



CLASSIFIED MINERAL NEWS

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Now this is the second issue for the period from 1st – 15th May 2017 for information.

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 (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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CLASSIFIED MINERAL NEWS



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FROM

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INDIAN BUREAU OF MINES

(1-15 MAY 2017)

Unable to budge stone miners, Bihar district's solution: blast the roads

SANTOSH SINGH
PATNA, APRIL 30

UNABLE TO check illegal stone mining, the Rohtas administration has decided to blast approach roads to Kaimur hills in the district, admitting their decision could be called "a surrender". The "extra-ordinary" decision comes four months after Bihar Chief Minister Nitish Kumar's visit to Sasaram block, where he called for a crackdown on illegal mining.

After several high-level meetings, the district authorities have identified around 15 non-



On a drive against illegal mining. Kamlesh Kumar

concrete routes in Karbandiya and Bansa villages in Sasaram, which are infamous for illegal mining, and have invited tenders

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Bihar district decides to blast roads

for blasting them.

"The district administration after due consultation with the state chief secretary and the Mines and Minerals Department decided to sever all the routes to hills so that miners cannot carry the stones (from atop them)," Rohtas Assistant Director, Mines and Minerals, Gyanendra Kumar told *The Indian Express*. "Most of these routes were prepared by illegal stone miners to reach quarries spread over a 1,500-acre area."

Tenders specify that the blast area should be 20 feet wide, 30 feet long and 20 to 40 feet deep. "This can be called a surrender before the miners, but we have identified a method that can be effective. Our idea is to cut off roads to atop hills for miners' ve-



hicles. We are planning to blast away the base of the hills and dig deep enough so that no vehicle can cross," Kumar said. He added that the public would not be affected as

there are few human settlements in the foothills.

There are other approach routes to illegal mining spots, Kumar admitted, but these fall under the Forest Department. "We have focused on non-forest areas of Karbandiya and Bansa. Any decision on cutting off forest routes can be taken by the Forest Department alone. But problem areas are the Karbandiya and Bansa routes," said Kumar.

The Bihar government declared stone mining illegal in 2007. Police have lodged more than 300 cases over the past decade, but most arrests have been of labourers and stone-crusher operators. The miners are estimated to make around Rs 1,000 crore annually.

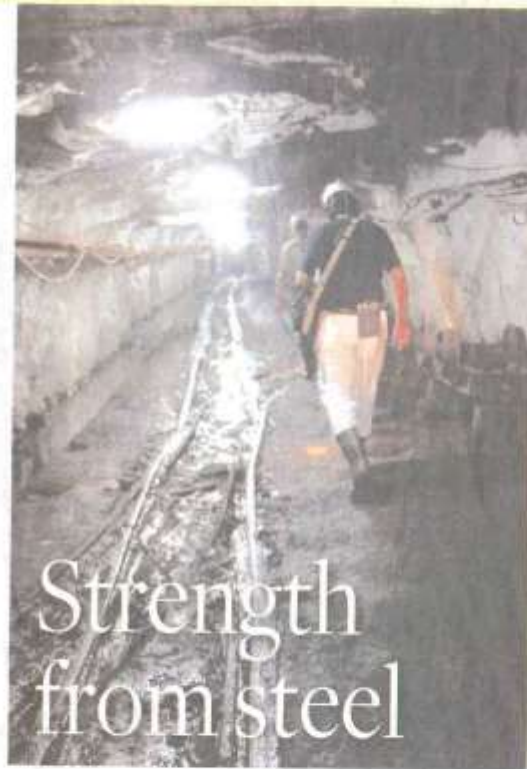
MOIL

This manganese ore maker will benefit from the positive outlook for infrastructure

MEERA SIVA

Infrastructure investments and government policy geared towards reducing imports and encouraging exports bode well for the steel sector. Investors who want to bet on this can take an indirect exposure through State-owned MOIL, a manganese ore producer. It is a key ingredient in steel making; MOIL produces over half the country's manganese ore and is the only high-grade ore producer in India. The company has large reserves – of over 81.5 million tonnes unit (mtu) – which could last over 75 years at the current annual production rate, spread over 10 mines.

MOIL's stock was on an uptrend in the second half of 2016 as demand and prices increased. The stock nearly doubled – from a low of about ₹217 per share in May 2016 to ₹417 in early 2017. Price has corrected since, after the company lowered ore prices. The current price of ₹316 discounts its trailing 12-month earnings by 22 times. This is higher than its three-year historical average of



Strength from steel

about 18 times, but still reasonable considering the sector's prospects.

Investors can buy the stock, given the company's strong fundamentals, robust revenue and profit outlook on the back of its expansion plans. MOIL's leadership position in the segment, im-

proving steel demand and sizeable ore and cash reserves make the stock a good pick for the long haul.

Good prospects

MOIL's sales volumes increased strongly in the nine months of 2016-17. Sale of fines and non-fine

ore was 0.92 MT in this period, compared to 0.59 mt during the same period in 2015-16.

About 85-90 per cent of the ore demand is from the steel industry. Crude steel production increased 9.3 per cent y-o-y during April-February 2016-17 to 89.1 mt. Finished steel imports declined 38.5 per cent during this period to 6.6 mt, while exports jumped 77.6 per cent to 6.62 mt.

The battery industry is the second-largest consumer of manganese. Growth in alkaline battery and lithium-ion battery with manganese markets should further boost demand.

The Indian Bureau of Mines projects local manganese ore production in 2020-21 at about 5 mt (2.5 mt currently) to meet demand. MOIL, being the leader in the segment, will benefit from this growth.

The company plans an output of 1.15 MT in 2017-18; it is actively working on expansions to double output by 2020 and has investment plans of about ₹1,500 crore up to 2020-21.

MOIL has sizeable cash reserves – ₹2,200 crore as of December 2016 – to fund its capital expenditure. These investments will aid revenue and profit growth over the long term.

Besides ore, MOIL earns 10 per cent of revenue from chemicals such as ferromanganese and electrolytic manganese dioxide. It plans to set up a joint venture

with Steel Authority of India and Rashtriya Ispat Nigam to produce alloys, as part of upstream expansion.

Sound financials

Revenue increased 74 per cent y-o-y in the nine months of 2016-17 to ₹737 crore, due to higher sales volume and price. Realisation for fines (85 per cent of volume) increased 13 per cent y-o-y to ₹8,026 per tonne. Average sale price of non-fines also increased 5 per cent y-o-y to ₹2,682 per tonne.

Operating profit increased 71 per cent in the same period to ₹135 crore.

Net profit increased 25 per cent to ₹190 crore. Profit growth lagged revenue growth due to lower interest income.

Ore prices, which zoomed globally in 2016, have been slowing. MOIL cut prices by 15 per cent (for 44 per cent and higher manganese content) and 10 per cent for other grades in January 2017. For the April-June 2017 quarter, similar price reductions were made.

While lower prices may impact revenue, it can boost sales volume as bulk of the ore demand is from the local steel industry.

Also, while significant price upside may be limited, globally, increasing steel output should provide support for sustainable and improving manganese ore prices.

GST Fear Grips Jewellery Exporters

Cos expect business to take a hit if sector comes under new tax regime; political uncertainty in Europe being another reason for concern

Sutanuka Ghosal
@timesgroup.com

Kolkata: Political uncertainty in Europe coupled with the fear that the government will bring gem and jewellery exports and imports under goods and services tax (GST) are worrying the exporters, even though the overall exports in FY17

have risen by 9.9% over FY16. In value terms, total exports of gem and jewellery stood at \$43.2 billion in FY17 compared with \$39.2 billion in FY16. Silver shines in the country's overall gem and jewellery exports with a growth of 35.8% over FY16, while exports of gold jewellery have shown a meagre 1.9% growth over the last fiscal. Exports of cut and polished diamond posted a 10.2% growth.

"Exports are expected to go up in FY18 provided that they do not come under GST. But if included in GST, then there will definitely be some impact on exports. Import of rough diamonds should not come under the purview of GST," Praveen Shastri, chairman, Gem & Jewellery Export Promotion Council, told ET.

He said that rather than bringing the sector under GST, the government should provide unique numbers to diamond traders, like in Belgium, which in turn will help the government keep track on the move-



ET ARCHIVE

ment of diamonds.

The other worry among the jewellery exporting community is the political uncertainty in Europe. "There has been very little excitement in the European market since Brexit was announced last year. We are wa-

iting for the outcome of the French elections. Unless there is clarity in EU, business is not likely to pick up," Pandya explained.

In FY17, the UAE remained the single largest importer for India accounting for around 32% of the total

gems and jewellery, followed by Hong Kong, the USA, Belgium and Israel. While almost all of the categories under gem and jewellery have grown, exports of coloured gemstones have declined 9.1% to \$419.9 million in FY17, compared with \$453.3 million in FY16.

Gold jewellery studded with diamonds at \$3.4 billion constitutes 40% of total export of gold jewellery at \$8.7 billion during FY17. This is mainly exported to the US, Hong Kong, Australia, France, Canada and Belgium.

The UAE, Singapore and Malaysia are the major markets for plain gold jewellery exported from India.

"We are aware that gold jewellery exports have not picked up substantially. For this, we need to upgrade our facilities and come up with new designs that suit the taste of overseas buyers. We are working on a 'Vision 2030' on the gem and jewellery sector which will address all these issues," Pandya said.

Core sector grows 5% in March, a 3-month high

For FY17, the sector logs 4.5% growth against 4% in FY16

OUR BUREAU

New Delhi, May 1

Closing the fiscal year on a high, the index of eight core industries rose by 5 per cent in March, a three-month high, led by double-digit growth in steel and coal sectors.

The eight sectors — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — are seen as a bellwether of factory output as they account for nearly 38 per cent of the weight of items included in the Index of Industrial Production.

The core industries grew by a mere 1 per cent in February this year, and 9.3 per cent in March 2016. The core sector's "cumulative growth during April-March 2016-17 was 4.5 per cent," said an official

statement on Monday. This is a two-year high for the sector, which registered a cumulative growth of 4 per cent in 2015-16. The IIP dipped by 1.2 per cent in February 2016, and the core sector data indicates a possible reversal in March.

Among the eight industries, the fastest growth was in steel production, which rose by 11 per cent in March, followed by coal production, which grew 10 per cent.

However, the steepest decline was in cement production, which contracted by 6.8 per cent, followed by fertiliser production and refinery products, which dipped by 0.8 per cent and 0.3 per cent respectively.

Analysts, however, remained cautious on a recovery. "Only if the data show growth on a sustained basis for at least a few months can we say that industrial recovery is taking place," said Devendra Pant, chief economist, India Ratings.

Mixed bag

Sector	growth (in %)			
	March 2017	March 2016	2016-17	2015-16
Coal	10.0	2.5	3.6	4.5
Crude oil	0.9	-5.1	-2.5	-1.4
Natural gas	8.3	-10.5	-1.1	-4.2
Refinery products	-0.3	10.8	5.4	4.3
Fertiliser	-0.8	22.9	1.8	12.5
Steel	11.0	7.8	9.3	-0.1
Cement	-6.8	12.9	-1.3	5.0
Electricity	5.9	17.9	5.1	8.3
Overall index	5.0	9.3	4.5	4.0

Source: Ministry of Commerce and Industry

Mining set to resume in UP as court vacates stay

**Allahabad HC clears
new mining policy**

PRESS TRUST OF INDIA

Allahabad, May 2

In a big relief to the Yogi Adityanath government in Uttar Pradesh, the Allahabad High Court has approved its new mining policy that provides for granting non-renewable leases for a period of five years through e-tenders.

A division Bench of Chief Justice DB Bhosle and Justice Yashwant Verma passed the order on Monday, vacating the stay on mining activities in the state and disposing of a bunch of public interest litigations drawing attention to rampant illegal excavation of minerals in the state.

CBI probe

On July 28 last year, a month after

having stayed mining activities across the state, the court had directed the CBI to investigate the allegations of illegal mining.

The Samajwadi Party was in power in the state then. The court had passed the order on a bunch of petitions alleging that mining leases, upon expiry in 2012, were being "unlawfully extended" by officials.

Yesterday, the court was apprised of the new policy by Advocate General Raghavendra Singh, who appeared on behalf of the state government.

He said that as per the new policy, a team of mining department officials will be set up in each district.

The team will decide on the area that will be made available for mining and the quantity of minerals that can be excavated. The advocate general said initially "temporary mining per-

mits" will be allotted, through e-tenders for a period of six months.

Fixed leases

The government hoped to obtain a no-objection certificate from the Environment Ministry by June 15 and thereafter it will grant mining leases for a five-year period through e-tenders. Singh made it clear that upon the expiry of the five-year term, mining leases will be granted afresh and there will be no renewal of an expired lease.

He also disclosed that in view of the monsoons, no mining activity of any kind will be allowed in the state from July 1 to September 30.

The advocate general claimed that the state government's new policy will effectively check illegal mining and generate greater revenue.

Singareni achieves record growth

Transports 53.7 lakh tonnes of coal

SPECIAL CORRESPONDENT
HYDERABAD

The Singareni Collieries Company Limited (SCCL) has achieved a record growth of 16% in coal transportation during April this year by transporting 53.7 lakh tonnes of coal.

According to officials of the coal company, the coal transportation made during April last year was 46.4 lakh tonne and this year it was higher by 7.3 lakh tonnes. Stating that there was no instance of such huge growth during the last five years, the company management has claimed that it had become possible with coal consumers showing interest in the mineral mines by the company and the company making arrangements for its

transportation to various destinations. Similarly, production of coal during April this year was also higher at 44.9 lakh tonnes against 44.5 lakh tonnes mined in last April. CMD N. Sridhar has complimented the workers for their achievement in coal production, transportation and overburden removal in the first month of the current financial years.

New Directors

Meanwhile, a high-level committee headed by Chief Secretary to the State Government S.P. Singh has selected B. Bhaskar Rao and S. Chandrasekhar as the new Director of SCCL to fill the vacancies caused by retirements due to superannuation of age.

Liberty House to create 300 jobs at steel unit

It had bought Tata's Speciality Steel arm in U.K. for £100 mn

VIDYA RAM
LONDON

Liberty House, Sanjeev Gupta's U.K. steel business, is to create an additional 300 jobs at the Speciality Steel unit it has acquired from Tata Steel, for £100 million and said it would invest £20 million in the business in the first year alone.

"By investing in acquiring speciality steels we are casting a big vote of confidence in the future of British industry," said Mr. Gupta in a statement, calling for Britain to put steelmaking at the heart of its post-Brexit industrial strategy.

The company hopes to raise production from its arc furnaces to over 1 million tonnes a year, and for its bar mill to roll over 400,000 tonnes a year.

Liberty House completed the acquisition of Tata's Speciality Steel business on Tuesday, following an agreement struck earlier this year. It covers assets in Yorkshire and service centres in Britain and China and focuses on steel in the automotive, aerospace, industrial machinery and oil and gas industries, currently employing 1,700 workers. Those jobs are now secured and



The investment is a vote of confidence in U.K.'s industry, says Sanjeev Gupta. • REUTERS

the business will be relaunched as Liberty Speciality Steels.

