



खनिज समाचार

KHANIJ SAMACHAR

VOL 1 NO-5

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KHANIJ SAMACHAR



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INDIAN BUREAU OF MINES

VOL 1 NO-5, 16th - 30th JUNE, 2017

BUSINESS LINE**DATE: 16 /6/2017 P.N. 7**

Steel Ministry asks Coal India to set up more washeries

Move can reduce coking coal imports

OUR BUREAU

Kolkata, June 15

The Steel Ministry has asked Coal India to set up more washeries at coal mine pitheads.

According to Chaudhary Birender Singh, Union Steel Minister, the move is expected to help reduce coking coal imports.

"Replacement of raw material for steel (coking coal), which is currently being procured from Australia, is important. We have asked Coal India and the Coal Ministry for more washeries at pitheads," he told reporters on Thursday.

Singh was speaking on the sidelines of the ground-breaking ceremony for MSTC's corporate office here.

"With this effort, we hope to replace 25-30 per cent of import of coking coal," the Union Minister added.

"We have asked steel-producing PSUs to use pelletisation to the maximum. Private players have been doing it for quite



Chaudhary Birender Singh,
Union Steel Minister

DEBASISH BHADURI

some time. So with this, we are hopeful of reducing import costs."

According to the Minister, the Centre's focus on 'housing for all' and increased movement of infrastructure projects are expected to create an additional demand of around ₹40,000 crore worth of steel in the country.

"Funds worth ₹4 lakh crore have been provided for the infrastructure sector in this year's Budget. Even if just 10 per cent of the components used is steel, we will be selling ₹40,000 crore worth of steel. This is how I hope consumption would grow.

BUSINESS LINE**DATE: 16/6/2017 P.N. 4**

NMDC ore output at 5.63 mt

New Delhi, June 15



The country's largest iron ore miner NMDC today said it produced 5.63 million tonnes of iron ore in April and May this year. The company produced 3.66 mt of iron ore from its mines in Chhattisgarh and 1.97 mt

from the mines in Karnataka during the period, NMDC said in a filing to BSE. It further said that it sold 6.59 mt of iron ore in the April-May period of the ongoing fiscal. The production and sales figure of iron ore are provisional. NMDC produces iron ore from three fully mechanised mines namely, Bailadila Deposit—14/11C, Bailadila Deposit—5, 10/11A (Chhattisgarh) and Donimalai iron ore mines (Karnataka). PTI

De Beers, Namibia Launch World's Biggest Diamond Exploration Ship

Barbara Lewis

London: Anglo American's diamond unit De Beers on Thursday launched the world's largest diamond exploration vessel off the coast of Namibia as it looks to maintain high production levels until 2035.

The 12,000-tonne, 113-metre-long SS Nujoma was built at a cost of \$157 million and is named after Sam Nujoma, Namibia's founding president. "I am very, very confident this (vessel) will allow us to continue to extract 1.2 million carats a year," De Beers CEO Bruce Cleaver told Reuters by telephone.

He said he was "cautiously optimistic" about diamond sales in 2017 and in terms of value there have been "some small positive



movements" but it was too early to declare a trend.

Marine diamonds are particularly prized. They are generally more valuable than land-based stones because lower quality gems are washed away by waves.

Debmarmine Namibia produced 1.2 million carats of diamonds in 2016, a level De Beers says it can maintain until 2035 when its license expires on a 6,000 square km area.

The SS Nujoma is the sixth diamond exploration vessel to join Debmarmine Namibia's fleet. It can hunt for diamonds at more than double the speed of its predecessor, De Beers said.

De Beers has a budget for land-based exploration of about \$35 million to explore in Canada, Botswana and South Africa.

Reuters



MECL और खनन मंत्रालय के बीच समझौता

व्यापार प्रतिनिधि

नागपुर. खनिज गवेषण क्षेत्र की देश की प्रमुख मिनी रल कम्पनी मिनरल एक्सप्लोरेशन कॉर्पोरेशन लि. (एमईसीएल) ने वित्त वर्ष 2017-18 के लिए दिल्ली में खनन मंत्रालय के साथ समझौता ज्ञापन पर हस्ताक्षर किया. एमओयू पर खनन मंत्रालय के सचिव अरुण कुमार, कम्पनी की ओर से अध्यक्ष तथा प्रबंध निदेशक गोपाल धवन ने हस्ताक्षर किए. इस अवसर पर एन.के. सिंह, जोयेश बागची, योगेश शर्मा, अंजनी कुमार प्रमुखता से उपस्थित थे. एमईसीएल ने 2016-17 के दौरान विभिन्न खनिजों जैसे कोयला, लिगनाइट, आयरन ओर, गोल्ड, कापर, लेड जिंक आदि के लिए 5 लाख मीटर से अधिक वेधन किया और राष्ट्रीय खनिज सूची में 3184 मिलियन टन खनिज संसाधनों में जोड़ा है. कम्पनी का टर्नओवर और लाभ (पीबीटी) क्रमशः 28 और 38 फीसदी बढ़ा है. कम्पनी ने केंद्र सरकार को 23 करोड़ रुपये का लाभांश प्रदान किया है. इस वर्ष 6 लाख मीटर का वेधन करने का लक्ष्य रखा गया है. कम्पनी ने टर्नओवर को 400 करोड़ से अधिक ले जाने का लक्ष्य रखा है.

MCX-Lead futures stuck leaden-footed in a range



GURUMURTHY K

BL Research Bureau

The lead futures contract on the Multi Commodity Exchange (MCX) continues to remain stuck in a range between ₹132 a kg and ₹137.5 for the fifth consecutive week. The contract made a low of ₹131.65 on Tuesday and reversed higher from there. It is currently trading at ₹134.4 per kg. Since there has been no major move in the contract, there is no change in the outlook. A breakout on either side of this range will determine the next trend for the contract.

At the moment, the contract has managed to sustain itself above ₹132 and is bouncing back; there is a strong

likelihood of it rising to test ₹137, the upper end of the range, in the near term. A key resistance level is in the ₹137-₹138 region. A strong break above ₹138 is needed for the contract to gain fresh momentum. The downside pressure will ease in such a scenario and will also signal that the downtrend that has been in place since February is getting reversed. Such a break above ₹138 can take the contract higher to ₹140 initially. A further break above ₹140 will increase the possibility of the contract extending its up-move to ₹144 or ₹147 thereafter.

On the other hand, if the MCX-Lead futures contract breaks the current range below ₹132, it may come under renewed pressure. A fall below ₹132 can take the contract lower to ₹130 initially. A further fall below ₹130 can drag it to ₹127 or even ₹125.

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

Mining royalty target for Vid set at Rs 671 cr

- State sets mining royalty target at Rs 2,405 cr
- Nagpur Division gets target of Rs 395 crore, Nagpur district target set at Rs 120 crore

■ Special Correspondent

IN A BID to step up revenue earnings, State Government has set a target of Rs 2,405 crore for collection of royalty on minor minerals in 2017-18. Of this, the target for Vidarbha region is Rs 671 crore, including Rs 395 crore for Nagpur Division and Rs 276 crore for Amravati Division. The target for Nagpur district has been set at Rs 120 crore.

As far as Nagpur district is concerned, the mining royalty target for 2016-17 was Rs 115 crore.

District-wise target of mining royalty, for Vidarbha region

District	Target for 2017-18
Nagpur	Rs 120 cr
Amravati	Rs 80 cr
Chandrapur	Rs 80 cr
Bhandara	Rs 74 cr
Yavatmal	Rs 64 cr
Buldhana	Rs 60 cr
Wardha	Rs 46 cr
Gadchiroli	Rs 45 cr
Akola	Rs 42 cr
Washim	Rs 30 cr
Gondia	Rs 30 cr
Total	Rs 671 cr

Revenue and Forest Department of Maharashtra Government has set the target for 2017-18 for Nagpur district at Rs 120 crore. State

Government has directed District Mining Office to meet the given target and stop theft of sand. Interestingly, as against the target of Rs 115 crore the previous financial year, Mining Department of Nagpur district had earned only Rs 95 crore from minor minerals. The district has 68 sand ghats and only 31 sites were auctioned by the district administration.

The district has leased out 160 sites of murrum and bolder to stone quarries in Saoner, Umrer, Kalmeshwar, Nagpur, Hingna, and other tehsil areas. To maximise collection of revenue and curb theft of sand, Nagpur District Mining Office has taken several initiatives. The administration has deployed drone camera to monitor excavation of sand regularly. Also, squads have been formed at taluka level to control excess excavation. On-

line transit passes also have reduced the theft of sand as thieves cannot make duplicate transit passes. Soon, District Mining Office will start measurement of excavation in stone quarries. Opening the posts to curb illegal excavation is on cards.

As per the directions of the State Government, Divisional Commissioner will take monthly review of revenue collection. Sub-Divisional Officers also will take stock of action taken by tehsil-level squads, every month. District Collector will inform Divisional Commissioner and State Government regarding theft in transportation and excavation of minor minerals. All these measures are expected to have curb illegal excavation, and result in increasing revenue collection through recovery of royalty on minor minerals.

BUSINESS LINE

DATE: 17/6/2017 P.N. 4

BUSINESS LINE

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Mineral output up 4.2% in April

OUR BUREAU

New Delhi, June 16

The country's overall mineral production in April was 4.2 per cent higher than in April 2016.

There was a decline in production of magnesite by 46.1 per cent, bauxite by 12.2 per cent, copper by 11.6 per cent, coal by 3.7 per cent and crude oil by 0.6 per cent. A government statement said that apatite & phosphorite production was up 390.7 per cent, lignite was up 153.5 per cent while zinc grew by 125.1 per cent.

