,300. A strong break above \$1,340 will boost the momentum and take gold higher to \$1,360 and \$1,370. The outlook will turn negative only if gold declines below \$1,300, which looks less probable at the moment.

On the domestic front, the uptrend in the MCX-Gold (₹31,518 per 10 g) futures contract is gaining strength. Support is at ₹31,350. A rally to ₹32,250 looks likely in the short term. A break above

\$32,250 will pave way for the next target of ₹33,000.

Medium-term traders can hold the long positions with a revised stop-loss at ₹31,250 and for the target of ₹32,000. Move the stop-loss further higher to ₹31,550 as soon as the contract moves up to ₹31,800.

Silver outlook

The global spot silver (\$16.67 per ounce) prices can move up to \$16.9 and \$17 while it remains above \$16.4. A break below \$16.4 will negate the bullish outlook and can drag the prices to \$16.1 and \$16 again.

The MCX-Silver (₹40,541 per kg) has resistance at ₹40,750. A strong break above it can take the contract higher to ₹41,200 and ₹41,500. Support is at ₹40,000, a break below which can target ₹39,500 or even ₹39,000.



MCX Gold

Supports: ₹31,350/
31,000
Resistances: ₹32,250/
33,000

MCX Silver

Supports: ₹40,000/
39,500
Resistances: ₹40,750/
41,200

'Diamond biz in India to grow this year'

MUMBAI, May 13 (PTI)

DE BEERS, the world's largest diamond producer, has said the business in the country will continue to grow this year despite dampened sentiments following Nirav Modi-led PNB fraud.

"There has been this banking scandal, that is clearly a fraud, and had certainly dampened sentiments little bit.... But having said that, I think consumer demand in India, as we have Forevermark brand, is doing very well.

"It's been an unfortunate incident but the demand in India this year would be reversed, would be good and the business in India will continue to grow in 2018," De Beers Group CEO Bruce

Cleaver told PTI here.

Diamond merchants Nirav Modi and his uncle Mehul Choksi are alleged to have perpetrated the country's biggest banking sec-



tor scam of Rs 13,000 crore at Punjab National Bank, mainly by way of issuance of fraudulent Letters of Undertaking (LoUs).

The Centre has also intervened

in the bankruptcy proceedings of Nirav Modi firms in the US to protect the interests of PNB.

Meanwhile, Cleaver said the consumer sentiment clearly has been good at the moment as the first quarter result was robust in India.

"February has been a strong month followed by March, across the industry... We are conscious that we still need to create more awareness about diamonds as a commodity and business and there will be a lot of communication in that regard this year," he added.

India will grow exceptionally, which was affected since last two year due to implementation of goods and services tax (GST) and demonetisation, he said.

THE ECONOMIC TIMES DATE: 14/5/2018 P.N.15

Diamond Business in India Won't Lose Sheen: De Beers

PTI

Mumbai: De Beers, the world's largest diamond producer, has said the business in the country will continue to grow this year despite dampened sentiments following Nirav Modi-led PNB fraud. "There has been this banking scandal, that is clearly a fraud, and had certainly dampened sentiments little bit.... But having said that, I think consumer demand in India, as we have Forevermark brand, is doing very well.

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Diamond merchants Nirav Modi and his uncle Mehul Choksi are alleged to have perpetrated the country's biggest banking sector scam of ₹13,000 crore at Punjab National Bank, mainly by way of issuance of fraudulent Letters of Undertaking (LoUs).

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more awareness about diamonds as a commodity and business and there will be a lot of communication in that regard this year," he added.

India will grow exceptionally, which was affected since last two years due to implementation of goods and services tax (GST) and demonetisation, he said.



While Nirav Modi scam did dampen sentiments, demand is good, and the business in India will continue to grow in 2018: CEO Cleaver

"We see tremendous opportunity in the consumer market, and India and China present enormous opportunity for us," he added. Forevermark India President Sachin Jain said that last year has been exceptionally good for the brand. "Our business grew over a 100%, which was a rare year and we saw a continuation of this in the first quarter of this year. I see an emergence of lot of organised retail players.

"Organised players are expanding rapidly in bigger cities, also I see influx of bigger independents in smaller towns and gaining much faster," Jain added.

Forevermark is present in 48 markets across India, which will expand to about 52 markets, mainly in tier II and III cities, he noted. The company will now focus on the northern region of the country, which is going to be its growth area, he added.

Investors continue to exit from Gold ETFs in April; prefer equities

NEW DELHI, May 14 (PTI)

INVESTORS remained bearish on gold exchange-traded funds (ETFs) as they pulled out Rs 54 crore from the instrument in April, preferring equities over them. The net outflow meant assets under management (AUM) of gold funds slipped to Rs 4,802 crore from Rs 4,806 crore in the preceding month, according to latest data available with Association of Mutual Funds in India (Amfi).

Trading in gold ETF segment has been lukewarm during the last five years. It witnessed an outflow of Rs 835 crore, Rs 775 crore, Rs 903 crore, Rs 1,475 crore and Rs 2,293 crore in 2017-18, 2016-17, 2015-16, 2014-15 and 2013-14,



respectively. However, the segment had witnessed an infusion of Rs 1,414 crore in 2012-13.

"Gold prices which witnessed a spectacular rise since 2005 and made new highs in 2011-12, fell sharply in 2012 and have been trading in a range of 1,100-1,400

USD/oz since then. Given this range bound movement coupled with buoyant equity market performance has resulted in Indian investors largely staying away from investing in Gold ETFs, in fact we have seen redemptions year on year since last 5-6 years.