Drive expansion

"The speciality steels business is a global leader in its field, with a highly skilled and well-motivated workforce and we are eager to invest so it can grow and achieve its full potential," said Mr. Gupta. "We are taking on strategically important capacity that will drive expansion in the years ahead."

The deal leaves Tata Steel with its strip products business, after selling its long

products business to Greysteel Capital last year as it seeks to transform and restructure its European operations.

Liberty House has made a string of purchases in the U.K. steel sector over the past couple of years, now employing around 4,500 workers in the country, and last week announced plans to buy Arcelor Mittal's Georgetown steel plant in South Carolina, in the U.S.

Tuesday's developments were welcomed by the Unite union, who said it ended months of "agonising uncertainty" for its members who had "done everything asked of them over the last few years to give speciality steel-making a fighting chance in the U.K."

Tata Steel said it had invested £1.5 billion in its U.K. business since 2007, and that it would continue to transform its U.K. business to create a viable future for its strip business, which employs around 8,500 people. Discussions with the British Steel Pension Scheme trustees and the Pensions regulator over finding a structural solution to its U.K. pension scheme continued, the statement added.

Tata Steel UK completes sale of Speciality Steels

PRESS TRUST OF INDIA
NEW DELHI, MAY 2

TATA STEEL UK on Tuesday said it has completed the sale of its Speciality Steels business, which employs 1,700 workers, to Liberty House Group for 100 million pound. Liberty said it will not only protect the 1,700 existing jobs but also create 300 new

ones and invest multi-million pounds in the venture.

The acquisition will make Liberty one of the largest steel and engineering employers in the UK with over 4,500 workers.

Tata Steel UK chief executive officer Bimlendra Jha said that in the last couple of years, Tata Steel has been undertaking a transformation plan at the Speciality Steels division.

MCX-zinc futures hover near key resistance levels

GURUMURTHY K
US Research Blogger

The zinc futures contract on the Multi Commodity Exchange (MCX) is showing early signs of a reversal. The strong downtrend that was in place since February halted at a low of ₹161.90 per kg on April 18.

The contract bounced from this low over the past couple of weeks, and is currently trading at ₹170 per kg. The 200-day moving average resistance is at ₹171, and a key trend-line resistance is at ₹172. These are crucial levels to watch out for in the near term. They will decide whether the contract will extend the current upmove or will reverse and move lower again.

A strong break and a decisive close above ₹172 will ease

the downside pressure. Such a break can take the contract higher to ₹178 in the coming days. If the contract manages to break past ₹178, the upmove can extend to ₹181. On the other hand, if the MCX-zinc futures contract fails to break above the ₹171-172 resistance zone and reverses lower, it may remain under pressure.

The contract may fall to ₹165 or ₹162 once again. The level of ₹162 is a crucial support for the contract.

A strong break and a decisive weekly close below ₹162 may increase the likelihood of the contract falling to ₹155 or even ₹150 thereafter.

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

BUSINESS LINE DATE: 3/5/2017 P.N. 15

Dalmia Cement, top bidder for Chhattisgarh limestone block

OUR BUREAU
New Delhi, May 2

The Chhattisgarh government on Tuesday auctioned the Kesla II limestone block in Raipur District. An official statement said that Dalmia (Bharat) Cement has emerged as the preferred bidder for this block. With 215 million tonnes of reserves, the block has an estimated value of mineral resource of ₹10,367 crore.

At a reserve price of five per cent, the block received a

highest bid of 96.15 per cent which translates into an estimated cumulative revenue of ₹11,894 crore to the State government over the lease period.

The State will gain ₹9,968 crore over the lease period through the auctions alone. Income from royalty stands at ₹1,720 crore, District Mineral Foundation (DMF) at ₹172 crore and National Mineral Exploration Trust (NMET) at ₹34.4 crore.

CIL bets on demand to beat output blues

A STAFF REPORTER

Calcutta, May 2: Public miner Coal India Ltd (CIL) is bullish on improving demand despite a 4.8 per cent decline in production in April over the previous year.

According to provisional data, Coal India subsidiaries produced 38.44 million tonnes in April against a target of 43.58 million tonnes.

Coal offtake was 45.29 million tonnes against a target of 49.51 million tonnes. However, compared with the production trend, the offtake grew 6.1 per cent over a year ago.

Reducing stocks in power plants and inventory management continued in April, resulting in a higher offtake and lower production.

The miner is grappling with high inventory and has to manage its production. Stock

TAKING STOCK

April figures in million tonnes

	Target	Actual
Production	43.58	38.44
Offtake	49.51	45.29



at pitheads had run up to 56.33 million tonnes in March.

However, both CIL officials as well as market analysts hope that the offtake will improve, driven by demand from the power sector. "We are hoping that coal offtake would improve in the coming months. Power plants are expected to lower their inventories and this will have a positive impact

on offtake," said a CIL source.

However, demand from the non-regulated sector, especially cement, will depend on the market price of pet coke, used as a coal substitute.

According to a Motilal Oswal research report, thermal power generation is expected to improve despite the rising share of renewable energy. Demand for coal in power generation is expected to reach around 647 million tonnes by 2019-20 from 562 million tonnes in 2016-17. Higher sales through electronic auctions will also have a positive bearing on offtake from the subsidiaries.

"The Chinese government wants prices neither too high nor too low and the working range is \$60-90 per tonne for the 6,000 kcal/kg coal. This augurs well for Coal India because this will drive import substitution," the report said.

“बढ़कर फिर नरम हुआ लोहा

26,000 एक माह पूर्व **29,000** पर वापस आया

व्यापार प्रतिनिधि नागपुर, कच्चे माल की कीमतों में हुई वृद्धि के कारण लोहे में तेजी का दौर देखा जा रहा है. हालांकि मांग नहीं रहने से कीमतों में कुछ कमी भी दर्ज की गई है. व्यापारियों की मानें तो आने वाले दिन भी बहुत अच्छे नहीं हैं, क्योंकि प्रोजेक्ट नहीं



रहने के कारण बाजार में डिमांड ही नहीं है. व्यापारियों ने बताया कि 1 माह में टीएमटी में 5000 रुपये टन की तेजी दर्ज की गई. स्टील 26,000 रुपये टन के स्तर से बढ़कर 32,000 रुपये टन तक पहुंच गया. परंतु इस स्तर पर ग्राहकी नहीं मिली, बाजार ठंडा बना रहा, जिसके बाद कीमतें वापस 29,000 के स्तर पर आ गई हैं.

व्यापारियों के अनुसार लोहे के इनपुट कास्ट में काफी वृद्धि हो गई है. बिजली, श्रमिक, आयरन ओर, कोयले की कीमतों में लगातार वृद्धि हो रही है. जिसके कारण उत्पादक टीएमटी का मूल्य बढ़ाने को मजबूर हैं. उन्होंने कीमतें बढ़ाई भी, परंतु बाजार में उठाव का अभाव बना हुआ है. उनका कहना है कि आगे भी बहुत अच्छे दिन दिखाई नहीं दे रहे हैं, क्योंकि बाजार में नहीं लगता है कि डिमांड में वृद्धि होगी. न तो इन्फ्रास्ट्रक्चर क्षेत्र से और न ही आवासीय क्षेत्र से मांग आ रही है. उनका कहना है कि घोषणाएं तो बहुत हुई हैं, परंतु काम शुरू नहीं हो पाया है. जब तक जमीनी काम शुरू नहीं होता, तब तक स्टील की स्थिति ऐसी ही बनी रहेगी.

Coal India production target cut

SPECIAL CORRESPONDENT
KOLKATA

Coal India Ltd.'s (CIL) production target for the current fiscal FY18 has been fixed at 600 million tonnes against 660 million tonnes envisaged earlier. This would require the company to grow at about 10% over the 550 million tonnes it touched in 2016-17.

It closed April 2017 with a production of 38.4 million tonnes which was 88% of the target. However, drawing from its stock of 60 million tonnes (at March-end, 2017), it despatched almost nine million tonnes more than its output. CIL sources said the 2016-17 target had to be reworked on the basis of demand from the power sector which accounted for 75% of the consumption.

"These numbers, which were fixed in tandem with the one billion-tonne target, had to be revisited in view of the tepid demand," sources said.

Domestic steel-makers to get preference in govt sourcing

National Steel Policy 2017 gets Cabinet's green signal

OUR BUREAU

New Delhi, May 3

The Union Cabinet on Wednesday approved the National Steel Policy 2017 in a bid to boost domestic production of steel. It also approved a preference policy for domestically produced steel in government tenders.

Briefing mediapersons after the Cabinet meeting, Finance Minister Arun Jaitley said, "We are already production surplus in Steel. The challenge is to boost consumption of steel produced in the country."

An official statement said that the highlight of the Na-



Finance Minister Arun Jaitley

tional Steel Policy is to achieve the target of 300 million tonne steel making capacity by 2030. This will entail an additional investment of ₹10 lakh crore by 2030-2031.

The target is to increase per capita steel consumption to the level of 160 kg by 2030, from the existing level of around 60 kg.

The policy aims at self-sufficiency in steel production by providing policy support and guidance to private manufac-

turers, MSME steel producers and CPSEs. It also aims to develop globally competitive steel manufacturing capabilities, cost-efficient production and better domestic availability of iron ore, coking coal and natural gas.

Facilitating investment in overseas asset acquisitions of raw materials and enhancing domestic steel demand are also on the agenda of the steel policy.

Steel Minister Chaudhary Birender Singh had told *BusinessLine* in February, "We are looking at coming out with a provision in government tenders to mandate using domestically manufactured steel for the grades that are available in India. The contractor can import grades of steel that are not available in the desired quantity in the country."

INDIAN EXPRESS DATE : 4/5/2017 P.N. 15

National Steel Policy gets nod; govt agencies to prefer local products

PRESS TRUST OF INDIA
NEW DELHI, MAY 3

A NEW policy that aims to achieve steel making capacity of 300 million tonnes by 2030 with an additional investment of Rs 10 lakh crore got the Cabinet green light on Wednesday.

The Cabinet also approved a policy for use of domestic steel products in government organisations. "The Union Cabinet chaired by Prime Minister Narendra Modi has given its approval to the National Steel Policy (NSP) 2017," the steel ministry said in a statement.

"The Cabinet... has approved the policy for providing preference to domestically manufactured iron and steel products on government procurement," the ministry said in another state-

The new steel policy seeks to boost domestic steel consumption and ensure high quality steel production

ment. The policy makes it mandatory to give preference to domestically manufactured iron and steel products (DMI&SP) in government procurement. The policy is applicable to all government tenders where price bid is yet to be opened.

"The DMI&SP policy provides a minimum value addition of 15 per cent in notified steel products which are covered under preferential procurement. In order to provide flexibility, the Ministry of Steel may review specified steel products and the

minimum value addition criterion," it said.

The NSP enshrines a long-term vision to give impetus to the steel sector. It seeks to boost domestic steel consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry.

The policy projects crude steel capacity of 300 mt, production of 255 mt and robust finished steel per capita consumption of 158 kg by 2030-31, as against the current use of 61 kg.

"The policy also envisages domestically meeting the entire demand of high-grade automotive steel, electrical steel, special steels and alloys for strategic applications and increasing domestic availability of washed coking coal so as to reduce import dependence on coking coal

from about 85 per cent to around 65 per cent by 2030-31," the statement said.

Steel minister Chaudhary Birender Singh is confident that the policy will give a concrete shape to future plans and policies for the steel industry in India. "We have taken a holistic and comprehensive view of the steel sector in India and its key growth drivers to ensure sustainable growth of all segments of the industry," he said.

Thrust areas in the policy include raw material securitisation, import substitution, increasing production efficiency and enhancing steel consumption, he said. As per the policy, adoption of energy efficient technologies in the MSME steel sector will be encouraged to improve overall productivity and reduce energy intensity.

Gold set to move decisively in rest of 2017

COMMENTARY

G CHANDRASEKHAR

From the beginning of this year, gold prices have been stuck in a range, with seemingly little prospect of a decisive directional change anytime soon.

While recent geopolitical developments (Syria, North Korea) did propel the yellow metal higher, the effect of such incidents is short-lived. Prices declined from around \$1,280 an ounce ten days ago to about \$1,255/oz recently. However, things can change dramatically in the months ahead.

The second half of 2017 could prove interesting for the gold market. There are both demand-side and supply-side factors that have the potential to sway the market.

Clearly, the dominant factor would be expectations of change in the US Fed monetary policy. The Fed has repeatedly asserted that its decision on a rate hike will be data-driven. If macro data flow in the months ahead proves to be positive, the chances of the Fed hiking interest rate would increase. From various statements, it appears the Fed is determined to



hike rates at least once, and possibly twice, this year.

Dollar dynamics

That would also send out a positive signal about the economic performance of the US — the world's engine of growth — which in turn would strengthen the dollar as well as boost the equities market in addition to making credit a little more expensive. Because gold is traded in dollars, a strong dollar will drive gold price down. Additionally, less-committed investors will exit gold and move to the equities market. We have seen this happen time and again.

The US-centric political angle to gold prices cannot be overlooked. Although the country itself is a small consumer of the yellow metal, its economy, monetary policy and currency exert significant im-

pact on gold prices. While President Donald Trump has made known his economic vision to boost growth, including corporate tax-cuts and huge expenditure on infrastructure development, there are now creeping doubts over his ability to push through these measures.

What if the US President is unable to get through his agenda and fails to deliver on his promise? That would be a huge boost for gold prices as safe-haven demand will resurface.

US bearishness overdone

At the same time, several economists have asserted that the increasing bearishness about US growth prospects is probably unwarranted, and the sentiment is perhaps overdone. Many expect growth to rebound in the quarters ahead from the low point of Q1. In the

event, gold will come under increasing pressure. The second half of the year is, therefore, likely to be crucial for a directional change.

From a demand perspective, seasonal factors come into play between June and September. Physical demand in India usually tapers off during the period as people in large parts of the country, especially rural areas, take to agricultural operations. The next high-demand period begins at the time of harvest in September.

From a supply perspective, growing mining output is something to reckon with. At current prices, gold mining is a profitable proposition; over 90 per cent of the world's gold mines are cash-flow positive. Extraction costs too are down, with technological improvement and low energy costs.

In sum, while gold might already be past its peak for the first half of the year, it is not likely to stay range-bound in the second half of the year. The market will be subject to Trump-induced volatility as well as changes in US monetary policy and mine supply.

The writer is a Commodities Market Specialist. Views are personal

Gold glitters in India in Q1

Fall in central banks' demand, low EFT fund flows remove global sheen though

SPECIAL CORRESPONDENT
MUMBAI

Demand for gold from Indian consumers rose 15% year-on-year to 124 tonnes in the first quarter of 2017 following continued remonetisation by the central bank that buoyed consumer sentiment, according to a report.

According to the latest Gold Demand Trends report by the World Gold Council (WGC), Indian consumers enjoyed a period of relative stability in the domestic market.

Continued remonetisation by the Reserve Bank of India (RBI) buoyed consumer sentiment encouraging demand ahead of the wedding season, the report said.

Interestingly, higher demand in India was the prime reason for the overall jewellery demand gaining marginally at 481 tonnes.

But demand remained relatively weak in an historical context, 18% below the five-year quarterly average, the report said.