Diamond production grew by 35.1 per cent, manganese ore

by 23.6 per cent, iron ore by 12.5 per cent, chromite by 11.4 per cent, gold by 4.5 per cent, natural gas by 2.5 per cent and limestone by 1.4 per cent.

The total value of mineral production (excluding atomic and minor minerals) in the country during April 2017 was ₹19,350 crore.

Coal was the highest contributor at ₹6,424 crore, with crude oil at ₹5,342 crore coming second. In April, 117 kg of gold and 2,320 carat diamond were produced. Iron ore production stood at 185 lakh tonne while coal was at 463 lakh tonne.

Steel Minister's stress on R&D

New Delhi, June 16

There is a need to intensify research and development in order to produce value-added and special steel by fiscal 2020 and cut reliance on imports to meet domestic demand, said Steel Minister Chaudhary Birender Singh. "We have to intensify our research and development efforts for production of value added and special steels including auto grade steel, CRGO, CRNO, etc. by 2019-20," Singh was quoted as saying in a release by the Steel Ministry. This would make India self-reliant in sectors like automobile and defence, the Minister said. He was addressing the second meeting of recently-constituted National Steel Consumers' Council in Bhubaneswar. PTI

Gold imports surge 3-fold to \$4.95 bn

NEW DELHI, June 16 (PTI)

RECORDING nearly a three-fold rise, India's gold imports increased to USD 4.95 billion in May.

According to the Reserve Bank, the precious metal's imports saw a surge initially on account of seasonal and festival demand but subsequently due to stockpiling in anticipation of the the goods and services tax (GST) rollout.

Gold imports stood at USD 1.47 billion in May last year, as per official data.

Surge in the imports last month contributed to the widening of trade deficit to a 30-month high of USD 13.84 billion as against USD 6.27 billion in May 2016.

Silver imports, too, jumped to USD 442.9 million in May from



USD 39.54 million in the same month last year.

India is the world's second biggest gold consumer after China. The imports mainly take care of demand by the jewellery industry.

At present, gold import attracts 10 per cent duty. The gems and jewellery industry along with the Commerce

Ministry has time and again urged the Finance Ministry to consider a cut in the Import Duty.

High imports of the precious metal could impact the CAD numbers.

The current account deficit (CAD) soared to USD 3.4 billion, or 0.6 per cent of gross domestic product (GDP), in the fourth quarter of fiscal 2017, from USD 0.3 billion a year ago.

Gold dives as Fed hikes rates

The yellow metal is likely to dip further before prices recover

GURUMURTHY K

Gold has posted a negative close for the second consecutive week. The prices reversed sharply lower from the intra-week high of \$1,281 per ounce to close the week at \$1,254 per ounce, down 1 per cent for the week. The dollar gained strength after the Federal Reserve

raised rates by 25 basis points as expected. This, in turn, dragged gold prices sharply lower.

Silver prices, on the other hand, were much more badly hit. Prices tumbled, breaking the psychological level of \$17 per ounce and closed 3 per cent lower for the week at \$16.7 per ounce.

On the domestic front, the

gold futures contract on the Multi Commodity Exchange (MCX) failed to sustain above the psychological support level of ₹29,000 per 10 gm and fell to close 1 per cent lower for the week at ₹28,590 per 10 gm. The MCX-Silver contract also fell 3 per cent last week in tandem with the global spot price and closed at ₹38,481 per kg.

Dollar firms

The dollar gained strength after the US Federal Reserve increased the policy rate, as expected, by 25 basis points. The Fed also announced its plan to begin trimming its balance sheet this year.

As this move was broadly expected by the market, the dollar index fell initially after the outcome of the Fed meeting. The index fell to a low of 96.3 on Wednesday but recovered sharply from there.

The weekly jobless claims showing fewer-than-expected number of Americans filing for unemployment benefits provided support for the dollar index to break above 97 and mark a high of 97.55 last week. The index has however, come off slightly from this high to close the week at 97.15.

Dollar outlook

Immediate support for the dollar index is in the 97-96.9 region, which may limit the downside in the near term. Though a dip to test this support zone cannot be

ruled out, a break below 96.9 looks less probable. A subsequent reversal from this support may see the dollar index moving higher to 97.50 levels once again.

A further break above 97.5 can take it higher to 97.85 or 98. Such a rise in the dollar index may continue to keep gold prices under pressure. So, the possibility of gold prices falling further in the coming week is high.

If the dollar index fails to break above 98, a pull-back move to 97.5 or 97 is possible once again. In such a scenario, the index can remain range-bound between 96.45 and 98 for some more time. A break-out on either side of 96.45 or 98 will determine the next trend. Targets above 98 are 98.6 and 99.2. On the other hand, 96 and 95 are the levels that can be targeted if the dollar index declines below 96.45.

Gold outlook

The global spot gold (\$1,254 per ounce) has a cluster of support near current levels between \$1,250 and \$1,245 which can be tested in the initial part of the week. If gold manages to reverse higher from this \$1,250-1,245 support zone, a relief rally to \$1,260 or even \$1,270 is possible.

But a fall below \$1,245 can increase the downside pressure and drag prices lower to \$1,235 or even \$1,230 thereafter. The level of \$1,230 is a key trendline support and fur-

ther fall below this level is less likely.

MCX-Gold (₹28,590 per 10 gm) futures contract can dip to test the immediate support at ₹28,500. An upward reversal from this support can take it higher to ₹29,000 or ₹29,200. But if the contract declines below ₹28,500, it can fall to ₹28,000 in the coming week. The level of ₹28,000 is a strong support and a break below this level is less likely.

Silver outlook

The global spot silver (\$16.7 per ounce) has immediate support at \$16.6. But this support is vulnerable and silver can break below it and decline to \$16.3 this week. Inability to reverse higher from \$16.3 can drag it further lower to \$16. But if silver manages to bounce from \$16.3, a rise to \$16.75 or even \$17 is possible thereafter.

MCX-Silver (₹38,481 per kg) futures contract has some support around ₹38,100, but it might not hold. A break below this intermediate support can drag the contract lower to ₹37,500 or even ₹37,150 in the coming days. Further fall below ₹37,150 looks less probable.

A subsequent reversal from ₹37,150 can take the contract higher to ₹38,500 levels. Key resistance for the contract is around ₹39,750. The downside pressure will ease only if the MCX-Silver contract breaks above this hurdle decisively.

US data watch

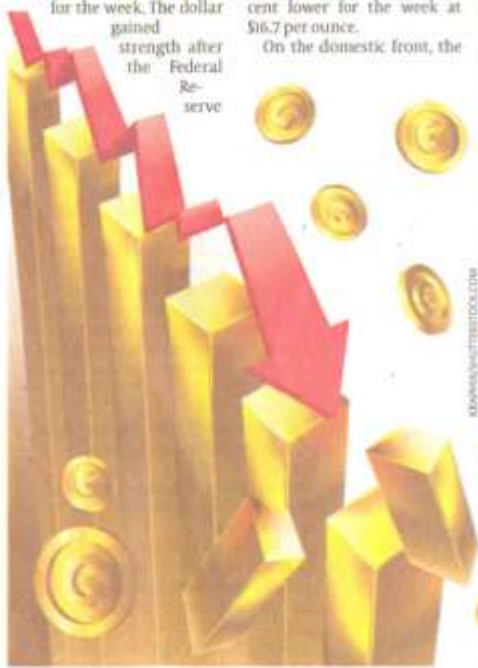
- June 20: Current Account Balance
- June 21: Existing home sales
- June 22: Jobless claims
- June 23: New home sales

MCX Gold

Supports
₹28,500 / ₹28,000
Resistances
₹29,000 / ₹29,200

MCX Silver

Supports
₹37,500 / ₹37,150
Resistances
₹39,150 / ₹39,750



BUSINESS LINE

DATE:19/6/2017 P.N. 8

BUSINESS LINE

DATE: 20/6/2017 P.N. 16

Metals (\$/tonne)	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Aluminium	1874	-2.4	-3.4	16.5	1962	1545
Copper	5639	-2.4	0.8	24.5	6145	4520
Iron Ore	55	0.0	-3.7	13.1	95	49
Lead	2091	0.7	0.8	23.3	2466	1682
Zinc	2512	-0.1	-0.8	26.8	2971	1981
Tin	19795	4.6	-1.3	16.3	21945	17000
Nickel	8883	-0.5	-2.0	0.7	11735	8710

MCX-Aluminium stuck within a narrow range

GURUMURTHY K

BC Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange fell below a key support level of ₹121.5 a kg in the past week.

However, the contract has not witnessed any strong follow-through selling after this break and has been stuck in a narrow range between ₹120 and ₹121 since then.

It is currently trading at ₹120.5 per kg.

The 200-day moving average support is at ₹119.5, which is likely to be tested as long as the contract trades below ₹121.5.

If the contract manages to sustain above the 200-day moving average support, a range bound move between ₹119.5 and ₹121.5 is possible for some time.

A breakout on either side of ₹119.5 or ₹121.5 will then de-

termine the next move.

A decisive break below ₹119.5 can increase the selling pressure. Such a break can drag it to ₹117 or even ₹115 going forward.

On the other hand, the downside pressure will ease if the contract manages to decisively advance above ₹121.5 from either current levels or reversing higher after testing

the 200-day moving average support level of ₹119.5.

Such a move will increase the possibility of the contract rising to ₹123 and ₹124 levels once again.

A further break above ₹124 will increase the likelihood of the contract extending its upward move to ₹127 thereafter.

Note: The recommendations are based on technical analysis.

There is a risk of loss in trading.