However, there was over-



Best bet: Continued remonetisation by RBI buoyed consumer sentiment, encouraging demand. • REUTERS

all decrease in the global demand for gold in the same quarter though there was a slight increase in demand for the yellow metal for investment purposes in the form of bars and coins along with jewellery, the report said.

Exchange traded funds

The report said global demand for gold in the first quarter of 2017 was 1,034 tonnes, a decrease of 18% compared with the first quarter of 2016. The report

attributed the decline to a slowdown in demand by central banks along with smaller flows into exchange-traded funds (ETFs).

"Demand is down year-on-year, but that is largely because Q1 last year was exceptionally high," said Alistair Hewitt, Head of Market Intelligence at the World Gold Council.

"Although we did not see the record-breaking surges in ETF inflows experienced in Q1 2016, we have seen

good inflows nonetheless this quarter with strong interest from European investors ahead of the Dutch and French elections," said Mr. Hewitt.

"Central banks added only 76 tonnes to their reserves, falling 27% from the first quarter of 2016. Incidentally, China's purchasing programme was on a pause during the quarter as its foreign exchange reserves remained under pressure.

Experts said while the overall demand had decreased, one needs to consider the fact that the first quarter of 2016 saw exceptionally high record demand. Interestingly, bar and coin investment was healthy at 290 tonnes, an increase of 9% year-on-year, while demand firmed up slightly in both the jewellery and technology sectors, it said. Chinese investors played a key role in the increased demand. Meanwhile, gold ETFs saw flows accounting for 109 tonnes but largely concentrated in Europe.

Sell Comex gold futures at \$1,251-1,255

GNANASEKART

Comex gold futures tumbled to six-week lows on Thursday, under pressure from a strengthening dollar on expectations of further US rate rises this year and receding political uncertainty in Europe.

The dollar strengthened after the US Federal Reserve played down any threats to this year's planned hikes in interest rates, supporting forecasts of another move in June.

Expectations that centrist Emmanuel Macron will win the French presidential election on Sunday were reinforced after a TV debate with the far-right's Marine Le Pen.

The focus is now shifting to Friday's US non-farm payrolls report for April, which could reinforce perceptions of higher US interest rates in June.

Comex gold futures moved lower against our expectations. As mentioned earlier, a broad consolidation is under way and prices are moving with a mild bearish bias presently and an unexpected dip below \$1,255 might hint at the possibility of failure of the bullish view.

A break below this near-term support has dented the bullish picture and will act as a strong resistance going forward. Next supports are near



\$1,220-25 followed by \$1,210. A very important rising trendline support at \$1236 has broken, opening the way for further declines.

Any upticks to \$1,251-55 are expected to cap upside attempts. The favoured view expects prices to edge lower now towards \$1,205-10 levels.

Wave counts

We will take a look at the wave counts now and understand the possible scenarios that can unfold going forward. It is most likely that the fall from the all-time highs at \$1925 to the recent low of \$1088 so far, was either a possible corrective wave A, with a possibility to even extend towards \$1025-30 levels or a complete correction of A-B-C ending with this decline.

Subsequent to this decline, 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 levels. 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.

But, failure to follow-through above \$1,355 has dashed any hopes of any impulsive up move.

As the price has broken certain important supports and shows weakness targeting \$975 levels, we are tilted towards looking at this as a corrective wave C in progress.

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 crossover again above the zero line could hint at a reversal in trend to bullishness.

Therefore, sell Comex gold at \$1,251-55 with a stop-loss at \$1,262 targeting \$1,220 followed by \$1,205. Supports are at \$1,225, \$1,205 & \$1,195 and resistances are at \$1,255, 1,272 and 1,295.

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

GOING INDIGENOUS Govt has decided to make it mandatory to use home-produced steel for all government projects

Push for Domestic Steel may not Help Local Cos

Jwalit Vyas and Rakhi Mazumdar

ET Intelligence Group: The Cabinet's decision to make it mandatory to use domestic steel for all government projects aims at fostering growth of value added steel products used in defence, nuclear and power applications, and which cost two-three times the regular steel products. However, in the short to medium term, it may not have any major gain for domestic steel companies as the imported steel used in the government projects is limited.

"In value-added steels, the policy aims at measures to encourage domestic production and thereby import substitution, and that is where the real growth can come in in medium to long term," said H Shivram Krishnan, Director (Commercial), Essar Steel India, which has a product basket comprising 50% of value added steels.

According to the data from the Ministry of Steel, in FY17, the domestic steel consumption was 84 million tonnes (MT). Of this, only

Chart Check

1-month stock performance of top 4 steel companies



six MT was imported. Some analysts estimate that the import was divided into nearly 5 MT of flat products, used mainly for automobiles and 1 MT of long products. Out of this 1 MT, 0.6 MT was used in the real estate and only 0.4 MT into infrastructure, mainly government projects. Thus, the share of imported steel that will be replaced

by domestic steel by the cabinet's recent decision is less than 1% of the total current demand.

This is also reflected in the share price movement of the large steel players such as Tata Steel, JSW Steel, Jindal Steel and Power and SAIL, each of which gained not more than 0.5% on Thursday. In the short term, lower realisations from appreciating rupee will continue to keep the stocks under pressure.

In FY17, Indian steel manufacturers benefited from the introduction of minimum steel import price by the government. This not only curbed the imports but also helped Indian manufacturers to start exporting. Hence, even though consumption increasing by just 1%, production rose by 10% and the incremental production was exported.

But due to rising rupee, exports have become less profitable which will lead to higher competition for share in the domestic market. Rising rupee also makes Indian markets more attractive for foreign players as the minimum import prices introduced by the government are in dollars.

Gold demand up 15% on stable prices, rising offtake

OUR BUREAU

Mumbai, May 4

Gold demand was up 15 per cent in the quarter ended March, at 123 tonnes, against 107 tonnes logged in the same period last year, largely due to stable prices and a lower base. Jewellery demand increased 16 per cent to 92 tonnes (80 tonnes) as the demand last year was impacted by a prolonged strike against levy of excise duty.

In value terms, sales were up 18 per cent at ₹32,420 crore (₹27,535 crore), while in dollar terms, they increased 19 per cent to \$4.8 billion (\$4 billion).

Somasundaram PR, Managing Director, India, World Gold Council, said the revival in demand signals the return of optimism and resilience of this industry, which has been living with tough challenges since 2013.

"The rupee appreciation significantly protected Indian households from the hike in dollar gold prices, giving them an additional reason to meet the latent demand that was created in 2016 following demonetisation and other regulatory measures against unac-

counted wealth," he said. Wedding season demand, which accounts for 40-50 per cent of jewellery, and bars and coins, were strong in Q1.

Opportunistic purchasing by investors and an increase in restocking means the gold market is likely to maintain a healthy uptake in the first half of this year, Somasundaram said. The forecast of a normal monsoon could also play a promising role in stabilising consumer demand while the concern over the level of tax on gold in the Goods and Services Tax regime remains, he added.

Stable gold prices, which were up two per cent in the March quarter to ₹26,249 (₹25,677) per 10 grams, helped revive demand.

Buoyed by rising demand, gold imports more than doubled to 270 tonnes (127 tonnes).

Total gold recycled in India was at 14.5 tonnes (14 tonnes) in the March quarter. Global gold demand in the first quarter of 2017 slipped 18 per cent from the year before due to a slowdown in inflows in exchange-traded funds and a drop in demand from central banks.

Higher coal tax may benefit economy: IMF

It will boost GDP, cut mortality

SPECIAL CORRESPONDENT

NEW DELHI

An annual ₹150 per tonne increase in tax on coal from 2017 to 2030 could prevent over 2.7 lakh deaths from air pollution, raise GDP by 1% by 2030, reduce carbon dioxide emissions by 12% and generate net economic benefits of about 1% of GDP, according to IMF.

"The main domestic environmental cost of burning coal is outdoor air pollution, which exacerbates mortality rates for various (e.g., cardiovascular and pulmonary) diseases," said the working paper released by the International Monetary Fund (IMF) on Wednesday.

"Outdoor air pollution from fossil and non-fossil sources prematurely killed an estimated 0.53 people per 1,000 of the population in 2010 in India, or about 6.5 lakh in total."

"Fossil fuel taxes can provide a significant source



Fossil fuel taxes can provide easily collected revenue.

of easily-collected revenue, which is especially valuable when revenues from broader taxes on labour, capital, and consumption are insufficient due to a large concentration of economic activity occurring in the informal sector," it added. The paper also says that, in the event of political reasons not permitting any increase in coal tax, the government should implement subsidies or other incentives to encourage the shift away from coal generation.

Gold dips below 29K; silver's drop continues

NEW DELHI, May 4 (PTI)

GOLD prices cracked the Rs 29,000 mark to a six-week low of Rs 28,880 per 10 grams at the bullion market on Thursday amid weak trend overseas and easing demand from local jewellers. Extending the falling streak to the fourth day, gold declined by another Rs 270 per 10 grams.

Silver, too, remained under selling pressure and slipped below the Rs 39,000-mark by losing another Rs 650 to Rs 38,850 per kg due to poor offtake by industrial units and coin makers.

Globally, gold fell 0.28 percent to USD 1,234.20 an ounce in Singapore. Silver, too, shed 0.03 per cent to USD 16.45 an ounce. In the National Capital, gold of 99.9 and 99.5 per cent purity plunged by Rs 270 each to Rs 28,880 and Rs 28,730 per 10 gram, a level last seen on March 17 when it settled at Rs 28,950. Gold had lost Rs 400 in last three days. Sovereign also declined by Rs 100 to Rs 24,300 per piece of eight grams.

Silver ready dropped further by Rs 650 to Rs 38,850 and weekly-based delivery slipped below Rs 38,000-mark by falling Rs 800 to Rs 37,950 per kg. Silver coins, too, traded lower by Rs 1,000 at Rs 69,000 for buying and Rs 70,000 for selling of 100 pieces.

MCX Lead has bearish near-term view

GURUMURTHY K

BL Research Bureau

The bounceback in the Lead futures contract on the Multi Commodity Exchange (MCX) has lost momentum this week. After recording a high of ₹147 per kg on Monday, the contract reversed sharply lower from there. The contract has tumbled 5 per cent from this high and is trading at around ₹139.5 per kg.

Technically the downward reversal early this week has happened from just below a key trend-line resistance level of

₹148. This keeps the downtrend that has been in place since February intact. It also leaves the near-term view bearish for the MCX-Lead futures contract.

Resistance is in the band between ₹142.5 and ₹144. The upside in the near-term is expected to be capped to these levels as any intermediate bounces may find fresh sellers coming into the market in the ₹142.5-₹144 region. A fall to ₹136 and ₹135.5 looks likely in the coming days.

The level of ₹135.5 is a crucial trend-line support. Whether

the contract reverses higher from this level or not will decide the next move. If the contract manages to bounce from ₹135.5, it can rise to ₹140 and ₹145 levels once again. In such a scenario, a range-bound move between ₹135.5 and ₹147 is possible for some time.

But if the contract breaks below ₹135.5 decisively, the possibility of it tumbling to ₹130 thereafter will increase.

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

Gold demand regains lustre

ASTAFF REPORTER

Calcutta, May 4: India's gold demand rose 15 per cent to 123.5 tonnes in the January-March quarter of 2017 over the year-ago period, signalling a return of optimism, according to the World Gold Council.

Total gold demand in the country stood at 107.3 tonnes in the January-March quarter of 2016, hit by jewellers' strike over excise duty.

"The increase in demand signals both a return of optimism and the resilience of this industry that has been living with some tough challenges, said Somasundaram PR, managing director (India), World Gold Council.

"Wedding demand, which accounts for 40-50 per cent of jewellery, bars and coins demand, was strong in the first quarter," he added.

Total jewellery demand was up 16 per cent at 92.3 tonnes in the first quarter of 2017 against 79.8 tonnes in the same period last year. Total investment demand for the period was up 14 per cent at 31.2 tonnes against 27.5 tonnes in the same period of 2016.

Though there are concerns about the goods and services tax (GST), the World Gold Council (WGC) feels a normal monsoon can stabilise demand in the second half of 2017.

The council maintained its full-year demand forecast at 650-750 tonnes considering short-term challenges such as PAN card registration, curbs on cash transactions and the roll-out of GST.

Global demand

The trend in the subcontinent is in contrast to a decline of 18 per cent in global demand, which stood at 1,034 tonnes in the first quarter of 2017. In the year-ago quarter the demand was 1,262 tonnes.

According to Alistair Hewitt, head of market intelligence at WGC, demand is down year-on-year largely because of a high base effect.

"Though we did not see a surge in ETF inflows as was experienced in the first quarter of 2016, inflows in the current quarter was good with strong interest from European investors," Hewitt said.

"China led the way with bar and coin demand surging 30 per cent, fuelled by concerns over potential currency weakness and frothy property market," Hewitt added.

ACC, Ambuja Cements merger on the anvil

Parent company LafargeHolcim weighing option as slack demand, rising costs hurt

OUR BUREAU

Mumbai, May 5

LafargeHolcim, the parent of ACC and Ambuja Cements, has formed a committee to explore the possibility of merging the two companies in a bid to beat growing competition amidst slack demand and rising costs.

The newly-formed committee will mainly comprise independent directors, who will evaluate and make a representation to the boards of the companies.

Ambuja Cements already owns a 50.05 per cent stake in ACC. Promoter group company Holderind Investments owns 4.48 per cent in ACC

and a 63.62 per cent stake in Ambuja Cements.

Last November, LafargeHolcim hiked its stake in both Ambuja Cements and ACC with an investment of about Swiss Franc 325 million (₹2,202 crore).

Kamlesh Bagmar, Senior Research Analyst, Prabhudas Lilladher, said the merger would wipe out competition between the group companies and help reduce costs by reducing duplication of work.

Regulatory challenges

However, the merger will face the challenge of getting Competition Commission ap-

Cementing forces

- The merger has been in the offing since Swiss cement major Holcim bought a controlling stake in both companies in 2013
- Getting regulatory approvals may be a challenge
- Ambuja Cements has a production capacity of 29.65 mt while ACC has an installed capacity of 33.41 mt, leading to a combined capacity of 63.06 mt
- Aditya Birla Group-owned UltraTech Cement remains the largest cement producer with an annual production capacity of 69.3 million tonnes.



proval as the market share of the combined entity will breach the prescribed limits in certain regions.

Last July, Lafarge sold its entire 11-million-tonne capacity in India to detergent

maker Nirma for ₹9,400 crore. Lafarge put its entire business in India on the block to clear the regulatory hurdle for the global merger with Holcim.

The Aditya Birla Group-

owned UltraTech Cement remains the largest cement producer with an annual production capacity of 69.3 million tonnes (mt).

Ambuja Cements has production capacity of 29.65 mt while ACC has an installed capacity of 33.41 mt, leading to a combined capacity of 63.06 mt. Shree Cement has a production capacity of 27.2 million tonnes.

The slack demand and rising costs have forced many small regional cement companies to sell their assets.

JSW Cement recently acquired a 37 per cent stake in Shiva Cement for ₹97 crore. UltraTech is on the verge of closing a deal to acquire 17 mt capacity from the debt-ridden Jaiprakash Associates for ₹16,200 crore.

Ambuja Cement, ACC plan merger

OUR BUREAU

Calcutta, May 5: Global cement major LafargeHolcim has set its sight on consolidating its Indian business in a bid to compete with market leader UltraTech. The two group firms of LafargeHolcim — Ambuja Cement and ACC — have informed bourses that their boards are evaluating a potential merger with each other.

LafargeHolcim, through its group companies, has a combined production capacity of around 61 million tonnes in India compared with UltraTech's domestic capacity of 66.3 million tonnes.

The two companies together constitute 32 per cent of the total installed capacity of the country at an estimated 400 million tonnes per annum. Both companies have plans to expand capacity in India.

"The board of directors of the company, at a meeting today, decided to commence an evaluation of a potential merger between the company and Ambuja Cements with a view to combining the strengths of both businesses so as to benefit all stakeholders," an ACC statement said.

"A special committee of directors, of which a majority are independent directors, has been constituted to commence the evaluation. No decision to merge has been taken and our board will decide on a merger upon receiving recommenda-

CEMENTING NEW TIES



Figures in Rs crore	2016	
	Ambuja	ACC
Revenue	9,267.82	11,158.34
Net Profit	970.09	602.40

- Combined capacity of LafargeHolcim through ACC and Ambuja is 61mt with 15% market share

- Placed close on the heels of market leader Ultratech, which had a capacity of 66.3mt at the start of 2017 and is expanding

- Shares of ACC and Ambuja surged 1.94% and 0.86%, respectively, on the BSE today

tion from the special committee and the audit committee," the statement said.

The merger of the two group companies has been on the cards since LafargeHolcim announced a major rejig of its Indian operations. As of March 31, 2017, LafargeHolcim held 63.62 per cent stake in Ambuja Cement through Holderind Investments. Ambuja Cement in turn held 50.05 per cent stake in ACC, while Holderind Investments held 4.48 per cent stake.

If the proposed merger goes through, the combined entity will have a turnover of over Rs 20,425 crore. Mumbai-based ACC, which follows January-December fiscal, had a revenue of Rs 11,158.34 crore in 2016. Gujarat-based Ambuja Cement, which also follows

January-December financial year, had reported a revenue of Rs 9,267.82 crore in 2016.

Both ACC and Ambuja Cement became part of the Holcim group in 2005. Following the merger of Holcim with Lafarge SA in 2015, a new entity LafargeHolcim was formed.

As part of the restructuring of its Indian operations, LafargeHolcim also struck a deal in June last year to divest assets previously under Lafarge India. It had agreed to sell Lafarge India assets to Nirma for Rs 9,400 crore, including debt, to complete the India leg of the global merger of Lafarge and Holcim.

UltraTech, meanwhile, has zeroed in on assets of Jaypee, which will add 21.2 million tonnes of capacity to the Aditya Birla company.

India's crude steel output rises 5% to 8 MT in April

NEW DELHI, May 5 (PTI)

INDIA'S crude steel production increased 5.4 per cent to 8.107 million tonnes (MT) in April, from 7.69 MT during the same month last year, according to an official data released on Friday.

However, the production in last month fell 2.7 per cent compared to March 2017 (8.274), the data showed.

"SAIL, RINL, TSL, Essar, JSWL & JSPL together produced 4.579 MT during April 2017, a growth of 10 per cent compared to same period of last year.

"The rest 3.528 MT came from the other producers, which was a decline of 0.1 per cent over April 2016," the Joint Plant Committee (JPC) report said.

The country has registered a whopping 142 per cent growth in exports during last month, according to JPC report for April. Export of total finished steel was up 142 per cent in April 2017 (0.747 MT) over April 2016. However, it fell 54 per cent as compared to 1.621 MT in March 2017. On the other hand, the imports declined 23 per cent to 0.504 MT over April 2016, it said. India's consumption of finished steel during April saw a growth of 3.4 per cent at 6.051 MT over April 2016. However, it fell 22 per cent compared to March this year.

Essar Steel inks pact with Posco for supply of flat products

OUR BUREAU

Ahmedabad, May 5

Essar Group subsidiary Essar Steel has announced signing of a strategic long term supply agreement with global major Posco for supply of 1.1 million tonnes of flat steel products during the current financial year.

This is second year in a row that Essar Steel has signed such a contract. The contracted volume this year is higher by 30 per cent compared to last year, a statement informed here.

A Memorandum of Understanding (MoU) signed between the two companies is in line with Essar Steel' strategy to lock-in a certain portion of its production through long term arrangements. In addition to Posco, Essar Steel has also contracted the steel products supplies to customers from auto, infrastructure

and overseas markets as well.

Almost two mt of flat products is used by Essar Steel in its downstream units, thereby limiting its products' availability in spot market.

Dilip Oommen, CEO & MD, Essar Steel, said: "Essar Steel's MoU with international player Posco re-validates our commitment to the perfect partnership. The long-term arrangement helps us in better working capital management and manage finished goods inventory. Long term arrangements reflects the confidence of our customers in the quality, reliability and service of our products."

Essar Steel has been ramping up production over the last two years. Last year, its production was up by 47 per cent at 5.6 mt, and in the current year, it has set a target of 7 mt.

Rising global steel prices make anti-dumping duty redundant

SURESH P IYENGAR

Mumbai, May 7

The protection against imports given to domestic steel companies has become redundant with international prices rising above the base price prescribed in the anti-dumping duty.

The development has exposed steel companies, reeling under high debt, to competition from international producers, at a time when demand is set to grow on the back of the government's plans to spend ₹3 lakh crore in infrastructure this fiscal.

The Directorate General of Foreign Trade recommended a base price of \$489 a tonne on HR coil imports from China; the prevailing provisional anti-dumping duty price is fixed at \$478 a tonne.

If the imported steel price is above the base price that trig-

If the imported steel price is above the base price that triggers an anti-dumping duty, the Indian buyers have to pay only the import duty of 12.5 per cent.

gers an anti-dumping duty, Indian buyers have to pay only the import duty of 12.5 per cent.

Steel prices in China jumped to \$500 a tonne last month due to sharp rise in coking coal prices. However, it fell back to \$470-480 a tonne as coking coal exports from Australia are reviving after tropical cyclone Debbie disrupted supply in March.

Nikunj Turakhia, President, Steel Users Federation of India, said imports can now be made for specific products from select countries if Indian producers

kept prices artificially high.

"We expect steel prices to come down in the coming months as prices of coking coal and iron ore have eased. India, which has an excess of HR steel coil production, has exported 7 lakh tonnes at \$430-440 a tonne to Vietnam in the past few months due to weak domestic demand," he added.

The price of coking coal had doubled in April to about \$310 a tonne. Prices may soften, but are unlikely to touch the low of \$75 a tonne as it did in January last year.

H Shivramkrishnan, Director (Commercial), Essar Steel, said that unlike a year ago, the ability of exporting countries to dump steel in India is limited as raw material prices have gone up. Besides, he said, the government is proactive and watchful.

Steel policy to hit engineering exports

OUR SPECIAL
CORRESPONDENT

New Delhi, May 8: Engineering exporters are miffed about the government's swadeshi drive in steel as they fear loss of competitiveness owing to the higher price of steel, a key input for them.

Prices are already 15-20 per cent higher than the global prices, and the exporters apprehend a further rise.

"With steel prices in India ruling 15-20 per cent higher than the global level, the preferential procurement of the basic raw material for the infrastructure and the government projects from domestic manufacturers would further push the cost, making it extremely difficult for the engineering exporters, particular-

ly in the SME sector, to survive," the Engineering Export Promotion Council said.

EEPC India chairman T.S. Bhasin said the new National Steel Policy aims at increasing the domestic supply and cut dependence on imports but is silent on the implications of the preferential treatment on prices and the user industries.

"The steel industry is protected by a plethora of measures like anti-dumping and safeguard duty. Further protection to the steel makers would be a death knell for the value added engineering sector and exports," Bhasin said.

The policy of preference to domestic steel players in procurement by the government and its agencies is applicable on all tenders that are yet to



FRESH WORRIES

open their price bids.

The policy provides a minimum value addition of 15 per cent in notified steel products, which are covered under preferential procurement.

However, there are provi-

sions for waivers where specific grades are not manufactured in the country or domestic supply is inadequate.

Bhasin said the target to increase the supply of domestic coking coal to cut depend-

ence on imports by half is a welcome step.

He said there should be a price reimbursement scheme for domestic exporters and the duty free import authorisation scheme (DFIA) under the foreign trade policy should be modified to allow the imports of steel without paying any duty including antidumping or safeguard duty.

The policy envisages the promotion of domestic industry and reduce the inclination to use low-quality cheap imported steel. The New Steel Policy 2017 plans to achieve 300 million tonnes (mt) capacity by 2030-31 at an additional investment of Rs 10 lakh crore.

The policy projects crude steel capacity of 300mt and production of 265mt. The target for per capita consumption

has been set at 150kg by 2030-31 against 61kg now.

Bengal losses

With increasing volatility in the rupee and the strengthening of steel price, engineering exports from Bengal face threats that may have a fallout on thousands of local jobs, according to PTL.

"Rupee getting stronger day by day and steel prices rising because of protection are hurting engineering exports and Bengal industry is suffering," Bharat Chamber of Commerce president Rakash Shah said.

He said the impact of rising steel prices on engineering export of around \$5 billion from this part of the country was high because of lower value addition.

Steel production target tough to meet, says Crisil

'Only 60 million tonnes added in the past decade'

SPECIAL CORRESPONDENT
NEW DELHI

The government's ambition to add 182 million tonnes of new steel capacities over the next 14 years under the National Steel Policy is unlikely to be achieved, rating agency Crisil said in a report.

Only 60 million tonnes of capacity has been added in the past decade and stagnant demand in the past five years had aggravated the debt position of the sector, it added. Several global steel majors such as POSCO and ArcelorMittal have scrapped

various greenfield steel projects, owing to land acquisition and raw material linkage issues, the report said.

"Crisil Research expects 24-26 MT of steel capacities to be added over the next five years, leading to aggregate steel capacity to rise to 140-145 MT by 2021-22," the report said. "Beyond this, the trajectory of demand growth, continued government support, and pricing environment in backdrop of global over-capacity led by China would be key determinants of pace of capacity addition."

The ratings agency has also projected a 6-6.5% growth in steel demand in India over the next five years, lower than the 7% annual growth rate projected by the government till 2030.

"A similar trajectory of growth is expected to continue even in long run, subject to continuation of government's initiatives," the report added.

"Also, the policy is expected to encourage in-house production of flat and alloy steel products, reducing their share in overall imports."

Ambuja, ACC rise on merger plans

PRESS TRUST OF INDIA
NEW DELHI

Shares of Ambuja Cements and ACC Ltd. settled with almost 6% gains on Monday after both the companies decided to explore a potential merger between them.

Ambuja Cements' scrip surged 5.89% to end at ₹260.80 on the BSE. During the day, it jumped 9.82% to ₹270.50. Shares of ACC gained 3.57% to close at ₹1,714.40 on the BSE. Intra-day, it soared 5.95% to ₹1,753.85.

The boards of the two firms on Friday decided to commence an evaluation of a potential merger.

MCX-Aluminium under pressure, may fall to ₹119

GURUMURTHY K

BL Research Bureau

The MCX-Aluminium futures contract on the Multi Commodity Exchange (MCX) declined about a per cent on Monday and dragged it below a crucial support level of ₹121.6 a kg.

The contract had made an intraday low of ₹120.6 and has bounced slightly from there to trade at around ₹121.

A decisive daily close below ₹121.6 would bring the contract under pressure. Such a break will increase the likelihood of the contract extending its fall to ₹119 or ₹118.7.

A further break below ₹118.7 will enhance the possibility of the contract tumbling to ₹117.5 — the 200-day moving average support. On the other hand, if the contract manages to reverse higher and sustain

above ₹121.6, the downside pressure may ease. But only a decisive rise past ₹122 will wipe out the downside threat completely.

Bearish bias

Such a break can take the contract higher to ₹125 and ₹126 levels once again. However, such a strong bounce in the contract looks less probable

as the daily chart reflects a bearish bias.

As such a fall to ₹119 or even lower is more likely to be seen in the coming days.

Short-term traders with a

big risk appetite can go short.

A stop-loss can be placed at ₹123 for the target of ₹118.

Revise the stop-loss lower to ₹120.5 as soon as the contract moves down to ₹119.

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



Demand Pick-up Likely to Ease NPA Situation in Steel Sector

Steel output rose 11% to 101.3 million MT in FY17, making it net exporter for first time in three years

Joel.Rebello@timesgroup.com

Mumbai: Rising domestic demand, supportive government policies and a stable macro environment has raised hopes of a revival in the steel sector, which has been plagued by high non-performing assets (NPAs) in the last five years.

Indian steel output rose 11% to 101.3 million metric tonnes (MT) in the year ended March 2017, making it a net exporter of the metal for the first time in three years. The country is likely to overtake Japan to become the second-largest producer of the metal by the end of 2017, according to the Indian Steel Association.

Demand for the metal has picked up aided by the government's push to build infrastructure like metro trains, railway lines and roads. But more importantly as the government last year imposed a minimum import price to protect local producers from cheaper Asian imports.

Analysts said the upswing in the sector would help banks recover NPAs or liquidate assets faster. "Till last year, there was no light at the end of the tunnel, now there is some hope," said Purvesh Shelatkar, senior vice president-institutional sales at Centrum Broking. "Our estimates are that steel sector NPAs are at ₹1.25 lakh crore. There is now a chance that at least a part of these loans would be recovered."

The steel sector, with ₹3.13 lakh crore, cornered 12% of the industry-wise outstanding gross bank credit as of February 2017, second only to the ₹5.25 lakh crore outstanding loans to the power sector.

In its bi-annual financial stability re-



port published on December 29, RBI described the iron and steel sector as the one with the maximum NPAs according to its stress test. Under RBI's so-called baseline stress scenario, steel sector NPAs could rise to as much as 40% of outstanding loans.

Bankers are, however, cautious on the possibility of recovery from this sector. "There are positive signs in steel, but we need to wait for some more time to ensure that these gains are more long-term. The sector is positively placed and the new steel policy will also help. But it remains to be seen if it will help in recovery of loans," said GK Sharma, chief executive officer at Invent ARC.

The new steel policy announced last week plans to triple India's annual production to 300 MT, by giving preference to domestically manufactured steel and reducing imports to nil by 2030.

In a note on May 5, Crisil Research said it expects steel demand to rise by 6% to 6.5%, higher than the 3.4% average in the last five years.

Govt Looks to Attract Investors with New Policy

Reuters

New Delhi: India is drafting a land-for-assets policy among a raft of measures aimed at attracting foreign investment into the world's third largest steel producing market, the steel secretary said on Tuesday.

Asia's third-largest economy is notorious for making it difficult for foreign companies such as POSCO to buy land, losing out on billions of dollars of investments in key sectors such as steel and preventing the transfer of technology to local companies. Fluctuations in the domestic price of iron ore, which is determined by local miners, has also deterred investors.

Steel Secretary Arun Sharma told Reuters her department was preparing several policies aimed at boosting investor confidence after Prime Minister Narendra Modi last week approved a plan to nearly triple domestic steel capacity and raise consumption manifold by 2030.