Steel Lobby Urges RBI to Amend Stressed Assets Scheme in Some Cases

Our Bureau

Kolkata: The Indian Chamber of Commerce, which represents some of the debt-laden steel firms based in the eastern region, has urged the Reserve Bank of India (RBI) governor to consider amending the Scheme for Sustainable Structuring of Stressed Assets (S4A) to cover cases where sustainable debt is below 50% and to set up sector-specific oversight committees for banks to restructure loans for companies not under S4A.

In a letter to RBI, ICC director general Rajiv Singh also suggested that a strict time frame under the Insolvency and Bankruptcy Code (IBC) should not result in liquidation of good assets.

The letter said that the S4A would have been effective had it been introduced in 2010. "However, with a ballooning of debt by over three times between 2011 and 2017, interest costs of loan facilities have been much higher than EBITDA margins," it said.

Lenders have been deducting interest and instalment from repayment from working capital to keep the account standard, resulting in depletion of working capital. Thus, the debt is now at a level much beyond the hard cost of the project. Hence, the threshold of 50% needs to be reduced or removed, Singh said in the letter.

The chamber suggested that the steel sector's specific oversight committee could facilitate decision-making since it felt debt

restructuring is not happening due to fear of investigation authorities. In cases where 100% provisioning is done, the letter said, banks need to take steps for debt restructuring with existing promoters who may bring investors with moratorium of up to two years and extended repayment tenor under the so-called S/25 scheme as per cash flows even if it is not coming under S4A circular, by restructuring the loan over economic life of the asset.



ICC urges RBI to also set up sector-specific oversight committees for banks to restructure loans for companies not under S4A scheme

Change in management through strategic debt restructuring (SDR) or outside SDR should be amended to allow joint management/control among investors and existing promoters. Since the stress is due to external factors such as non-availability of key inputs like iron ore and coal, and threat of cheaper imports, a change in management is not likely to improve economic value of the loan, the industry lobby said.

The letter further said that the sale of loans to an asset reconstruction company or ARC, through auction should be expedited in cases where restructuring through banks is not feasible before invoking the IBC to avoid risk of liquidation and plant closure due to lenders not taking decisions. ICC said the concept of consortium sale of loan needs to be introduced for faster resolution.

BUSINESS LINE DATE: 20 /6/2017 P.N. 6

Gold refiners await clarity on import duty on dore bars

In the absence of clarifications, can gold dore be imported at 0% duty from July 17

COGENS

Mumbai, June 16

While gold jewellers heaved a sigh of relief when the Centre set the GST rate on the metal at 3 per cent, bullion refiners remain clueless on the rates on dore bars, which they use as raw material.

The government has not specifically announced any tax rates for imports of dore under the new tax regime.

Anxious traders expect the customs department or Director General of Foreign Trade to issue a notification soon to give clarity on how much tax the unrefined form

of bullion would invite when imported into the country.

"There is no clarity on dore import so far and we have asked the Finance Ministry for clarity...we expect a notification on it soon," said Rajesh Khosla, Managing Director of MMTC-PAMP India Pvt Ltd. A joint venture between state-owned MMTC Ltd and Swiss refining major PAMP, MMTC-PAMP is India's only refiner accredited by the London Bullion Market Association.

Gold dore currently attracts a countervailing duty of 8.75 per cent and excise of



Gold dore is a 'rough' bar of the yellow metal, used as the raw material to make jewellery [SHUTTERSTOCK.COM](http://www.shutterstock.com)

0.6 per cent, which means a total levy of 9.35 per cent. On the other hand, import duty on refined gold is 10 per cent,

which goes to 12.5 per cent with other levies such as excise duty and value added tax. This makes it profitable to

import dore, refine it and sell it locally.

Under the GST regime, refined gold will attract 10 per cent import duty and 3 per cent GST, taking total levies on the metal to 13 per cent.

The lack of clarity on import duty or GST on gold dore could hamper fresh import orders.

"If they tax gold dore at 10 per cent and there is 3 per cent GST on it, then no one will import dore," said Deepak Gupta, Director of Delhi-based Kundan Refinery.

In absence of clarifications, gold dore can be imported at 0 per cent duty from July 1, when GST comes into force, industry sources said. This may lead to a surge in gold

"If they tax gold dore at 10 per cent and there is 3 per cent GST on it, then no one will import dore."

DEEPAK GUPTA
Director, Kundan Refinery

imports in the dore form. It will also hit imports of refined gold by nominated agencies and banks.

However, a trade source said the government is likely to come out with a list of notifications for gold importers, exporters and refiners in a day or two.

The government is likely to merge countervailing duty with customs duty and also issue some clarifications on Free Trade Agreements.

हायकोर्टाचा आदेश : आवश्यक लाभ मिळण्यासाठी पात्र

एमईसीएलचे १७४३ कर्मचारी सेवेत नियमित

लोकमत न्यूज नेटवर्क

नागपूर : मुंबई उच्च न्यायालयाच्या नागपूर खंडपीठाने मिनरल एक्सप्लोरेशन कॉर्पोरेशन लिमिटेड (एमईसीएल)च्या १७४३ कर्मचाऱ्यांची सेवा नियमित करण्याचा आदेश नुकताच दिला आहे.

यासंदर्भात एमईसीएल एम्प्लॉईज युनियनने सचिव व्ही. सेनाड यांच्यामार्फत रिट याचिका दाखल केली होती. न्यायालयाने ही याचिका मंजूर करून १७४३ कर्मचारी सेवेत कायम ठेवण्यासाठी, नियुक्तीच्या तारखेपासून आर्थिक

लाभ मिळण्यासाठी आणि ३१ मार्च २०१७ पासून नियमित कर्मचारी म्हणून वेतन व अन्य

लाभ मिळण्यासाठी पात्र असल्याचे आदेशात म्हटले आहे.

परंतु, हे कर्मचारी सेवेतून कमी करण्यात आल्याच्या तारखेपासून ते ३० मार्च २०१७ पर्यंत प्रत्यक्ष आर्थिक लाभ मिळण्यासाठी पात्र नसतील असेही न्यायालयाने स्पष्ट केले आहे. मृत्यू झालेल्या कर्मचाऱ्यांची प्रकरणे



या आदेशानुसार तपासण्याची व त्यांचे वारसदार पात्र असल्यास त्यांना आवश्यक लाभ देण्याची सूचना एमईसीएलला करण्यात आली आहे. सेवानिवृत्तीचे वय झालेले कर्मचारीसुद्धा निवृत्तीविषयक लाभ मिळण्यास पात्र असल्याचे न्यायालयाने सांगितले आहे.

युनियनने २१४५ कर्मचाऱ्यांची सेवा नियमित करण्याची मागणी केली होती. केंद्र शासनाने औद्योगिक विवाद कायद्यातील अधिकारांचा वापर करून ७ जानेवारी १९९३ रोजी केंद्रीय औद्योगिक न्यायाधिकरणात याचिका दाखल केली.

न्यायाधिकरणचा निर्णय अमान्य करून युनियन व एमईसीएल यांनी उच्च न्यायालयात धाव घेतली. एमईसीएलची याचिका मंजूर झाली. त्यामुळे युनियनने सर्वोच्च न्यायालयात याचिका दाखल केली. सर्वोच्च न्यायालयाने युनियनला अंतरिम दिलासा दिला. त्यानंतर युनियनचे प्रकरण पुनर्निर्णय घेण्यासाठी औद्योगिक न्यायाधिकरणकडे परत पाठविले. औद्योगिक न्यायाधिकरणने १४ जानेवारी २००९ रोजी युनियनचा दावा मंजूर केला. त्यानंतर परत न्यायालयात याचिका दाखल झाल्या होत्या.

सोन्यावरील जीएसटी पाच टक्के होणार?

सोपान पांडेरीपांडे ।
लोकमत-न्यूज नेटवर्क

नागपूर : सोन्यावरील वस्तू आणि सेवाकराचा (जीएसटी) दर सध्याच्या तीन टक्क्यांविरुद्ध पाच टक्के करण्याचा निर्णय जीएसटी कौन्सिलच्या पहिल्या तिमाही बैठकीत घेतला जाऊ शकतो अशी माहिती अर्थमंत्रालयाच्या सूत्रांनी दिली.

सोन्यावरील जीएसटीचा दर पाच टक्के करण्याची मागणी केरळचे वित्तमंत्री धॉमस आयझॅक यांनी केली



कस्टमने

सोन्यावरील जीएसटीचा दर अधिक असावा अशी शिफारस केली होती.

सोने ही चैनीची वस्तू असल्याने तिच्यावर सवलतीच्या दराने कर आकारू नये असे सीबीसीईसीचे म्हणणे होते, अशी माहितीही या

होती. केरळमध्ये सोन्याची खूप मोठी उलाढाल होत असते. याशिवाय सेंट्रल बोर्ड ऑफ सेंट्रल एक्साईज व (सीबीसीईसी) पण

सूत्रांनी दिली.

देशभरात सध्या सोन्यावर चार टक्क्यांच्या आसपास कर आकारला जातो. महाराष्ट्रात ही कर आकारणी ४.२० टक्के आहे. यात प्रत्येकी एक टक्का केंद्रीय विक्रीकर, एलबीटी, एक्साईज ड्युटी व १.२० टक्के व्हॅटचा समावेश आहे. त्यामुळे सोन्याला जीएसटीच्या पाच टक्के श्रेणीत ठेवणे संयुक्तिक झाले असते. परंतु सराफ, सुवर्णकार यांनी एक टक्का कर असावा अशी मागणी केली होती म्हणून जीएसटी कौन्सिलने सोने तीन

टक्क्यांच्या सवलत दराच्या श्रेणीत ठेवले होते, असे सूत्रांनी सांगितले.

दरवर्षी संपूर्ण जगात दरवर्षी १२०० ते १३०० टन सोन्याची उलाढाल होते व त्यापैकी ७५० ते ८०० टन उलाढाल एकट्या भारतात होते.