The government will soon issue detailed guidelines on the mandatory use of locally made steel in big government projects, and use international benchmarks to prevent companies

from jacking up prices through cartels, she added.

The government will also help companies secure land in exchange for equity or setting up joint ventures with local firms. "These steps will attract foreign companies to India," Sharma said. "We are also working on a policy to make it easier for companies to transfer land to foreign companies so that they can set up plants without having to worry about approvals."

The steel ministry has already asked its subsidiary miner NMDC to consider reviewing iron ore prices only once in three months instead of regular revisions so that prices do not swing, Sharma said.

India's mining lobby has opposed any move to limit iron ore prices, but Sharma said the government would not put a cap on prices. Even though India is a major steel producer, it depends heavily on imports of expensive high-grade alloys used in cars and electrical equipment from countries including Japan, South Korea and Russia.

One such product is cold-rolled, grain-oriented (CRGO) steel, used in power transformers.



ACC-Ambuja merger: Making of a cement behemoth

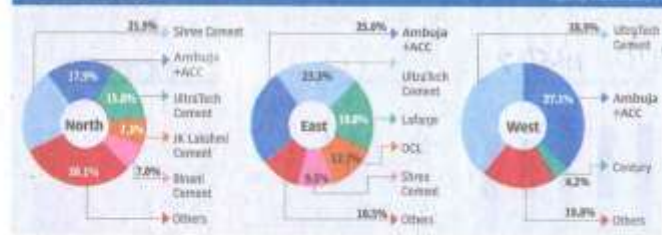
MUTHUKUMAR K

Business Line

Last week, cement manufacturers Ambuja Cements and ACC, both part of the Lafarge-Holcim group, announced that they are evaluating options of a merger. If it goes through, it is expected to make the entity the second-largest cement player in the country with a combined capacity of about 63 million tonnes (mt). This will first of all, give the combined entity the benefits of scale and higher bargaining power. The cement industry is currently passing through a consolidation phase.

UltraTech Cement, currently the largest player in the country with cement capacity of 69 mt, will soon add up Jaypee Group's cement business. This will catapult the Aditya Birla group-run ce-

Potential leader



ment business to about 90 mt — a shade lower than its ambition to touch 100 mt.

The Dalmia group is already going through a restructuring process to integrate the cement business of its group companies under a single entity Dalmia Cement Bharat — taking the combined annual cement production capacity to 35 mt. Shree Cement in

turn is ramping up operations from current levels of 27 mt to 40 mt by the end of FY20.

Gaining leadership

Consolidation of business is good from a pricing perspective for the manufacturers. This is expected to reduce players in regional markets and bring in an element of

pricing discipline. The merged entity after Ambuja and ACC come together, moreover, will get the bargaining power from being a number one or number two in most markets.

The Holcim group, for instance, will become number one or two position in the East, West and the North. In the East, the Holcim group

had a combined production capacity of about 25 mt in FY16.

This is little higher than UltraTech's 23 mt capacity in the region. Similarly, in the West its combined capacity of 37 mt (according to FY16 figures) will take it close to UltraTech's 39 mt. In the North, again it is expected to become number two — next to Shree Cement. In FY16, while Shree Cement had a capacity of 22 mt, the Holcim group will have a combined production capacity of 18 mt.

Narrowing valuation gap

Interestingly, following the announcement, the valuation gap has already come down between Ambuja Cements and the market leader UltraTech Cement.

Against the replacement value per tonne of \$35-45 for

the industry, UltraTech Cement's enterprise value per tonne is \$270. The numbers for Ambuja and ACC are \$267 and \$339, respectively. ACC has been at the receiving end from the market, because of its relatively higher operational costs and relatively poor performance in terms of volume growth.

However, the combined entity has the potential to bring in operational synergies and reduce logistic costs. UltraTech's EBITDA per tonne of ₹1,094 during the March quarter of 2017 was higher than ₹631 per tonne for ACC. Over the medium term, to sustain the above valuations, it is important that cement sales volume picks up. Except ACC, most cement companies are currently quoting at a substantial premium to replacement value.

HINDU DATE : 10/5/2017 P.N. 4

HITAVADA DATE: 10/5/2017 P.N.11

Coal production to restart in 21 incline mine

Safety experts and rescue team personnel to inspect it today

P. SRIDHAR

BHADRADRI-KOTHAGUDUM

The Singareni Collieries Company Limited (SCCL) has initiated preparatory arrangements to recommence coal production in its eight-decade-old 21 incline underground coal mine, which got a new lease of life following the State Government's reported nod to extend its life for a few more years, in the coal town of Yellandu.

Coal production in the 21 incline mine of the British period was suspended by the company management in March this year citing some issues pertaining to "workplace safety."

The move drew flak from various trade unions which insisted that the decades-old coal mine in Yellandu, the birth place of the Singareni collieries, should be contin-



SCCL employees coming out of 21 incline underground coal mine at Yellandu of Bhadradi Kothagudem district. •FRI PHOTO

ued to tap the "abundant" coal deposits in adherence to safety precautions to retain the past glory of the coal

town. Major trade unions have organised a series of protest programmes in the coal town earlier this year

opposing the SCCL's alleged move to shut the underground mine.

The elected representat-

ives concerned have successfully prevailed upon the State government to extend the life of the 21 incline mine for a few more years to protect the interests of workmen on rolls in the underground mine and also to preserve the chequered legacy of Yellandu.

The management of the State-owned SCCL has reportedly decided to restart coal production in the 21 incline mine in a few days, SCCL sources said.

Squads comprising safety experts and rescue team personnel will be pressed into service to assess the condition of ventilation circuits and compliance of the mandatory safety standards in the 21 incline mine on Wednesday before recommencing the coal mining in the underground mine.

JSW crude steel output up 7% in April

NEW DELHI, May 9 (PTI)

JSW Steel posted a 7 per cent rise in its crude steel production at 12.88 lakh tonnes in April. The company had produced 12.03 lakh tonnes of crude steel in the same month a year ago, it said in statement on Tuesday. Among the rolled products, the flat products registered a 5 per cent increase in output at 9.32 lakh tonnes over 8.87 lakh tonnes in April 2016, and long products witnessed 12 per cent rise at 2.96 lakh tonnes against 2.64 lakh tonnes during the same month last year. JSW Steel is a part of the diversified JSW Group, which has presence in steel, energy, infrastructure, cement.

Key resistance ahead for MCX-Zinc

GURUMURTHY K

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) has been moving in a sideways range, between ₹162a kg and ₹171 , for almost a month.

Within this range, the contract had risen in the past week and is hovering below the upper end of the range at ₹170. It was at a high of ₹170.7 on Tuesday and has come off slightly from there.

The contract is currently trading near ₹169. An inability to rise again from current levels and break above ₹171 decisively may pull the contract lower to ₹165 and ₹162 in the short term.

In such a scenario, the ₹162-₹171 sideways range will remain

intact for some more time. But if the MCX-Zinc futures contract manages to rise decisively above ₹171 and the 200-day moving average resistance at ₹171.3 in the coming days, it can gain fresh momentum.

Such a break can take the contract higher to ₹175 initially. A further break above ₹175 will increase the likelihood of the contract extending its rally to ₹180 or even ₹185 levels thereafter.

The range support at ₹162 will continue to remain as a crucial level to watch.

The outlook will turn negative only if the contract declines below this support decisively. Such a fall will increase the downside pressure and drag the contract lower to ₹155 or even ₹150 going forward.

National Tech Day today

CSIR-National Environmental Engineering Research Institute (CSIR-NEERI) will celebrate National Technology Day in NEERI Auditorium on May 11 at 11 am. Ranjan Sahai, Controller General, Indian Bureau of Mines (IBM), Nagpur will be the chief guest on this occasion. He will deliver National Technology Day Lecture-2017.

Dr Rakesh Kumar, Director, CSIR-NEERI, said that NEERI celebrated National Technology Day every year to commemorate various technological breakthroughs with particular reference to environment protection.

Novelis sells stake in Korean plant to Kobe Steel for \$315 m

OUR BUREAU

Mumbai, May 10

Novelis Inc, a subsidiary of Hindalco Industries, has sold a 50 per cent stake in Ulsan Aluminum, its manufacturing facility in South Korea, to Kobe Steel for \$315 million (about ₹2,000 crore).

Novelis and Kobe Steel will jointly own and operate the Ulsan facility, with each company responsible for its metal supply and commercial relationships, Novelis said in a press release on Wednesday. The transaction is expected to close in September.

Located in the industrial hub of Korea, Novelis' Ulsan facility employs about 600 people and focusses on the production of rolled aluminium sheets for markets in Asia.

The transaction will generate cash proceeds to enhance Novelis' strategic flexibility and reduce net debt. Steve Fisher, President and Chief Executive Officer, Novelis, said the joint venture would help the company leverage its experience with other joint ventures to

serve customers and tap potential market opportunities.

The company reported a 62 per cent increase in March-quarter net income to \$47 million (\$29 million) on the back of improved operational efficiency and higher shipments of premium products.

Net sales were at \$2.62 billion (\$2.40 billion). Adjusted EBITDA for the fourth quarter of fiscal year 2017 increased to \$292 million from \$270 million.

The company refinanced \$2.5 billion of senior notes and a \$1.8-billion term loan, reducing annual cash interest by \$79 million and extending its debt maturity profile.

The company's revenues fell 3 per cent to \$9.6 billion in fiscal year 2017 due to a 2 per cent decline in shipments to 3,067 kilo tonnes. Adjusted EBITDA grew 33 per cent to \$1.05 billion in fiscal year 2017.

The company more than doubled its full-year free cash flow to a record \$361 million in for the year on stronger adjusted EBITDA, as well as lower interest and capex.

Illegal sand lifting leaves death trail

Tragedies fail to stop digging of Damodar

ABHIJIT CHATTERJEE

Burdwan, May 10: Four persons drowned in the Damodar in a span of three days, bringing into the entire stage the problem of uneven depths in the river caused primarily by illegal sand mining at Galsi and Jamalpur of West Bardhaman.

But even today sand was scooped out of the riverbed and mounds of the problem of uneven depths in the river in Burdwan East and Bankura.

The Telegraph went to one sand mining pit yesterday and today and found that illegal lifting of sand continued unabated in the river in Burdwan East and Bankura.

At Galsi and Jamalpur in Burdwan East, where the sand took place on Saturday and Monday, respectively, villagers were angry and told it was trying to prevent the legal sand miners, but their attempts yielded nothing in the absence of any help from the administration.

"Illegal sand mining is rampant in the river downstream the Durgapur barrage. There is no doubt that it creates uneven depths in the river. When the illegal miners dig up a big ditch, it immediately gets filled with ground water and whatever flows in the barrage. Then it takes no time for sand to flow in, it settles loosely, and that's why there is always a risk of drowning as the depth becomes uneven," said a local resident.



Sand mining at Salfora.

Picture by Samir Kumar Mandal

had informed the administration about the problem, but no action was taken.

Two excavators were seen lifting sand from the river bed and loading it into trucks parked on the dry beds in Burdwan Sadar Ghat on the bank of the Damodar in Burdwan East and Salfora in Bankura.

The sand pit at Burdwan Sadar Ghat is licensed but the National Green Tribunal had last year banned the use of excavators to lift sand, saying illegal mining was an environmental hazard. The tribunal allowed manual lifting of sand from the rivers in Bengal.

The scene is same at Salfora, also on the Damodar bank. At Salfora, a boat was seen on the river where the water is deep and sand was being sucked in through pipes and dumped on the riverbank. Excavators are in use to lift sand from different locations in the area.

Illegal sand lifting was active at Tirat, Barhatta, Dohla, Panchowara and Kankra in Burdwan West.

The villagers of Galsi and Jamalpur in Burdwan East

"We will not allow sand mining here anymore," said Shankar Gopal of Galsi's Gopal.

Souvik Mondal, 18, and Aparna Ghosh, 12, did not know swimming but had dared to go to the river to bathe as there is very little water in the river in summer at Galsi on Saturday. However, they were unaware of the currents. In Jamalpur Aruna Mondal, 34, and her daughter Paleswari, 12, drowned in the river after they also slipped into the deep hollows on Monday.

The mafias are not only lifting the sand illegally but also overloading it into trucks. Sources said the permissible limit was 250cft per truck but land department sources said they were loading more than the limit in each truck.

Assam South Trinamool MLA, Tapas Banerjee, has written to the commissioner of Asansol-Durgapur police, urging him to stop illegal sand mining in the Damodar and Ajay rivers, which flow through Durgapur and Asansol.

"Most of the deaths by drowning are being caused due to uneven depths in the rivers following rampant lifting of sand using excavators which is banned by the National Green Tribunal. I have written to the police commissioner to take necessary action," said Banerjee who is also a lawyer in Asansol court.

The police commissioner Lakshmi Narayan Meena said that frequent raids were held whenever they received any tip off of illegal sand mining.

MONEY MINING

SAND ILLEGAL

SAND LEGAL

WHAT THE ILLEGAL MINERS SPEND

Four labourers (at Rs 150 each) to lift sand and load truck **Rs 600**

Driver and two assistants **Rs 2,000**

Fuel and truck rental **Rs 5,000**

Cop management (payment of Rs 200 to Rs 300 each at Sainthia, Mayureswar, Burwan and Kandi, the police station areas the truck passes by) **Rs 1,200**

Land department management (payment of Rs 500 each at check gates at Sainthia and Koteaur in Birbhum and Sherpur in Murshidabad) **Rs 1,500**

Total cost **Rs 10,300**

WHAT THE ILLEGAL MINERS EARN

Price of 800cft sand in markets in Behrampur **Rs 22,000**

PROFIT Rs 11,700

Profit margin of more than **113%** over cost

THE TAKEAWAY:

Returns from legal sand mining are around one fifth of

WHAT THE LEGAL MINERS SPEND

Basic cost (incl assistants and **Rs 7,600**

Royalty for 8C takes Rs 1.86 **Rs 1,488**

What makes two villages in Birbhum no-go zones for residents of each, declare war on each other and stockpile bombs that have killed as many as nine people on April 24

Supernormal profits — that seem to be at the root of the battle for sand-mining spoils in south Bengal.

Abnormally high profits usually act as an incentive for others to enter the business. But such an entry can have disastrous consequences if the profit-drivers are illegal, which makes violence a business model to "kill" competition.

The following is the "economics" of the sand-mining business — legal as well as illegal — drawn up on the basis of estimates provided by several insiders. The figures make it clear why sand is far more precious than blood.

Basis of measurement: For the purpose of cost-earning calculation, the unit of measurement here is 800 cubic feet (cft) sand, the volume that gets loaded in a six-wheel truck from the sand pits. The calculation is done on the assumption that the truck delivers 800cft sand from Birbhum's Sainthia to Behrampur in Murshidabad

Price of 800cft sand in markets in Behrampur **Rs 22,000**

PROFIT Rs 11,700

Profit margin of more than **113%** over cost

OFFICIAL RESPONSE: Birbhum district land and land reforms officer Nilkamal Biswas said: "I am yet to receive any such complaint. The block land and land reforms officers always keep a vigil on those check gate matters if any such allegation of corruption reaches me."

District police chief Sudhakar Kumar: "About about 100,000 cft of sand is being mined in the district."

CM to lay foundation stone of steel plant in G'chiroli distt today

■ **District Correspondent**
GADCHIROLI, May 11

FOUNDATION stone of a steel and energy plant proposed to be set up by Lloyds' Metals and Energy Limited Company will be laid at the hands of Chief Minister Devendra Fadnavis at village Konsari near Ashti in Chamorshi taluka on Friday, May 12. This Rs 700 crore project will be the first of its kind in the Naxal-affected district of Gadchiroli. It will provide employment to around 3,000 people, informed Ashok Nete, MP, in a press conference at the PWD Guest House the other day.

"BJP-led Govts, both in the State and the Centre, are committed to the development of the district. After the long-awaited Wadsa Gadchiroli Railway Line announced a couple of days ago by the Railway Minister Suresh Prabhu, this would be the second major project in the district, Nete said.

BJP leaders had promised the people of Gadchiroli district to start industries based on minerals and also railway line and with these initiatives, poll promises have been fulfilled, Nete said. National highways have already been sanctioned in the dis-

Tight security for CM's visit

THE police administration has made elaborate security arrangements in view of the CM's visit to the district. Senior police officers have already reached the Naxal-affected district and are monitoring security arrangements. Satish Mathur, Director General of Police, reached Gadchiroli on Thursday, to take stock of the situation, especially after the landmine blast.

The entire tour programme has been kept quite confidential for security purposes though the administration is making all necessary arrangements for this visit. It should be mentioned here that the Naxals have been strongly opposing the plant and they had burnt more than 70 trucks near Surjagad a few months back. Besides, the foundation stone of the steel plant, Chief Minister Fadnavis will also hold a review meeting at the Collectorate, according to reliable sources.

trict and this would certainly pave way of the development, he hoped.

The proposed steel plant will have crushing unit, sponge iron kilns of 100,000 MT capacity, waste heat and coal-based power plant of 10 MW capacities, pellet plant of 1,000,000 capacity etc, informed Nete. The iron ore extracted from the Surjagad hills in Etapalli taluka will be utilised for this plant. Some people tried to oppose the plant and some created confusion among people but government is finally coming up with this plant which will be a milestone in the development of the district, Nete said.

"We have demanded that a tax holiday package be declared for the district of Gadchiroli on the lines of the North East states to attract industrialists to start their industries here, Nete said hoping that this demand will soon be met by the government. It would give an addition impetus to industrialisation of the district.

Dr Deorao Holi, MLA, Baburao Kohle, senior BJP leader, Ravindra Ollalwar, ex-ZP chief, Dr Bharat Khatri, Vilas Dashmukhe, Prakash Arjunwar, Jawed Sayyad and others were also present at the press conference.

Buy Comex gold at \$1,220/oz

GNANASEKAAR T

Comex gold futures edged up on Thursday as the US dollar weakened, although the prospect of a US rate increase in June kept prices just above eight-week lows hit earlier this week.

Comex gold futures moved in line with our expectations. As mentioned earlier, prices are moving with a mild bearish bias presently. A fall below the near-term support at \$1,236 has dented the bullish picture and would act as a strong resistance going forward. A very important rising trend line support at \$1,236 was broken earlier.

In the bigger picture prices have hit an important support around \$1,210-15 and a possible intermediate bottom is being formed, as it has bounced higher.

Any upticks to \$1,236 followed by \$1,241-43 are expected to cap upside attempts. The favoured view expects prices to push higher initially towards resistances mentioned above and then to edge lower again towards \$1,205-10. Only an unexpected rise above \$1,245 could hint at a resumption of the uptrend. Such a move could take prices higher towards \$1,255, followed by \$1,271.

Wave counts

It is most likely that the fall from the all-time high of \$1,925 to the recent low of \$1,088 so far was either a possible corrective wave A, with the possibility of extend-

ing towards \$1,025-30 or a complete correction of A-B-C ending with this decline.

Subsequent, to this decline, 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.

But, failure to follow through above \$1,355 has dashed any hopes of any impulsive up move. As prices have broken certain important supports and show weakness targeting \$975, we are tilted towards looking at this as a corrective wave C in progress.

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 reversal in trend to bullishness.

Therefore, buy Comex gold around \$1,220 with a stop loss at \$1,209, targeting \$1,245.

Supports are at \$1,210, \$1,195 and \$1,165 and Resistances are at \$1,245, \$1,257 and \$1,271.

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

BEATING ESTIMATES Strong performance increases probability of Hindalco meeting consensus earnings estimates for FY17

Novelis Profit Rises 5%, Gives Hindalco a Boost

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Novelis, Hindalco's US subsidiary and aluminium converter, posted a 5.4% adjusted operating profit growth against expectations of a flat to negative growth. The company's gradual shift to high margin products, such as auto parts, and lower dependence on beverage cans boosted profitability, beating the Street estimates.

The strong performance increases the probability of Hindalco meeting consensus earnings estimates for FY17. Hindalco's 6.4 times FY18 expected EV/EBIDTA against a global peer average of 7 times could provide short-term gains in the stock. On Thursday, Hindalco stock closed 3.4% higher at ₹193.4 on BSE.

Further, the company also announced the sale of its 50% ownership (from 100% currently) in South Korea facility to Kobe Steel. The net proceeds from this will be \$260 million. This would be used to re-pay the short-term loans and

Hot Metal

Novelis March Qtr Performance

	Mar FY17 (₹cr)	YoY chg (%)
Net Sales	2621	9.10
Adj. EBIDTA	292	5.40
Adj. Net Profit	47	62.10

Hindalco - Analyst Poll

CMP	₹193.4
Target Price	₹224.6
Buy/Hold/Sell	26,3,3

source: Bloomberg

Co announced sale of its 50% ownership (from 100% currently) in South Korea facility to Kobe Steel

The net proceeds from the sale will be **\$260 million**

have no impact on the overall EBIDTA of Novelis as the total contribution of the South Korean facility to the total EBIDTA is small. Besides, with Kobe coming on board, production is likely to be ramped up from its 50% capacity now.

The management said the ramp-up in supply of aluminium products to auto sector will offset weakness in the beverage can business, which is facing competition from the Chinese players. In the March quarter, although the volume was flat, EBIDTA grew 5%, due to higher auto shipments — up 26% from the previous March quarter.

Steady cash flows are expected to help faster deleveraging of Novelis. Its net debt-to-EBIDTA, a ratio used to measure the company's ability to meet debt obligation, is currently 4, a comfortable level.

Hindalco, which has aluminium production operations in India, is yet to announce its March quarter numbers. How it fares for the quarter will decide the stock's direction.

नीरी में
मनाया राष्ट्रीय
प्रौद्योगिकी
दिवस

समाज की जरूरतों के आधार पर हो प्रौद्योगिकी विकसित



महानगर संवाददाता

नागपुर. भारतीय खान ब्यूरो के महानियंत्रक रंजन सहाय ने कहा कि समाज की जरूरतों को ध्यान में रखकर वैज्ञानिकों द्वारा संपोषणीय प्रौद्योगिकीय विकसित की जानी चाहिए. समावेशी विकास को हासिल करने के लिए प्रौद्योगिकियां मूल स्तर तक पहुंचनी चाहिए. विभिन्न वैज्ञानिकों सिद्धांतों का प्रयोग कर खानों की क्रिया को बेहतर बनाने में तकनीकी का योगदान सराहनीय रहा है. वे सीएसआईआर-नीरी की ओर आयोजित राष्ट्रीय प्रौद्योगिकी दिवस के उपलक्ष्य में आयोजित कार्यक्रम में बतौर अतिथि बोल रहे थे. संचालक राकेश कुमार, मुख्य वैज्ञानिक जे.एस. पाण्डेय, वरिष्ठ प्रधान वैज्ञानिक प्रकाश कुंभारे उपस्थित थे.

सरल
सिद्धांतों को
अपनाएं
वैज्ञानिक

डा. राकेश कुमार ने प्रौद्योगिकियों को समाज तक पहुंचाने के लिए किए जा रहे प्रयासों के बारे में बताया. उन्होंने कहा कि विज्ञान, प्रौद्योगिकी व प्रवर्तन एक सतत प्रक्रिया है. जिसे लोगों की जरूरतों को ध्यान में रखते हुए अपनाया जाना चाहिए. वैज्ञानिकों को सलाह दी कि वे सरल सिद्धांतों को अपनाएं, जिससे कि लोगों की समस्याओं का निवारण जल्द किया जा सके. पाण्डेय ने राष्ट्रीय प्रौद्योगिकी दिवस के महत्व को बताया. आभार प्रकाश कुंभारे ने माना. संचालन जया सब्जीवाले ने किया. इस अवसर पर स्वास्थ्य व परिवार कल्याण प्रशिक्षण संस्थान के प्रशिक्षु-अधिकारी भी उपस्थित थे.

प्राकृतिक संसाधनों की हो खोज

सहाय ने कहा कि प्रौद्योगिकी किसी भी सामाजिक, आर्थिक समस्या का कारण नहीं बनना चाहिए. प्रौद्योगिकी विकसित करते समय पर्यावरणीय और आर्थिक संतोषणीयता का ध्यान रखा जाना उतना ही जरूरी है. हमें और अधिक स्वच्छ एवं हरित प्रौद्योगिकी विकल्पों की ओर ध्यान देने की आवश्यकता है. डीआरडीओ द्वारा विकसित जैव-शौचालयों की प्रशंसा की. यह शौचालय मानव अपशिष्ट को उपयोगी जल व गैसों में रूपांतरित कर सकने में सक्षम है. भूमि सुधार के लिए सीएसआईआर-नीरी द्वारा किए गए कार्यों की सराहना की. सहाय ने कहा कि राष्ट्र के निर्माण में प्राकृतिक संसाधनों की और अधिक खोज की जानी चाहिए. ताकि परिष्कृत और संसाधित किया जा सके. गैर कानूनी खनन की रोकथाम के लिए सेटलाइट इमेजरी के प्रयोग को बढ़ावा देना की वकालत की.

'Scientists should work for society'

■ National Technology Day was celebrated by CSIR-NEERI

■ Staff Reporter

"SCIENTISTS should contribute to develop sustainable technologies as per the need of the society," said Ranjan Sahai, Controller General, Indian Bureau of Mines (IBM) during the celebration of National Technology Day by CSIR-National Environmental Engineering Research Institute (CSIR-NEERI) at NEERI Auditorium, Wardha Road on Thursday.

Addressing the gathering, Sahai said that the technologies should reach out to grass-root level to achieve inclusive growth. He stated that a mechanic has also done a commendable job for better functioning of mines by applying various scientific principles.

A technology should not lead to socio-economic problems. Environmental and economic sustainability needs to be taken into account while developing a technology, he added. He said that renewable energy is the need of the hour and we need to introduce more and more clean and



Ranjan Sahai delivering speech on National Technology Day while Dr Rakesh Kumar, Dr J S Pandey and Prakash Kumbhare look on.

green technological options. He praised the bio-toilets developed by Defence Research and Development Organisation (DRDO), which convert the human waste into usable water and gases in an eco-friendly manner.

He also praised CSIR-NEERI for the significant projects undertaken for land rejuvenation. Natural resources have to be explored, refined and processed for use in nation building. He advised to use satellite imageries to prevent illegal mining.

In welcome address, Dr Rakesh Kumar, Director, CSIR-NEERI told about the initiatives taken by the Institute to take the technologies to the society. He said that science, technology and innovation are a continued process and

should be taken up according to the needs of the people. Dr Kumar advised the scientists to follow simple principles to alleviate the problems of the people. A short film on 'Eco-rejuvenation Technology (ERT)' implemented by CSIR-NEERI in the villages was screened during the event.

Dr J S Pandey, Chief Scientist and Science Secretary briefed about the importance of National Technology Day. Prakash Kumbhare, Senior Principal Scientist, CSIR-NEERI proposed a vote of thanks and Jaya Sabjiwale conducted the proceedings.

The officer-trainees of Health and Family Welfare Training Institute (Government of Maharashtra), Nagpur were also present on this occasion.

नक्षलग्रस्त भागात सरकारचे खाणीच्या सुरक्षेला प्राधान्य

भूमकाल संघटनेचा आरोप

लोकमत न्यूज नेटवर्क

नागपूर : गडचिरोली जिल्ह्यातील नक्षल भागात अनेक आऊटपोस्ट खाली पडलेले आहेत. तिथे सुरक्षा बल वाढविण्याची खरी गरज असताना, सरकार परिसरातील लोह खनीज उत्खननाच्या खाणीला संरक्षण देण्यासाठी सुरक्षा व्यवस्था वाढवीत आहे. एटापल्ली तालुक्यात उघडलेले पोलीस स्टेशन बघता हे स्पष्ट होत असल्याचा आरोप भूमकाल संघटनेचे प्रा. अरविंद सोयनी यांनी पत्रकार परिषदेत केला.

छत्तीसगड आणि गडचिरोली जिल्ह्यात घडलेल्या दुर्दैवी नक्षलवादी घटनेनंतर केंद्राच्या गृहमंत्रालयाने नक्षल समस्येसंदर्भात संयुक्त बैठक घेतली. या बैठकीत झालेल्या चर्चेत नक्षलविरोधी अभियानाच्या नावाने लोह खनीज उत्खननाचा मार्ग सुकर करणे हा शासनाचा अजेंडा दिसून आला.

मुख्यमंत्र्यांनी या बैठकीत सूरजागडच्या प्रस्तावित लोह खनीज खाणीच्या सुरक्षेबद्दल चिंता व्यक्त केली आणि अधिकच्या सुरक्षा दलाची

मागणी केली. मुळात या बैठकीत नक्षलविरोधी अभियान अधिक प्रभावी आणि तीव्र करण्याबाबत होणे अपेक्षित होते. विशेष म्हणजे गेल्या अडीच वर्षांनंतर गृहमंत्रालयाद्वारे ही बैठक घेण्यात आली. याचा अर्थ सरकार नक्षलविरोधी अभियानाबाबत फारसे गंभीर नसल्याचे मत सोयनी यांनी व्यक्त केले. नक्षलग्रस्त भागातील अनेक आऊट एरिया पोस्ट सुरू करण्यात आले आहेत. महाराष्ट्र आणि छत्तीसगडच्या बॉर्डरवरसुद्धा अनेक आऊट पोस्ट सुरू होऊ शकले नाही.

हे पोस्ट सुरू झाल्याशिवाय नक्षल अभियानावर नियंत्रण ठेवता येणार नाही. विशेष म्हणजे खाणीच्या सुरक्षेसाठी सीआयएसएफसारख्या विशेष फोर्स उपलब्ध असताना, जिल्हा पोलिसांना खाण सुरक्षेसाठी वापरले जात आहे. केंद्र सरकारच्या खाण कंपन्यासुद्धा बस्तरमध्ये सुरक्षेसाठी सीआयएसएफ तैनात करतात आणि त्यासाठी खाणीच्या लाभातून शासनाला खर्च अदा करतात. पत्रपरिषदेला प्रा. श्रीकांत भोवते उपस्थित होते.