गेल्यावर्षी सेंट्रल एक्साईज कर लादल्यामुळे व नोटाबंदीमुळे उलाढाल ६०० टनापर्यंत घसरली होती. आता २०१७-१८ मध्ये भारतात सोन्याची उलाढाल ६५० ते ७५० टनापर्यंत वाढेल, असा अंदाज वर्ल्ड गोल्ड कौन्सिलने वर्तवला आहे.

THE HINDU DATE:
21/6/2017 P.N. 14

BUSINESS LINE DATE: 21/6/2017 P.N. 17

SAIL not to take over Monnet Ispat: Singh

NEW DELHI
Against speculations that public sector Steel Authority of India (SAIL) may take over debt-ridden Monnet Ispat & Energy, Steel Minister Chaudhary Birender Singh has ruled out any such possibility. When asked about SAIL's plans to take over Monnet Ispat, the minister said "why should we (SAIL) take it," Mr. Singh, however, said that steps are being taken to resolve the stress in the sector. **PH**

GST: AP granite units fear the worst

CHRS SARMA

Visakhapatnam, June 20

Granite units in Andhra Pradesh, numbering more than 2,000, have been hit hard by the imposition of GST at 28 per cent and it is feared that many of them may have to down shutters, once the new tax regime takes effect from July.

Granite units — most of them in the small-scale sector — are mostly concentrated in Prakasam district, as black galaxy granite is available in the district and fancied granite is also exported to different European markets from the district. Other types of granite, of different hues, are available in Srikakulam, Visakhapatnam, Kadapa and Anantapur. These granite blocks are also exported



Granite industry in Andhra Pradesh are in dire straits. **KONWARU SRINIVAS**

as well as sold in the domestic market. After Prakasam, the largest number of granite units are located in Srikakulam district.

AP Small-scale Granite Indus-

tries' Association President Y Koteswara Rao says that the small-scale granite units are in a great crisis, in the aftermath of demonetisation, and now GST will force many of them to

halt operations. "GST at 28 per cent for all units, regardless of their size, is highly unrealistic. The bigger units may be able to absorb the shock, but the small units cannot operate with such crippling tax structure," he has said.

Further, the granite industry is facing stiff competition from the vitrified tiles from Rajasthan and granite from China. "GST on the vitrified tile units is kept at 5 per cent, as before, and that on granite is pegged at 28 per cent. There is no level playing field. Most of the granite units in the State will go out of business," he said.

Koteswara Rao has said several representations have been sent to the Union Finance Ministry, but to no avail.

THE HITAVADA DATE: 21/6/2017 P.N. 8

Industrialists demand mineral cluster in Vidarbha

Business Bureau

WHILE giving suggestions to the inter divisional committee for industrial development of Vidarbha and Marathwada regions, the core committee members of Vidarbha Industries Association (VIA) on Monday highlighted that mineral based industries had good potential in the region. However, Government had not taken much efforts to exploit the potential. Elaborating on the loopholes and major hurdles that restrict the growth, the committee members demanded mineral cluster in the region.

Anoop Kumar, Nagpur Divisional Commissioner presided over the meeting while Deepak Mhaisekar, Chairman of Nagpur Improvement Trust (NIT); Ashok Dharmadhikari, Joint Director of Industries (Nagpur); Sachin Sharma, Senior



Abul Pande, President of VIA, G P Kundargi, former CMD of MOIL, Anoop Kumar, Divisional Commissioner, Nagpur, D Shome, ED (Technical) of MOIL, A P Dhamadhikari, Joint Director of Industries, Dr Suhas Buddha, Secretary of VIA, Raghunath Kaparthi, CMD of Balaji Electro Smelters Ltd, Pradeep Maheshwari, Strategist, Synergies Inc, Prashant Mohota, Vice-President of VIA and Gagan Sial, Partner of Pavri Kyanite Mines at the programme.

Divisional Operation Manager, South East Central Railway, Nagpur and other were present on the occasion.

On behalf of the Vidarbha

Industries Association, Atul Pande, President of VIA; Suresh Rath, Vice-President of VIA; Prashant Mohota, Vice-President of VIA; and Raghunath Kaparthi,

Gagan Sial, Pradeep Maheshwari, Hakeemuddin Ali - all core committee members of VIA, gave suggestions.

Raghunath Kaparthi stressed

on development of mineral cluster in the region and urged the policy makers to provide special incentives and facilities to the industrialists.

"The total potential mineral area in the State is about 58,000 square km, which is about 19 per cent of the State's total geographical area. Out of which, most of the mineral rich areas are in Vidarbha region. But so far the Government has not developed cluster here," he pointed out.

Kaparthi further said that shortage of technical expertise is posing a big hurdle in exploration process.

"Industrialists should be made aware of availability of minerals and they should get technical support from the Government to be able to explore and excavate the land. Moreover, significant delays in land acquisition and environment and forest clear-

ances are also demoralising the industrialists," he said.

Gagan Sial said, the Government should address the long pending issue of shortage of technical staff in Department of Geology and Mines. "Revival of duty structure is required to develop Vidarbha mineral sector. For quite long, the authorities are following the old structure which need to be revised as early as possible," he said.

VIA members also brought to the notice of the Government officials the threats to the mineral industry. "Domestic production has come down and quantity of imported mineral has gone up in recent past because of the Government policies. There are various types of levies and expenditure involved in mining in the country that are posing a big threat to the domestic players," said Hakeemuddin Ali.



NMDC, MECL और IBM ने मनाया योग दिवस

व्यापार संवाददाता

नागपुर. स्वस्थ भारत को बढ़ावा देने और सकारात्मक जीवन शैली में परिवर्तन लाने एनएमडीसी के किरंदुल, बचेली, डोनीमलाई, पन्ना और बाहरी कार्यालयों में तीसरा अंतरराष्ट्रीय योग दिवस मनाया गया. प्रोडक्शन डायरेक्टर पीके सतपथी और कार्मिक डायरेक्टर संदीप तुला द्वारा कर्मचारियों को योग के लिए प्रेरित किया गया. उन्होंने कहा कि योग और ध्यान एक तनावमुक्त स्वस्थ जीवन जीने में मदद करता है. हमारे जीवन में यह एक भाग के रूप में होना चाहिए. एनएमडीसी सरकार की पहल को आगे बढ़ाने की दिशा में उल्लेखनीय कार्य करता है. इसमें स्वच्छ भारत अभियान, कैशलेस लेन-देन, डिजिटल भारत और कुशल भारत जैसी योजनाएं शामिल हैं. योग शिक्षक जी. श्रीनिवास के साथ 2 प्रशिक्षकों सुहासिनी और राजेंद्र द्वारा आसान और प्राणायाम की क्रिया बताई गई. इसमें कर्मचारियों व उनके परिवार के साथ आम नागरिकों ने भी हिस्सा लिया



एमईसीएल कर्मचारियों ने निगमीय कार्यालय परिसर में पूरे आनंद और उत्साह के साथ अंतरराष्ट्रीय योग दिवस मनाया. अध्यक्ष-सह-प्रबंध निदेशक डा. गोपाल धवन, आर.एन. झा, निदेशक (तक.) और एमएसएन मूर्ति, निदेशक (वित्त), सभी प्रभाग प्रमुखों तथा अधिकारियों द्वारा दीप प्रज्वलन कर कार्यक्रम का शुभारंभ किया हुआ. एमईसीएलियन ने ओ.आर. ताले, वरि. प्रबंधक (सू.प्रौ.) के मार्गदर्शन में सम्यक योग सत्र में भाग लिया है. ताले ने योगाभ्यास के जरिए स्वस्थ रहने के लिए विभिन्न आसानों का अभ्यास कराया. डा. धवन ने एकत्र ने मन तथा शरीर के संयोजन के बारे में बताया. इससे जीवन स्वस्थ रहता है. इस अवसर पर एम.एन. सहाय, आशु माथुर, मानव संसाधन अधिकारी रीतिका बिष्ट सहित अन्य उपस्थित थे.

भारतीय ब्यूरो खान (मुख्यालय), इंदिरा भवन में योग दिवस मनाया गया. सभी कर्मचारियों ने उत्साह और समर्पण के साथ इसमें हिस्सा लिया. इस दौरान कर्मियों को योग के लाभ के बारे में समझाया गया. योग हमें जीवन के मार्ग सिखाता है. योग स्वस्थ जीवन और योग मुक्त जीवन



जीने के लिए हमारी मदद करता है. रोजमर्रा की उतार-चढ़ाव भरी जिंदगी के लिए योग करना महत्वपूर्ण है. योग हमारे जीवनशैली का हिस्सा होना चाहिए. नरेंद्र मोदी के संदेश के अनुसार जिस तरह खाने के लिए नमक जरूरी रहता है, उसी तरह जिंदगी के लिए योग जरूरी है. सभी ने हर दिन को योग दिन बनाने का संकल्प लिया.



मई में 14.3 करोड़ टन रहा इस्पात उत्पादन

एजेंसियां

दिल्ली. विश्व इस्पात उत्पादन मई में बढ़कर 14.3 करोड़ टन से अधिक हो गया. मई 2016 के मुकाबले यह 2 प्रतिशत अधिक है. समीक्षावधि में चीन का कच्चा इस्पात उत्पादन 7.23 करोड़ टन रहा है. जापान का उत्पादन 90 लाख टन रहा है. यूरोपीय संघ क्षेत्र में जर्मनी का कच्चा इस्पात उत्पादन इस दौरान 38 लाख टन रहा है. वहीं अमेरिका में मई 2017 में 7 लाख टन कच्चे इस्पात का उत्पादन हुआ है और ब्राजील का उत्पादन 29 लाख टन है. वर्ल्ड स्टील इस्पात उद्योग का दुनिया में सबसे बड़ा संगठन है.