जरूरत के अनुसार विकसित करें तकनीक

■ राष्ट्रीय प्रौद्योगिकी दिवस पर आईबीएम रंजन सहाय ने कहा

नगर प्रतिनिधि। नागपुर. समाज की आवश्यकताओं को ध्यान में रखकर वैज्ञानिकों को तकनीक विकसित करना चाहिए। सर्वांगीण विकास को हासिल करने के लिए तकनीक मूल स्तर तक पहुंचनी चाहिए। यह कहना है मुख्य अतिथि के रूप में भारतीय खान ब्यूरो के महानिर्देशक रंजन सहाय का। सीएसआईआर-राष्ट्रीय पर्यावरण अभियांत्रिकी अनुसंधान संस्थान (नीरी) में गुरुवार को आयोजित राष्ट्रीय प्रौद्योगिकी दिवस के उपलक्ष्य में आयोजित कार्यक्रम में वे बोल रहे थे।

उन्होंने कहा कि राष्ट्र निर्माण में प्राकृतिक संसाधनों की और अधिक खोज की जानी चाहिए जिससे उन्हें निर्मल और संसाधित किया जा सके। तकनीक विकसित करते समय पर्यावरण और आर्थिक स्थिरता को ध्यान में रखना चाहिए। गैरकानूनी खनन की रोकथाम पर उन्होंने सेटलाइट इमेजरी के प्रयोग को बढ़ावा देने की बात कही।

उन्होंने डीआरडीओ विकसित जैव-शौचालयों की प्रशंसा की और कहा कि इससे मानव अपशिष्ट को उपयोगी जल एवं गैसों में बदला जा सकता है। भूमि सुधार के लिए नीरी के कार्यों की उन्होंने सराहना की।



नीरी के निदेशक डॉ. राकेश कुमार ने कहा, तकनीकी और नवीनता एक प्रक्रिया है, लोगों को अपनी सुविधा के हिसाब से उसका उपयोग करना चाहिए। तकनीक समाज तक पहुंचाने के लिए किए जा रहे प्रयासों के बारे में जानकारी देते हुए उन्होंने लोगों की समस्याओं को कम करने के लिए सरल सिद्धांतों का पालन करने की सलाह दी। मुख्य वैज्ञानिक एवं विज्ञान सचिव डॉ. जे.एस.पंडेय ने राष्ट्रीय प्रौद्योगिकी दिवस के महत्व के बारे में बताया। कार्यक्रम में आभार प्रदर्शन डॉ. प्रकाश कुंभारे ने किया।

NAVBHARAT DATE : 12/5/2017 P.N. 7

रेलवे के बाद अब गडचिरोली में लौह प्रकल्प

आज शिलान्यास करेंगे CM देवेन्द्र

नवभारत समाचार सेवा
गडचिरोली. सांसद अशोक नेते ने बताया कि 9 मई को वडसा-गडचिरोली रेल मार्ग का भूमिपूजन रेलमंत्री सुरेश प्रभु ने नागपुर में ऑनलाइन किया. अब राज्य सरकार ने जिले के इतिहास में सबसे चर्चित सूरजागड लौह प्रकल्प बनाने का बौद्धा उठाया है. मुख्यमंत्री देवेन्द्र फडणवीस के हाथों चामोशी तहसील के कोनसरी गांव में 12 मई को इस प्रकल्प

निर्माणा का शिलान्यास करेंगे. पत्रपरिषद में सांसद नेते ने बताया कि केंद्र व राज्य सरकार ने गडचिरोली जिले के विकास पर ध्यान केंद्रित किया है. वडसा-गडचिरोली रेलवे मार्ग का प्रकल्प पिछले काफी वर्षों से प्रलम्बित था. लेकिन अब यह जल्द पूरा होगा. सांसद नेते ने बताया कि सूरजागड लौह प्रकल्प का कार्य लायड मेटल्स एंड एनर्जी लि. कम्पनी को मिला है. एटापल्ली तहसील के सूरजागड पहाड़ी पर कंपनी द्वारा लौह उत्खनन का कार्य शुरू है. कोनसरी में मिनरल बेस्ट स्टील प्लांट की निर्माणा होगी.

IBM to create database of all natural resources

Viraj Deshpande | TNN

Nagpur: It is high time that scientists and technocrats expand technologies as per the needs of the country for sustainable and inclusive growth, said Ranjan Sahai, controller general of Indian Bureau of Mines (IBM), on Thursday.

Technology plays a major role in the development of a country. Therefore, efforts should be made to enhance and update technological knowledge so that the nation made fast progress in competitive world, Sahai said. Environmental, economic and social sustainability was needed for overall development, he added.

Sahai, who delivered a lecture organized by CSIR-Neeri to mark National Technology Day, recalled the success story of Pokhran II nuclear test on



Ranjan Sahai at Neeri Auditorium, on Thursday

May 11, 1998.

Explaining the IBM's role in development of technology in mining sector, Sahai said, "By 2035, it was planning to create a database of all natural resources in the country. It will bring forward even small resources not known till date. "We are also planning eco-friendly excavation of resources by 2035 and restoration of covered forests by 20%," he added.

To create an environment of trust between people and government schemes, Sahai suggested

that all such operations should be done under the surveillance of technology as it would enhance transparency in the system. People have always been critical of mining sector and this step would help gain their trust.

Illegal mining has become a serious issue in India for which satellites could be used to identify such activities. An eye from the sky can always help, he added. Sahai suggested that drones can also be used for monitoring environment in mining areas and also to find out abandoned sites which could be rehabilitated.

Director of Neeri Rakesh Kumar said that technology is the future of the country but it must also be used for solving basic problems in day-to-day life. JS Pandey and Prakash Kumbhare were present at the programme.

WEEKLY OUTLOOK

MCX-Nickel faces a key resistance level at ₹605

GURUMURTHY K

W. Research bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) has risen sharply in the past week. The contract made a low of ₹574.6a kg last Friday (May 5) and has surged about 5 per cent to trade at the current level of ₹602.

A key resistance is ahead at ₹605 — the 21-day moving average. If the contract manages to breach this hurdle decisively, the downside pressure will ease. Such a break will also give an initial sign that the downtrend that has been in place since March is getting reversed. If the contract, then manages to sustain above the 21-day moving average, there is a strong likelihood of a rally to ₹635 or even ₹640 in the coming days.

Short-term traders with a big risk appetite can go long on a break above ₹605. A stop-loss



can be placed at ₹590 for the target of ₹630. Revise the stop-loss higher to ₹610 as soon as the contract moves up to ₹620.

On the other hand, if the contract fails to break above the 21-day moving average resistance and reverses lower, it can decline to ₹580 and ₹575 again. In such a scenario, the downtrend will remain intact and keep the contract pressured for a fall to ₹550 in coming weeks.

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

Safety of people should be priority instead of mining development at Gadchiroli: Bhumkal

■ Staff Reporter

AFTER the Sukma attack in Chhattisgarh and the recent attack at Bhamragarh in Gadchiroli, the Maharashtra Government's main agenda is on the development of mining sectors at Gadchiroli, instead of focussing on the structural development of Gadchiroli area, claimed Bhumkal organisation members while addressing a press conference at Tilak Patrakar Bhavan on Thursday.

Bhumkal is an organisation, to fight against naxals and work for the welfare of Adivasi's staying in

the naxal affected areas. Shrikant Bhovate and Arvind Sovani from the organisation claimed that as per their sources, in the recent meeting conducted at Gadchiroli, the main agenda of the discussion was development of the mining areas.

"Even in the meeting on May 7 held at Delhi, Chief Minister Devendra Fadnavis discussed on the development of mining in Surjagarh area and have demanded more security forces to guard the mining sector. It seems that the minister is more worried about the mining development than the safety of people staying there,"

alleged Bhovate.

He claimed that recently two area out post is set up so far at Yelchil and Aldandi just to preserve the mining ore near the area. "However, the proposal for area out post at the naxal affected areas is still pending," said Bhovate. Proposal of 12-13 mining sectors are at Etapalli.

The organisation claimed that where the Government should give priority to the safety of people, they are focussing on the mining sector. "The Government should assure of Adivasi people will get the jobs in the mining ores," said Sovani.

Metals outlook brighter in H2 as growth picks up

COMMENTARY

G CHANDRASHEKHAR

With the outlook for the global economy improving, the metals market is anticipating further price gains, especially in the second half of the year. The positive relationship between economic growth and metals consumption is of course well established.

From less than 3 percent in 2016, global GDP growth is set to witness a modest pick-up in the current year, to 3.3 percent, and further on to 3.6 percent in 2018.

Q1 is usually the lowest point in the growth trajectory and from here on markets are poised to improve, according to analysts.

Even in Q1, driven by strong demand (especially manufacturing and infrastructure spending in China) and supply constraints, metal prices surged 10 percent. For instance, iron ore was up 20 per cent on strong steel demand and low stocks in China.

With the expectation of a healthy rebound in economic

activity in the second half, the base metals market is set to tighten and prices are poised to improve further.

"Metals prices are projected to rise 16 per cent in 2017 amid a tightening market for most metals," the World Bank said in a recent report, adding that a combination of strong global demand, a slow ramp-up in new capacity, tighter environmental constraints and policy action to limit exports will come into play.

Risk factors

But the outlook is not without risks. A fed rate hike, outcome of European elections and impact on the euro and crude oil price movements will impact the outlook in varying ways.

In the event the Fed chooses to hike rates again in June (it will be date dependent, but the odds of a hike are rising) the dollar is sure to get stronger from the current levels and cap the upside for metals prices.

The policy pronouncements of US President Donald Trump (corporate tax cuts, large infra spend etc) are being closely monitored. In the second half of

the year, there will be increasing evidence of the success or otherwise of his policies, which is sure to induce volatility in the metals market.

Without doubt, China is the mover and shaker of the world metals market. China has been destocking due to a credit squeeze; but there is expectation that the credit squeeze will soon ease and the restocking cycle will emerge in the second half.

Indeed, China's fixed asset investment is running strongly with marked improvement in private sector investment. If the policymakers in the Asian major decide to provide more stimulus, demand can surge.

While world demand looks positive, it is the supply side that will be the differentiator. The world metals market will surely be sensitive to the potential of supply disruptions.

Zinc, lead and copper are three base metals widely expected to register price gains this year. Essentially a supply side story, zinc seems to be already in a bull market with mine cutbacks and closures. Copper fundamentals too are set to tighten following mine supply disruptions due to strikes and floods.

However, there is at present a scrap glut that will take some time to work off. The World Bank has forecast a 32 per cent rise in zinc prices this year and 18 percent in case of copper and lead.

In 2016, world steel production rose 0.8 per cent to 1,628 million tonnes, of which China accounted for 50 per cent or 808 mt. While world steel demand is set to continue to expand modestly into 2017 and 2018, supported by firming growth in emerging markets, China clearly holds the key as it accounts for 45 per cent of demand. So, a policy change in the Asian steel behemoth is sure to impact consumption and prices.

In 2016, world steel production rose 0.8 per cent to 1,628 mt, of which China accounted for 50 per cent or 808 mt

The writer is commodities and agribusiness specialist. Views are personal

India slaps anti-dumping duty on 47 steel products

NEW DELHI, May 12 (PTI)

INDIA has imposed anti-dumping duty on 47 steel products from half-a-dozen nations, including China, Japan, Korea, Russia and Indonesia, to protect domestic industry from cheap imports.

Anti-dumping duty has been imposed for five years on 47 steel products including hot-rolled flat products of steel and those coated with zinc and clad steel.

An official notification issued late yesterday stated that the anti-dumping duty would be in effect for five years beginning August 8, 2016. The duties are in the range of USD 478-561 per tonne.

It said the Directorate of Anti-Dumping and Allied Duties (DGAD) had found in its investigation that the subject goods had been exported to India at below their normal value, thus resulting in dumping of

the product. This had resulted in "material-injury" to the domestic industry, it said, and recommended "imposition of definitive anti-dumping duty on the imports of subject goods". The duty has been levied on hot-rolled flat products of alloy or non-alloy steel, originating in or exported from China, Japan, Korea, Russia, Brazil and Indonesia, the notification said.

Companies affected by the duties include Hyundai Steel, Posco and Samsung C&T of South Korea, while Japan's Honda Trading Corp, Mitsui & Co Ltd, Uttam Galva International, Nippon Steel, Sumitomo Corp, Toyoto Tshusho Corp and Marubeni-Itochu Steel would also come under its purview.

From China, the companies to be impacted include Jiangsu Shangang, Xinsha International, Burwill Resources, Lu Qin, GS Global and Steelco Pacific.

India had imposed provisional anti-dumping duty on the steel products with effect from August 8, 2016 for six months. They were extended by two months in February. The same are now being regularised and levied for a five-year period. Besides, India had previously imposed the duties on August 17, 2016, for six months on cold-rolled flat products of alloy or non-alloy steel from China, Japan, South Korea and Ukraine. The same were extended by two more months.

Now, duties have been imposed on hot-rolled products for five years. "The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, August 8, 2016, and shall be payable in Indian currency," the notification said.

Surjagarh mines shut as cops deployed for CM function

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Nagpur: Chief Minister Devendra Fadnavis on Friday distributed cheques at Konsari village of Gadchiroli district to 37 persons whose lands have been acquired for Lloyds Metals and Energy Ltd's (LMEL) iron ore processing plant.

The company's iron ore mines at Surjagarh Hills, over 80 kms from the venue, remained shut for want of police protection. Fadnavis assured that the government was committed towards the area's development. The plant is expected to create 1,000 jobs with an investment of ₹700 crore.

Ore from the mines is supposed to feed the proposed processing unit at Konsari. LMEL is the only company operating an iron ore



Chief minister Devendra Fadnavis distributed cheques to 37 persons at Konsari village on Friday

► LMEL runs an iron ore mine at Surjagarh in Gadchiroli
► It has planned a DRI unit at Konsari village in the region
► LMEL already has a DRI unit at Ghugus in Chandrapur

► There was a demand for a unit in Gadchiroli if local mine was to be used
► Plant faces uncertainty as ore supplies are erratic

mine in this mineral rich but Naxal-hit district and is facing several difficulties.

Last year Naxalites torched 80 vehicles belonging to the company. In 2013, its

vice-president was murdered by them. There have been several incidents of arson and looting.

► Continued on Page 5

Only about 1 lakh tonnes of iron ore extracted

► Continued from P 1

There was a strong demand from local organizations that if LMEL wanted to operate the mines it should have a processing unit within the district too. Other outfits have outrightly rejected the mining project.

After company's vehicles were burnt down in December 2016, the mining operations resumed in February under strict police protection. Since then, mining has not taken place for more 30-35 days, said sources. Often the police force deployed had to be diverted for other duties. There was already a lull after the killing of 25 CRPF personnel at Sukma in Chhattisgarh.

On Friday, as Fadnavis was touring this troubled area, the police were busy in his security. This once again meant mining operations at Surjagarh were suspended.

LMEL already has a production facility in neighbouring Chandrapur district, 190 kms from the mines. The

plant is run on iron ore procured from open market as the company cannot depend on Surjagarh mines that are barely operational, said sources. Having another unit in Gadchiroli may not make much business sense unless the Surjagarh are run at optimal level, said sources.

LMEL's plant at Chandrapur has an installed capacity of 1,000 tonnes per day (TPD) which is being entirely utilised. For Gadchiroli, the company has much smaller plans. There will be two units of 100 TPD each in the first phase which is expected to be ready in a year's time. There will be a 10 MW power plant too. There are plans to add two more 100 TPD units in the second phase along with a pelletization plant.

Much will depend on availability of iron ore. There has been dismal progress on the mining front so far. So far only about 1 lakh tonnes of ore has been extracted from here in place of 5 lakh tonnes that the mines could have pro-

duced, sources said. Mining is taking place in only a small part of the area.

The mining project has been facing rough weather since operations started in 2007. It is not the Naxalites alone. Bhoomkal Naxal Virodhi Sangathan, an anti-Naxalite organization also opposed the CM's function. The organization is against providing police protection to mining company. They said the police should instead police should be deployed for security of local people. Bhoomkal has demanded that Central Industrial Security Force (CISF) should be deployed at the mines.

A couple of traditional village councils in Surjagarh and Bhamragarh too have opposed the mining project. Messages were spread on social media saying the government was supporting an illegal project that has been opposed by the village councils.

The CM came to Nagpur by road after his chopper developed a technical snag.

Dumping duty on 47 steel items

OUR SPECIAL
CORRESPONDENT

New Delhi, May 12: India has imposed anti-dumping duty on 47 steel products from half-a-dozen countries — China, Japan, Korea, Russia, Brazil and Indonesia — to protect the domestic industry from cheap imports.

The duty has been imposed for five years on products such as hot-rolled flat products of steel and those coated with zinc and clad steel.

According to an official notification, the levy will take retrospective effect from August 8, 2016. The duties are in the range of \$478-561 per tonne.

The directorate of anti-dumping and allied duties (DGAD) has found out in its investigation that the items have been exported to India at below their normal value. This resulted in "material injury" to the domestic industry, the directorate said, and recommended "imposition of definitive anti-dumping duty on the imports of subject goods".

Anti-dumping duty and imposition of floor price on import taxes are some of the measures taken by the government over the past two years to

ENTRY RESTRICTED

Countries affected	
With effect from	
Period of levy	
Product type	
Amount of levy	
With effect from	
● China, Japan, Korea, Russia, Brazil, Indonesia	
● August 8, 2016 (retrospective effect)	
● Five years	
● Hot-rolled flat products	
● \$478-\$561 per tonne	

protect the domestic industry.

These measures prompted Japan, the world's second biggest steel producer, to ask the World Trade Organisation to set up a dispute settlement panel to examine India's actions.

Indian companies such as JSW Steel, Tata Steel and SAIL have benefited from the restrictions, with imports falling around 37 per cent to 7.4 million tonnes and exports jumping 102 per cent to 8.2 million tonnes in the last fiscal.

Companies affected by the duties include South Korea's Hyundai Steel, Posco and Samsung C&T.

Japanese companies such as Honda Trading Corp, Mitsui, Nippon Steel, Sumitomo Corp, Toyoto Tshusho Corp and Marubeni-Itochu Steel come under the purview of the anti-dumping duty.

From China, companies to be impacted include Jiangsu Shangang, Xinsha International, Burwill Resources, Lu Qin, GS Global and Steelco Pacific.

India had imposed provisional anti-dumping duty on steel from August 8, 2016, for six months and later extended it by two months in February. The duty is now being regularised and levied for a five-year period.

नागपुरात होणार १८ हजार कोटींची गुंतवणूक

**अनिल अग्रवाल यांच्या 'वेदांता' समूहाचा पुढाकार :
गडकरींच्या लंडन भेटीचे नागपूरला 'गिफ्ट'**

लोकमत न्यूज नेटवर्क

नागपूर : 'स्मार्ट सिटी विथ मेट्रो' म्हणून उदयाला येत असलेल्या नागपूरच्या विकासाचा वेग आणखी वाढण्याची चिन्हे आहेत. ब्रिटनमध्ये मुख्यालय असणाऱ्या 'वेदांता' समूहातर्फे नागपुरातील बुटीबोरी येथे १८ हजार कोटींच्या गुंतवणुकीच्या माध्यमातून 'एलसीडी पॅनल' निर्मितीचा प्रकल्प सुरू करण्यात येणार आहे. केंद्रीय भूपूष्ठ वाहतूक व जहाजवाहणी मंत्री नितीन गडकरी हे लंडन दोऱ्यावर गेले होते. त्यावेळी 'वेदांता' समूहाचे चेअरमन अनिल अग्रवाल यांनी गडकरींची भेट घेऊन नागपुरात गुंतवणुकीबाबत चर्चा केली असल्याची माहिती सूत्रांनी दिली. देशातील हा अशा प्रकारचा पहिलाच मोठा प्रकल्प ठरणार आहे हे विशेष.

गेल्या काही काळापासून जागतिक गुंतवणूकदारांची नागपूरकडे नजर लागली आहे. 'वेदांता' हा जागतिक पातळीवरील धातू व खाणक्षेत्रातील आघाडीचा समूह आहे. नितीन गडकरी लंडन दोऱ्यावर गेले असताना अनिल अग्रवाल यांनी त्यांची भेट घेतली. आपल्याला नागपुरात २५ हजार कोटींची गुंतवणूक करायची



**लोकमत
शुभवर्तमान**

असून सुरुवातीला 'इलेक्ट्रॉनिक्स स्क्रीन' निर्मितीचा प्रकल्प सुरू करायचा आहे. यासाठी १८ हजार कोटींची गुंतवणूक करण्याची तयारी असल्याचे अग्रवाल यांनी गडकरी यांना सांगितले. गडकरी यांनीदेखील बुटीबोरीत जागा उपलब्ध असून यासंदर्भात शासनातर्फे सहकार्य करण्यात येईल, असे सांगितले. सूत्रांनी दिलेल्या माहितीनुसार पुढील महिन्यात अनिल अग्रवाल नागपुरात येणार असून यावेळी ते जागेची पाहणी करतील. या भेटीतच गडकरी व मुख्यमंत्री देवेंद्र फडणवीस यांच्या उपस्थितीत करारदेखील होणार आहे.



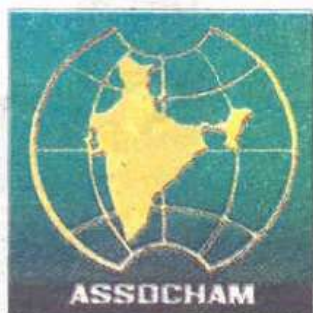
**'वेदांता'च्या
'टीम'ने केली आहे पाहणी**

या प्रकल्पासाठी 'वेदांता' समूहाची अनेक महिन्यांपासून तयारी सुरू आहे. समूहाच्या पथकाने मिहान व बुटीबोरीला भेट दिली होती. या प्रकल्पासाठी २०० एकरहून अधिक जागा लागणार आहे.

**विदर्भातील 'टंगस्टन'
खाणींमध्ये रस**

नागपूरप्रमाणे विदर्भातदेखील अग्रवाल यांना गुंतवणुकीला वाव असल्याचे गडकरी यांनी या भेटीत सांगितले. नागपुरात 'टंगस्टन'च्या काही खाणी बंद पडल्या असून भूगर्भशास्त्र व खनिकर्म संचालनालयानुसार नागपूर जिल्ह्यातील कुही, खोबना, आगरगाव, रानबोडी, कोलारी-भोवरी इत्यादी भागांत 'टंगस्टन' धातूपाषाणाचा मुबलक साठा आहे. अनिल अग्रवाल यांनी या खाणींमध्ये रस दाखविला आहे.

माइनिंग, टेलीकॉम, बिजली में कर्ज की मांग घटी : एसोचैम



एजेंसी|नई दिल्ली

भारी कर्ज के बोझ से दबे बिजली, टेलीकॉम और माइनिंग जैसे उद्योग क्षेत्रों में बैंक कर्ज की मांग घट रही है। यदि ढुबे कर्ज की समस्या से निपटने के लिए और कदम नहीं उठाए गए तो यह सिलसिला आगे भी जारी रहेगा। उद्योग संगठन एसोचैम ने यह टिप्पणी अपनी एक स्टडी में की है। रिजर्व बैंक के आंकड़ों के विश्लेषण के बाद तैयार दस्तावेज में एसोचैम ने कहा है कि माइनिंग सेक्टर में कर्ज की मांग सबसे अधिक घटी है। बीते वित्त वर्ष 2016-17 में कर्ज की ग्रोथ रेट 11 प्रतिशत घटकर मार्च, 2017 में 345 अरब रुपए पर आ गई, जो पिछले साल इसी महीने 390 अरब रुपए थी। सरकार ने इससे पहले इसी महीने की शुरुआत में रिजर्व बैंक को फंसे कर्ज (एनपीए) और डिफॉल्ट से निपटने के लिए अधिक अधिकार दिए

उद्योग क्षेत्रों में कर्ज का उठाव

सेक्टर	मार्च, 2016	मार्च, 2017	घटत/बढ़त
बिजली	5,799	5,256	(-) 9.4%
टेलीकॉम	913	851	(-) 6.8%
लौह एवं इस्पात	3,155	3,195	(+) 2.6%

(आंकड़े अरब रुपए में।)

कोयले की नीलामी की सूची में शामिल होंगे और 8 ब्लॉक

एजेंसी|लंदन. सरकार सात से आठ और कोयला ब्लॉक को नीलामी की सूची में शामिल करने पर विचार कर रही है। इस पर अमल होता है तो नीलामी में रखे जाने वाले कोयला ब्लॉकों की संख्या बढ़कर 12 तक पहुंच सकती है। नीलामी में सफल बोलीकर्ता इन ब्लॉक से कोयले का व्यावसायिक तौर पर खनन कर सकेंगे। कोयला और बिजली मंत्री पीयूष गोयल ने यहां यह जानकारी दी। वे ऑस्ट्रेलिया और ब्रिटेन की यात्रा पर हैं।

दूरसंचार कंपनियों की माली हालत पर सरकारी समिति 3 माह में देगी सुझाव

एजेंसी|नई दिल्ली. टेलीकॉम सेक्टर की बिगड़ी माली हालत पर सुझाव के लिए सरकार एक अंतर-मंत्रालयी समिति का गठन कर रही है। यह समिति सेक्टर की वित्तीय हालत सुधारने पर अपने सुझाव तीन महीने में सरकार को देगी। इससे पहले यह टेलीकॉम कंपनियों और बैंकों के साथ भी मशविरा करेगी। घटनाक्रम से जुड़े एक अधिकारी ने बताया कि इस समिति को आर्थिक मामलों के विभाग, राजस्व और वित्तीय सेवाओं के अलावा टेलीकॉम डिपार्टमेंट से भी रिप्रेजेंटेशन मिलने की उम्मीद है।

हैं। आरबीआई अब बैंकों को डिफॉल्ट करने वालों के खिलाफ दिवालिया घोषित करने की कार्रवाई शुरू करने का आदेश दे सकता है। वह बैंकों को फंसे कर्ज का समाधान निकालने के लिए भी कह सकता है। सरकारी बैंकों के फंसे कर्ज की राशि बढ़कर 6 लाख करोड़ रुपए से अधिक हो चुकी है।

महिलांचा रात्रभर खाणीत ठिय्या

दुसरा दिवस : वेकोलि कोळसा खाणीचे उत्पादन ठप्प

लोकमत न्यूज नेटवर्क

माजरी (चंद्रपूर) : स्थानिक ओ.सी.-२ च्या पाटाळा, नागलोन, पळसगाव व माजरी येथील प्रकल्पग्रस्त शेतकऱ्यांनी दुसऱ्या दिवशीही आपल्या कुटुंबासह काम बंद आंदोलन सुरुच ठेवले आहे. त्यामध्ये महिला रात्रभर कोळसा खाणीमध्ये ठाण मांडून होत्या. शनिवार सकाळपासून काम बंद आंदोलनामुळे वेकोलिचे ३० हजार टन कोळसा उत्पादन ठप्प झाले आहे. त्यातून वेकोलिला कोट्यवधीचे नुकसान सहन करावे लागत आहे. दरम्यान, नागलोन



नागलोन कोळसा खाणीमध्ये दुसऱ्या दिवशीही ठिय्या मांडून असलेले प्रकल्पग्रस्त.

ओ.सी.-२ मधील कोळशाच्या ढिगाऱ्याला जागोजागी आग लागून वेकोलिला कोट्यवधीचा फटका बसत आहे.

वेकोलि प्रशासनाने आंदोलनाची आक्रमकता पाहून पोलीस पथकाला पाचारण केले आहे. परंतु मध्यस्थ म्हणून जिल्हाधिकाऱ्यांशी संपर्क करून आणि प्रकल्पग्रस्तांची भेट घेऊन

तोडगा काढलेला नाही. प्रकल्पग्रस्त आंदोलनकर्त्यांचे म्हणणे आहे की, जोपर्यंत जिल्हाधिकारी येऊन मध्यस्थी करून नोकरी उपलब्ध करण्यात येत नाही, तोपर्यंत हे आंदोलन सुरुच राहील. वेकोलि प्रशासनाने आंदोलकांना मांडव टाकण्यास मज्जाव केल्यामुळे आंदोलक महिला शनिवारी रात्रभर कोळशावर बसून होत्या.

Metal Stocks Get Back Sheen on Cyclical Recovery Prospects

Rally led by Hindalco, Vedanta and Hindustan Zinc; analysts expect stocks to outperform broader market

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Mumbai: Supported by dips in Chinese coking coal futures and receding crude oil prices, shares of metal companies have rallied in the last week, and analysts said metals would continue to outperform the benchmark indices in coming months.

Shares of Hindalco closed 2.83% higher in the last week, at ₹191 after the company's subsidiary Novelis reported a 46% increase in net income. Vedanta and Hindustan Zinc

Top Gainers

STOCK	CMP (₹)	YTD RETURNS (%)
Hindalco	191.0	23.22
Hind Zinc	254.9	-0.41
Vedanta	236.4	9.53
Tata Steel	436.8	11.62

closed 5.81% and 1.60% higher at ₹236.75 and ₹254.35 during the week. The Nifty Metal index rose 1.94% during the same period.

Analysts said base metal prices will rise in the coming months after corrections in the last few weeks. "Copper, zinc and nickel prices have touched their support levels currently. They have bottomed out so they will rise in the coming months," said Anuj Gupta, head of research-commodities and currencies, Angel Commodities. "In terms of stocks

we're very positive on Hindalco and Hindustan Zinc."

Fund managers said metals would continue to be their top picks in the coming year as increased deflation and deleveraging was seen among various companies. "Though metals may not repeat the outperformance of last year, they may continue to outperform the broader market," said Mahesh Patil, co-CIO, Birla Sun Life Asset Management Company.

In the last one year the Nifty Metal Index has risen 48% compared to the broader Nifty which has risen 18%.

Despite news of falling levels of metal imports in China, the top metal consumer, analysts remain positive in the long term. "News flows arising from China tend to only create short term disruptions. Cyclical recovery in the global economy will continue. Commodity prices will remain stable in the longer term, supporting metal stocks," said Dhananjay Sinha, head of research at Emkay Global Financial Services.