Near-term outlook bullish for MCX-Zinc

GURUMURTHY K

BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) has reversed sharply higher in the past week. The contract made a low of ₹157 per kg on June 13, but has since surged over 6 per cent, and is currently trading at ₹167 per kg. This upward reversal move is significant as it has happened from a key trend-line support level of ₹156.

The immediate support is in the ₹164-163.5 region, which can limit the downside in the near term.

A rise to ₹170 or even ₹173 looks likely in the coming days. Short-term traders with a high risk appetite can go long at the current levels. Stop-loss can be placed at ₹163 for a target of ₹173. Revise the stop-loss higher to ₹168.5 as soon as the contract moves up to ₹170. A key resistance is the ₹173-174 zone, where

both the 200-day moving average as well as a trend-line are poised. Whether the contract manages to cross this hurdle or not will determine the next trend. A strong break and a decisive close above ₹174 will ease the downside pressure. It will also give an initial signal that the downtrend in place since February is getting reversed. Such a break can take it to ₹179 initially. A further break above ₹179 will pave the way for a fresh rally to ₹185.

On the other hand, if the contract reverses lower from the ₹173-174 resistance zone, it can fall to ₹166 and ₹165 once again. In such a scenario, the possibility is high of the contract remaining range-bound between ₹156 and ₹174 for some time.

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

World steel output jumps to 143 mt

NEW DELHI, June 21 (PTI)

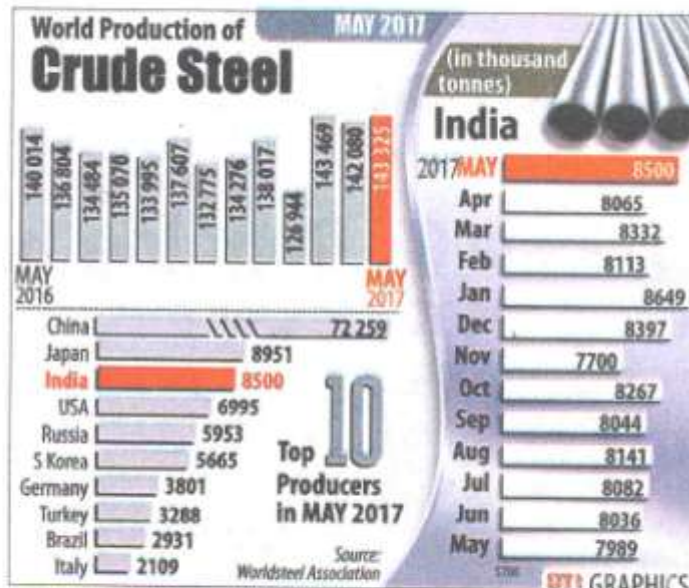
WORLD crude steel output in May increased marginally by 2 per cent to 143 million tonnes over the same month last year. "World crude steel production was 143.3 million tonnes (mt) in May 2017, a 2 per cent increase compared to May 2016," said the World Steel Association (worldsteel).

China's crude steel output was 72.3 mt, an increase of 1.8 per cent year on year, it said. Japan produced 9 mt crude steel, up 0.1 per cent.

In the EU bloc, Germany produced 3.8 mt of crude steel, registering a decline of 1.4 per cent from a year earlier.

"The US produced 7 mt of crude steel in May. An increase of 0.2 per cent compared to May 2016. Brazil's crude steel production was 2.9 mt, growing by 13.2 per cent," the association said.

The crude steel capacity utili-



sation ratio of 67 countries in May stood at 71.8 per cent, 0.5 percentage points higher than a year ago. Compared to April, it is 1.8 percentage points down.

The World Steel Association is

one of the largest industry bodies in the world. Its members represent approximately 85 per cent of the world's steel production, including over 160 steel producers.

THE INDIAN EXPRESS

DATE:23/6/2017 P.N.14

THE HITAVADA

DATE: 23/6/2017 P.N. 10

Thyssenkrupp signals steel merger decision by Sept-end'

REUTERS

BOCHUM (GERMANY), JUNE 22

GERMANY'S THYSSENKRUPP wants to decide by the end of September whether to pursue a European steel merger with India's Tata Steel, the head of its steel works council said on Thursday.

Guenter Back told reporters that Chief Financial Officer Guido Kerkhoff had said the company would decide by the end of the 2016/17 fiscal year whether to proceed, after more than a year of talks that have been complicated by the UK

Brexit vote. "The ghost must be laid to rest," he said.

Thyssenkrupp declined to comment.

Thyssenkrupp and Tata are keen to combine their European operations in a 50/50 joint venture to remove overcapacity from the market and cut costs. Thyssenkrupp's operations are mainly in Germany, while Tata's are in Britain and the Netherlands.

A condition of any deal is that Tata finds a solution for its 15 billion-pound (\$19 billion) UK pension scheme, which is heavily in deficit. It is unclear whether a recent deal to separate the pension from operations is sufficient.

IBM

EMPLOYEES of Indian Bureau Mines (HQs) Indira Bhavan, Nagpur, observed 3rd International Yoga Day. All employees participated in this campaign.

The Common Yoga Protocol (CYP) was followed from 7 am to 8 am as per directives of Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH), New Delhi. The benefits of Yoga were very well explained and realised by all present. The message of Prime Minister of India Narendra Modi that 'Yoga is as important in our Life as Salt is in our food' was very much appreciated and realised by one and all.

BUSINESS LINE**DATE:23/6/2017 P.N. 14**

Sell Comex Gold if it rallies to \$1,270-75/ounce

GNANASEKART

Comex gold futures edged higher on Thursday benefiting from risk aversion as weaker oil prices dented stocks while the dollar retreated.

Comex gold futures have moved in line with our expectations so far. Prices found support at \$1,240 and pushed higher again. As mentioned earlier, the technical picture is turning neutral to bearish in the short term and support levels around \$1,245 followed by \$1,210 are expected to be tested in the coming sessions. Strong resistance will be seen at \$1,265-70 now.

Current indications hint at a pullback towards \$1,265-70 initially, with chances of extending higher to \$1,275. Failure to close above \$1,280 could lead to loss of confidence in gold.

Such a move could see prices testing \$1,237-40 again. An important trendline support at \$1,220-22 could become a potential near-term target. Chances exist for an extension even to \$1,195, or even lower to \$1,177, a potential target area in the coming months.

The favoured view expects prices to edge lower towards the supports mentioned above. The trigger for such a decline below \$1,240 could hint at a resumption of the downtrend.

Wave counts

It is most likely that the fall from the all-time highs at \$1,925 to the

recent low of \$1,088 was either a possible corrective wave A, with a possibility to even extend towards \$1,025-30 or a complete correction of A-B-C ending with this decline. 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 hopes of any impulsive up move.

As prices have broken certain important supports and shown 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 crossover again above the zero line could hint at a reversal in trend to bearish.

Sell Comex gold on rallies to \$1,270-75 with stop loss at \$1,282 targeting \$1,245 followed by \$1,220. Supports are at \$1,245, \$1,220 and \$1,210 and resistances are at \$1,270, 1,280 and 1,295.

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

BUSINESS LINE**DATE: 23/6/2017 P.N. 14**

The outlook is bullish for MCX-Lead

GURUMURTHY K

BIL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) has surged over 4 per cent in the past week. This rally has taken the contract well above the key resistance level of ₹137 per kg.

It also marks the end of a sideways consolidation phase between ₹131 and ₹137 that had been in place for more than a month. Additionally, the surge in the past week signals the reversal of the strong downtrend that had been in place since February.

The contract is currently trading at ₹141.35 per kg. The level of ₹137 will now act as a good support. A rise to ₹144 or ₹146 is likely in the near term. Inability to break above ₹146 can trigger a pullback to ₹140 or ₹139. However, since the contract has formed a



strong base in between ₹131 and ₹137, the downside is expected to be limited to ₹137 going forward.

As such an eventual break above ₹146 is more likely in the coming weeks.

Such a break will increase the likelihood of the contract rallying to ₹150 or even higher levels over the medium term.

Traders with a short-term perspective can wait for dips and go long at ₹139. A stop-loss can be placed at ₹135.5 for the target of ₹145. Revise the stop-loss higher to ₹140 as soon as the contract moves up to ₹142.

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

SBI Gets Mandate to Take Three Steel Cos to Bankruptcy Court

Move raises possibility that some of these cos could be merged to return them to health

Sangita.Mehta
@timesgroup.com

Mumbai: State Bank of India, the country's biggest bank, has been authorised to refer Essar Steel, Bhushan Steel and Electrosteel to the bankruptcy court raising the possibility that some of these companies could be merged in an effort to re-

turn them to health.

The decision of the lenders consortium which met in Mumbai on Thursday indicates a new urgency in dealing with lakhs of crores of bad loans in the steel sector. The three companies between them owe banks nearly Rs 1 lakh crore.

By early next week, SBI will file applications at the National Company Law Tribunal for these three companies under the Insolvency and Bankruptcy Code. Essar Steel owes lenders Rs 44,000 crore, Bhushan Steel Rs 47,000 crore and Electrosteel Rs 10,200 crore.

Authorising the

SBI to decide on these loans removes the biggest hurdle of infighting between banks and empowers them to negotiate from a position of strength, two bankers familiar with the move said.

The lenders, and the management and promoters of these companies will have 270 days to resolve the problem after the NCLT admits the applications. The reorganisation could involve a restructuring of the debtor or a consolidation with two companies merging. This could make the combined entity bigger, infuse new capital into the company

and the lenders could respond with easier loan terms. Details of the consolidation, if at all it is agreed, will be wor-

ked out during the bankruptcy process, the bankers said.

Lenders are grappling with the enormity of loan reorganisation under the bankruptcy law after the regulator ordered them to do so for a quick resolution of the mountain of bad debt which is now about 9% of total banking assets. Nearly a dozen companies have been identified and banks are proceeding against Jyoti Structures and Lanco Infra-tech. The other big accounts include Amtek Auto, Bhushan Power, Jaypee Infratech, Monnet Ispat and Alok Industries.

"That apart, a few consulting firms made a presentation for being selected as insolvency professional," said one of the bankers without disclosing the names.

Rating companies are also optimistic about the development in the steel industry after years of dithering and excess capacity left them in a bad shape.

Options on Gold Futures Likely in August

New product could attract equity option traders because of cheaper cost to trade, which may be just one-fifth of gold futures, say industry experts

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Mumbai: Traders of equity options will soon get a new product to play or hedge with—options on gold futures. MCX, the country's largest commodity derivatives exchange, could introduce the options by August, two persons familiar with the development said.

One of them said the chief draw for equity option players would be the cheaper cost to trade.

The cost to trade one lot (1 kg) of gold futures at ₹25.8 lakh was ₹1.4 lakh, or around 5% intra-day on Thursday. An option contract will be available at just a fifth of that, or ₹29,000, said one of the persons.

The gold futures contract is costlier than trading even one lot of 75-ton futures at ₹1.25 lakh intra-day on Thursday.

"This (gold options) would be a draw for those who want to hedge exposure to commodity F&O as a che-

aper cost," said the other person. "August would be when the exchange most likely launches its options."

Gold futures are traded monthly by MCX. Trading of the new product is launched in August, the first option series will expire in October. An MCX official was not immediately available to confirm the launch timing or on which product it would be based. However, the exchange has begun the first round of weekly mock trading in options on gold futures on Thursday.

Equity market constituents tracking the F&O market say "higher" volatility in asset classes like gold have deterred punters because of high margins to trade futures. However, options on gold had the potential to attract players who punt equity options because of the "cheaper cost", said Rishi Srivastava, fund manager (F&O) of Sharekhani DVP Partners.

The trader was a participant in the



mock trading in gold options through its subsidiary Sharekhani Comtrade.

Anil Agrawal, director of Com-

fort Securities, said the "limited risk unlimited profit" potential of options could "lure" speculators from equity F&O to try their

hand at trading commodity options, provided there was "enough volatility".

Gold futures' delivery period commences on the first of the expiry month and runs through the fifth of that month.

The options are likely to develop into futures 2-3 days before the delivery period commences. Holders of call or put options on gold futures will have the option for squaring off or converting their positions into gold futures on the delivery period date. They can even opt to take delivery.

A futures contract facilitates the purchase or sale of an underlying at a preset price on a later date. An option allows its holder the same facility by paying a premium to the seller at a fraction of the cost of a futures contract. A call option buyer has the right to buy and a put option the right to sell an underlying. The risk, however, for option sellers is unlimited though most of the

times he gets to keep a large part of the premium paid by buyers.

A lingering uncertainty is the tax treatment of commodity options. So long as an option is not exercised (or allowed to expire), securities transaction tax is 0.01% on premium on either. However, if allowed to be exercised, tax is 0.12% on the notional amount times the lot size, which is way higher. Since gold options exercise will result in their conversion to gold futures, tax clarity is being sought by the exchanges.

Sebi issued an operational framework for the launch of European-style options on gold on June 13. But, as it does not regulate spot markets, Sebi has allowed options on futures— a market it oversees. Each exchange will be allowed to launch a single option, initially MCX is set to launch options on gold, while the country's largest oil bourse could launch options on soybean futures.

GST a game changer for steel industry: ISSDA

■ Business Bureau

THE GST regime will be a game changer for stainless steel industry, as it is expected to simplify compliance mechanisms and curb parallel economy, industry body ISSDA has said.

The apex stainless steel industry body has also urged the Government to include electricity, furnace oil and natural gas, which are key inputs for production of stainless steel into the scope of Goods and Services Tax (GST), scheduled to be rolled out from July 1.

"The GST regime will be a game changer for stainless steel industry. The new tax structure will not only enhance the ease of doing business by simplifying compliance mechanisms but would also curb the parallel economy by bringing in more transparency," Indian Stainless Steel Development Association President K K Pahuja said.

Primary stainless steel products will attract 18 per cent GST which will help the industry to grow and avoid the hassles of multiple duty structures. At present, primary steel products have 12.5 per cent excise duty, 5 per cent of VAT and 2 per cent CST, he said.



"Another positive side of GST on the stainless steel industry could be the inclusion of raw materials like coal and iron ore in tax slab of 5 per cent. Logistics, which forms crucial part of cost structure for any product, is also expected to reduce significantly with seamless movement of goods across the states," Pahuja said. However, the industry would stand to gain more if electricity, furnace oil and natural gas could

also be considered under the ambit of GST, the industry body said. Stainless steel is majorly produced through Electric Arc Furnace Route or Induction Furnace, where electricity is a major cost of production. Similarly, furnace oil and natural gas are used for re-heating steel.

"All these components are kept out of GST purview, which may affect the competitiveness of the

industry in the long run," ISSDA said. "GST is a good policy change for the Indian Stainless Steel industry. India has shown impressive growth to become the second largest stainless steel producer in the world," Pahuja said, while commenting on the new indirect tax regime.

"As per capita stainless steel consumption is expected to increase due to increased spend on infrastructure, construction, railways, food processing and many other end-use sectors, where stainless steel scores better than other materials on account of life cycle cost," he said.

Post GST rollout, stainless steel industry also expects reduced time for movement of goods. However, some concerns on the implementation of GST, additional compliance costs in IT network etc need to be addressed, Pahuja added.

The country's stainless steel output rose to 3.32 million tonnes during 2015-2016 over 2014-15 showing an impressive growth of more than 9 per cent, Pahuja said.

In 2016, India pipped Japan to become the second largest stainless steel producer in the world after China.

SAIL seeks NITI help to resolve differences with ArcelorMittal

PRESS TRUST OF INDIA
NEW DELHI, JUNE 25

THE COUNTRY'S largest steel maker SAIL has sought help from NITI Aayog to resolve differences with ArcelorMittal over setting up of about Rs 5,000-crore auto-grade steel plant. "SAIL has written to NITI Aayog to find a solution," an official privy to the development said.

There were differences between the two firms on certain points under the memorandum of understanding, so it was decided to extend it for another three months from the deadline of May 31, 2017, the official said.

"After the expiry of MoU, both the companies have extended the pact to conclude the

The JV between ArcelorMittal and SAIL will also focus on producing specialised grade steel products for defence, space and automobiles

deal," the official added.

SAIL could not be reached for comments.

"Now, they (both companies) are thinking of resolving the issue under the guidance of steel ministry and NITI Aayog has also stepped in," the official added.

A query sent to ArcelorMittal also went unanswered.

"Earlier, ArcelorMittal was

hell bent on its terms and conditions. But now, it is not stringent in its demands and I think the deal is on its right track," the official further said.

The much-awaited joint venture (JV) between steel giant ArcelorMittal and state-run SAIL will also focus on producing specialised grade steel products for defence, space and automobiles.

In May last year, an inter-ministerial group (IMG) had reviewed the progress of MoU.

The proposed JV will construct a cold rolling mill and other downstream finishing facilities in India, touted as one of the fastest-growing automotive markets in the world with production expected to double between 2014 and 2020, from 3.6 million units to 7.3 million units.

BUSINESS LINE DATE: 26/6/2017 P.N. 8

Metals (\$/tonne)

Aluminium	1857	0.1	-4.3	13.7	1962	1545
Copper	5781	2.5	1.5	21.0	6145	4573
Iron Ore	55	1.0	-4.9	12.7	95	50
Lead	2213	5.8	6.9	28.3	2466	1693
Zinc	2704	7.6	2.1	32.8	2971	1998
Tin	19290	-2.6	-6.7	11.7	21945	17002
Nickel	9031	1.7	-2.9	-1.6	11735	8710

Expecting demand from govt infra projects, Tata Steel rejigs Kalinganagar plant expansion

Plant will now have 8 mtpa capacity; co hopes to bring down overall project cost

SURESH P IYENGAR

Mumbai, June 25

Tata Steel plans to enhance production capacity at its Kalinganagar plant in Odisha to 8 million tonnes per annum, from three mtpa, in anticipation of incremental demand from the Centre's ambitious infrastructure spend of ₹4 lakh crore.

The company had earlier planned to double its capacity in Odisha to 6 mtpa by adding three million tonnes in the second phase. If implemented in a time-bound manner, the decision to add an extra 2 mtpa capacity in Odisha should bring down the overall cost of the much-delayed project.

TV Narendran, Managing Director, Tata Steel, told *BusinessLine* that having ramped up the capacity at Kalinganagar, the company reviewed the project and decided to go in for five mtpa instead of three mtpa by putting in a bigger blast furnace and retaining the same steel melting shop and hot strip mill as it will more capital ef-

ficient. The company has already received environment clearance for the project and the board will take a call in a month or two, he added.

Not as costly

Without commenting on the proposed investment, he said the company has already made a substantial investment in Kalinganagar and the second phase will not cost as much as the first.

As per the industry standard, a greenfield project of 1 mtpa of steel capacity calls for an investment of \$1 billion (about ₹6,400 crore). However, brownfield projects costs much less.

Despite their huge debt, rising bad loans and uncertainty over demand, steel companies have announced capacity addition to protect their market share in case the anticipated demand from infrastructure projects materialises, as envisaged by the government.

Last month, JSW Steel said it would spend ₹15,000 crore at its Dolvi plant in Maharashtra to double capacity from 5 mtpa to 10 mtpa by 2020. Tata Steel itself is adding one mtpa to its 10 mtpa Jamshedpur plant through brownfield expansion.

Asked whether banks are will-



TV Narendran, MD, Tata Steel

ing to lend to the company given the concern over bad loans in the sector, Narendran said that the high debt and other matrix of the company may not be among the best, but banks definitely have comfort with the Tata Group as it is still a marquee customer and has never defaulted on repayment.

"The question is whether we want to add more debt in our books. We are weighing various options to fund the project," he said.

Last year, the company raised ₹8,000-10,000 crore by selling equity investments in group companies and has almost exhausted that option now.

Tata Steel has a debt of ₹85,000

crore and registered an Ebitda of about ₹17,000 crore last fiscal.

"If the steel prices help we would like to reduce our debt faster and move on, but it was beyond steel companies' control and it was a perfect storm of sorts. We had issues in Europe, problems in commissioning Kalinganagar, we had our mines closed and steel prices dropped. I do not think there was anything more to add to the list of things that went wrong," he said.

"Closure of mines and steel prices dropping to decade-low levels were some of the challenges we faced. The company has come out of all these problems and is in a better position today," he said.

The Kalinganagar plant is currently producing at 2-2.3 lakh tonnes and it will be fully ramped up when it reaches the production level of 2.5 lakh tonnes.

"The production at Kalinganagar is not constrained by our ability to produce but by the logistics, like sourcing raw material, getting the ferro-chrome and enabling railway line and roads in place," he said.

Commercial production at the new Tata Steel plant in Odisha started last May and most companies look to ramp up in 18 months, said Narendran.

Gold reverses higher as dollar eases

But the presence of a resistance cluster may reduce the pace of rise this week

GURUMURTHY K

Gold price, as expected, fell initially in the past week, to a low of \$1,241. However, the US dollar weakening in the later part of the week aided the yellow metal to reverse sharply higher from this low and recover the loss made during the week.

The global spot gold has closed the week marginally higher at \$1,256 per ounce.

Silver, on the other hand, fell to an intra-week low of \$16.35 per ounce. The prices reversed higher from this low, recovering all the loss and closed the week on a flat note at \$16.7 per ounce.

On the domestic front, a weak rupee limited the downside in the gold and silver futures contract on the Multi Commodity Exchange when global spot gold and silver prices fell in the initial part of the week. The MCX-Gold futures contract dipped to a low of ₹28,448 per 10 gm and reversed higher from there to close slightly higher for

the week at ₹28,734 per 10 gm. The MCX-Silver contract, on the other hand, fell to a low of ₹37,977 per kg and bounced back from there to close the week at ₹38,488 per kg.

Dollar eases

The dollar index (97.30), reversing lower in the past week, offered respite to gold and silver prices which had fallen sharply in the previous two consecutive weeks. The index rose to a high of 97.87 by Tuesday and fell back to close the week at 97.30. The index traded under pressure despite good housing data releases in the past week. For the coming week, the GDP numbers scheduled for release on Thursday will be key data to watch. Apart

from that, US consumer confidence, personal income, personal consumption expenditure are other key data releases from the US due for the coming week.

The immediate outlook for the dollar index is negative with resistance at 97.5. A dip to test 97 is likely in the near term. A break below 97 can take the index lower to 96.45, a key support level for the index. A bounce from 96.45 can keep the dollar index range-bound between 96.45 and 98 for

some more time and can take the index higher to 97 and 98 levels once again.

Such a bounce in the dollar index may restrict the upside in the bullion price. But a strong break below 96.45 can take the index lower to 96 initially. A further break below 96 can drag it to 95 thereafter. Such a fall in the dollar index may aid the gold prices to revisit and even break above \$1,300 levels, going forward.

Gold outlook

The global spot gold (\$1,256 per ounce) has an immediate resistance at \$1,260. Inability to break above this hurdle can see prices dipping to \$1,250. In such a scenario, a range-bound move between \$1,250 and \$1,260 is possible for some time. A break above \$1,260 can see the prices rising to \$1,270. A further break above \$1,270 can take gold prices higher to \$1,275 or \$1,280 thereafter. A strong break above \$1,280 is needed for the yellow metal to gain momentum and revisit \$1,300 levels. Supports are at \$1,250 and \$1,245. The bullion will come under pressure only if it falls decisively below \$1,245. Such a break can take it lower to \$1,240 and \$1,235.

On the domestic front, the MCX-Gold (₹28,734 per 10 gm) reversed higher last week after taking support from the 100-week moving average around ₹28,450. A cluster of moving average resistances are poised between ₹28,835 and ₹28,950. A rise to test ₹28,950 is likely this week.

But whether the contract manages to break above ₹28,950 or not will decide the next move. Inability to break above ₹28,950 can pull it back to ₹28,450. In such a scenario, a range-bound move between ₹28,450 and ₹28,950 is possible for some time.

A strong break above ₹28,950 can take the MCX-gold contract higher to ₹29,200. On the other hand, a fall below ₹28,450 can drag it to ₹28,150 or ₹28,000.

Silver outlook

The global spot silver (\$16.7 per ounce) has an immediate support at \$16.5. If the prices sustain above this support, a rise to \$16.85 or \$17 is possible this week. Inability to break above \$17 can trigger a pull-back move to \$16.5. But if silver prices rise past \$17, they can extend up-move to \$17.15 and \$17.5. On the other hand, if the prices decline below the immediate support at \$16.5, it can fall to \$16.35 and \$16 in the coming days.

On the domestic front, the MCX-Silver (₹38,488 per kg) futures contract can rise to test its immediate resistance at ₹38,950. A strong break above this hurdle can boost the momentum and take the contract further higher to ₹39,550 or ₹39,700 thereafter. Key support for the contract is at ₹37,800.

The outlook will turn negative only if the contract declines below this support. Such a break will increase the likelihood of the contract falling to ₹37,000 or ₹36,450.

US data watch

- June 26: Durable goods order
- June 27: Consumer confidence
- June 29: GDP, unemployment claims
- June 30: Personal income, personal consumption expenditure

MCX Gold

Supports
₹28,450 / ₹28,150
Resistances
₹28,950 / ₹29,200

MCX Silver

Supports
₹37,800 / ₹37,000
Resistances
₹38,950 / ₹39,550

THE HITAVADA DATE: 27/6/2017 P.N. 11

'Vedanta's dream has just begun; to invest \$6-7 bn'

By Namita Tewari
NEW DELHI, June 26 (PTI)

WORKING on creating a natural resources giant anchored in India, Vedanta's dream had only just begun and it would invest USD 6-7 billion on expanding overall capacity in 3-4 years, metals and mining baron Anil Agarwal said.

Vedanta is the world's 5th largest diversified natural resources powerhouse post Cairn-Vedanta merger, achieving market capitalisation of USD 14 billion.

"Our dream has just begun. Facing very well financially dur-

ing the last fiscal, we are looking for at least 60 per cent capacity addition in our businesses in three to four years," Vedanta Resources Plc Group Chairman Anil Agarwal told PTI in a phone interview. With the Government's thrust on natural resources, the future is promising, he said.

"For expanding capacity by 60 per cent across segments, on a pro-rata basis we will be spending about USD 6 to 7 billion," said Agarwal, who is also Chairman Emeritus, Vedanta Limited.

At the same time, he said, there should be more natural resources companies anchored in India.

India could be a natural resources powerhouse with its abundant natural wealth, he said.

"We are far behind on exploration front. Our exploration of natural wealth is minuscule when we compare it with advanced nations like the US and Australia," he said, adding that government thrust could change the scenario.

The company is aspiring to produce 50 per cent of India's oil production as "it wants to cut on



Anil Agarwal

huge import bills", he said.

Vedanta Ltd is also looking at 1.2 million tonnes of zinc capacity and wants to take it to 1.5 MT later, he said. About silver, he said the company wants to double the output to 1,000 tonnes.

"We are looking at 1,50,000 barrel of oil and to have 100,000 barrel equivalent to gas," he said, adding that for aluminium, the company was looking at 3 million tonnes capacity. Tapping the tremendous pos-

sibilities of growth in demand for zinc, aluminium and copper, Vedanta managed to be the market leaders for India's Zinc Industry, primary Aluminium market, and refined copper with market shares of 72 per cent, 40 per cent and 35 per cent respectively.

Also, it is India's largest private sector Iron Ore exporter and supplier of 26 per cent of India's crude oil production.

The Chairman said Vedanta has completed a significant portion of its capital expenditure programme, that has equipped it to ramp up production in

existing assets and reap benefits of the capex spent.

In 2016-17, the company spent USD 0.7 billion capex.

Vedanta's operations span across India, Sri Lanka, Zambia, Namibia, South Africa, Liberia, Ireland and Australia.

Vedanta Ltd had reported a consolidated net profit of Rs 2,988 crore for the quarter ended March 2017.

The company recorded a 5 per cent year-on-year increase in Free Cash Flow (FCF), to Rs 13,312 crore while its 'Net Debt/EBITDA' at 0.4x, (was) lowest among peers' as per its annual report.

CBI करेगी खनन मामले की जांच



परिकर ने कहा

एजेंसियां पणजी. गोवा के मुख्यमंत्री मनोहर परिकर ने कहा कि राज्य सरकार 35,000 करोड़ रुपये के अवैध खनन घोटाले का मामला सीबीआई को सौंप सकती है. परिकर ने कहा कि हालांकि इस समय मामले की जांच कर रही पुलिस एकबार अपनी रिपोर्ट पेश कर दे उसके बाद ही राज्य सरकार इस संबंध में कोई औपचारिक फैसला लेगी.

परिकर से जब अवैध खनन घोटाले की जांच सीबीआई से कराए जाने के बारे में पूछा गया तो उन्होंने कहा सरकार ने अभी कोई फैसला नहीं लिया है. खनन घोटाला मामले में कई चीजें काफी पेचीदा हैं. इसलिए हम ऐसा करने जा रहे हैं. पहले पुलिस को अपनी रिपोर्ट पेश कर लेने दीजिए. पूर्व मुख्यमंत्री दिगंबर कामत के कार्यकाल के दौरान हुए इस घोटाले का खुलासा न्यायमूर्ति एम. बी. शहा की अध्यक्षता में गठित एक न्यायिक समिति ने 2011 में किया था. बाद में सत्ता में आने के बाद परिकर प्रशासन ने 2013 में घोटाले की जांच के लिए गोवा पुलिस के एक विशेष जांच दल का गठन किया. इस बीच विपक्ष एसआईटी की रिपोर्ट आने में हो रही देरी के लिए सरकार पर निशाना साधता रहा.

BUSINESS LINE

DATE: 27/6/2017 P.N. 3

Vedanta will invest \$6 billion on capacity expansion, says Agarwal

PRESS TRUST OF INDIA

New Delhi, June 26

Working on creating a natural resources giant anchored in India, Vedanta's dream has only just begun and it will invest \$6.7 billion on expanding overall capacity in three to four, metals and mining baron Anil Agarwal said.

Vedanta is the world's sixth largest diversified natural resources powerhouse post Cairn-Vedanta merger, achieving market capitalisation of \$14 billion.

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With the government's thrust on natural resources, the future is promising, he said.



Anil Agarwal, Chairman, Vedanta Resources Plc Group

"For expanding capacity by 60 per cent across segments, on a pro-rata basis we will be spending about \$6.7 billion," said Agarwal, who is also Chairman Emeritus, Vedanta Ltd.

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India could be a natural resources powerhouse with its abundant natural wealth, he

said. "We are far behind on exploration front. Our exploration of natural wealth is minuscule when we compare it with advanced nations like the US and Australia," he said, adding that government thrust could change the scenario.

The company is aspiring to produce 50 per cent of India's oil production as "it wants to cut on huge import bills", he said. Vedanta Ltd is also looking

at 1.2 million tonnes of zinc capacity and wants to take it to 1.5 mt later, he said.

About silver, he said the company wants to double the output to 1,000 tonnes. "We are looking at 3,50,000 barrel of oil and to have 100,000 barrel equivalent to gas," he said, adding that for aluminium, the company was looking at 3 mt.

Tapping the tremendous possibilities of growth in demand for zinc, aluminium and copper, Vedanta managed to be the market leaders for the country's zinc industry, primary aluminium market, and refined copper with market shares of 72 per cent, 40 per cent and 35 per cent, respectively.

The Chairman said Vedanta has completed a significant portion of its capital expenditure programme, that has equipped it to ramp up production in existing assets and reap benefits of the capex spend.

MCX-Aluminium contract tests crucial support zone

GURUMURTHY K

BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange spiked to a high of ₹122.6 a kg on June 20, but failed to sustain those levels and came off sharply from there.

It has fallen over 2 per cent from that high and is currently trading at ₹119.8. There is crucial support for the contract in the zone between ₹119.5 and ₹119.3. Whether or not the contract reverses higher from this support zone will decide the next move.

A strong upward reversal from the ₹119.5-₹119.3 support zone may ease the downside pressure.

It will signal that the channel pattern that has been in

place since March last year is intact. A rise to ₹122 or ₹123 is possible in the short term.

It will also keep the possibility of the contract rallying to ₹126 levels over the medium term.

Short-term traders can go long on a reversal from the ₹119.5-₹119.3 support zone. Stop-loss can be placed at ₹118.5 for a target of ₹122. Revise the stop-loss higher to ₹120 as soon as the contract moves up to ₹121.

On the other hand, if the contract declines decisively below ₹119.3 in the coming days, the downside pressure may increase.

Such a break will increase the likelihood of the contract extending its fall to ₹117 thereafter.

NGOs against proposed limestone mine in Chanda

■ By Ramesh Marulkar

DESPITE strong opposition by some NGOs, a proposal for opening limestone mining in Shedwai village, Jivati tehsil in Chandrapur district is under active consideration of the Forest Advisory Committee by diverting 293.12 hectares of forest land.

Reliable sources said that a meeting of the Expert Appraisal Committee for River Valley Projects, Ministry of Environment, Forests and Climate Change, held at Delhi on June 15 discussed the project and submitted it to the Forest Advisory Committee for granting forest clearance under

Forest Conservation Act, 1980. The proposal was submitted by New India Mining Corporation Pvt Ltd. Debi Goenkar, Executive Trustee, Conservation Action Trust, Mumbai, had submitted a memorandum to the expert committee in advance pointing out that the proposed mine is located at the inter-state boundary of Telangana and Maharashtra. The proposed mine falls in the important wildlife corridor of Tadoba-Andhari Tiger Reserve (TATR) and Kawal Tiger Reserve (KTR) in Telangana.

The main objective behind formation of Kawal reserve is to protect, restore, manage and maintain representative bio-diversity

of Deccan plateau of Sahyadri mountain ranges along with ecological processes and conservation of wild genepool with focus on tiger and to accommodate the viable spill over population by restoring the corridor with TATR and protect and manage the catchment of Godavari river. However, this project would disturb the corridor thereby impacting the movements of wild animals, Goenka pointed out. He further drew attention of the authorities concerned towards existence of

many factors impacting this landscape such as encroachments, mining, linear projects, irrigation projects etc. This new mining proj-

ect will further aggravate the situation. In fact, efforts should be made to strengthen this fragmented corridor.

He also pointed out that another proposal for limestone mining has also been submitted in the same area that requires diversion of 695.72 ha of forest land. The mine lease area is abutting to the present 293.12 ha limestone mine area.

Goenka urged the authorities concerned to consider importance of wildlife corridors and not grant forest clearance to the proposed project.

Meanwhile, Kishor Rithe, President of Satpuda Foundation

and former member of National Board for Wildlife, also opposed forest clearance to this mining project. The tiger conservation plan of TATR has made a mention of this importance corridor upto KTR. Being fragmented, tigers face hurdles in their movements. This could be one of the reasons for increasing man-animal conflict. Therefore, it is necessary to keep continuity in this corridor. He said, when a tiger reserve area is involved such proposals are sent to National Tiger Conservation Authority (NTCA) for clearance and wanted that they should also be routed through NTCA when a corridor comes into picture.

Rough Diamonds Lose a Bit of Lustre in US, But Shine Here

While US is witnessing a slowdown, demand is up in India on price-rise fears post GST

Sutanuka Ghosal
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Kolkata: Prices of rough diamonds have corrected a bit as the onset of the summer holidays slows demand for polished stones in the US, the major global market for diamond jewellery.

"Rough diamonds, which were being sold at a premium of \$7-8, are now commanding a lesser premium of \$3-4," Vipul Shah, former chairman of Gem & Jewellery Export Promotion Council (GJEPC), said. "Polished prices have remained steady. The recently held Las Vegas Jewellery show in the US was not very encouraging." Mine prices, however, do not reflect the correction, which appears restricted to the trading markets.

While rough stone prices have lost a bit of sheen, both



diamond and gold jewellery has shown good demand in India, as buyers are purchasing in anticipation that prices may go up after the Goods & Services Tax (GST) is rolled out on July 1.

According to executives, the US market is starting to experience the summer slowdown ahead of the July vacation period. Dealers are treading a cautious path as midstream polished inventory levels rise and retailers limit their orders, they said.

Dinesh Navadiya, President, Surat Diamond Associ-

ation, said that the cut and polished diamond manufacturers in the country's diamond hub are in a wait-and-watch mode ahead of the GST roll-out. "Regarding the 0.25% GST on imported rough diamonds and 5% service tax on diamond processing, we have already spoken to the Gujarat government. We are hoping that something positive will come out."

Even though diamond demand in the US has slowed down, there has been a pick-up in demand in India. Sreedhar GV, past chairman, All India

Gem & Jewellery Trade Federation, said that consumers are buying both diamond and plain gold jewellery.

"In the past one week, we have seen a tremendous increase in gold and diamond jewellery consumption. It is like a Dhanteras type of sale. We are seeing that families who have to marry off their daughters five to six years hence are buying jewellery. The demand is up by 60% in comparison to June 2016," he said.

June generally is a dull month for jewellery sales across India. "Gold and diamond jewellery prices are expected to go up in the GST regime. Therefore, consumers are on a buying spree," Sreedhar added.

However, S. Mehta, national secretary, India Bullion & Jewellers Association said that 0% GST will not make much of a difference.

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Upmove in MCX-Zinc futures gains momentum

GURUMURTHY K
B. Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) witnessed a strong rally, surging about 7 per cent in the past week, as had been expected. This has taken the contract well above the key resistance zone of ₹173-174 per kg, which had been capping the upside in the contract since April.

The contract is currently trading at ₹176.35 per kg. The break above ₹174 signals the reversal of the downtrend that had been in place since February. If the contract manages to sustain above ₹174, it will confirm the reversal and will pave the way for a further rally. Technically, the level of ₹174 may now act as a good support, and dips to this level may find fresh buyers. The immediate resistance is at ₹177.35, the 50 per cent Fibonacci retracement



level. A break above that can take the contract higher to ₹182.35, the 61.8 per cent Fibonacci retracement resistance. An inability to break above ₹182.35 can trigger an intermediate corrective fall to ₹177 or ₹175. But a strong break above ₹182.35 can take the contract to ₹185 or even higher levels.

Traders with a medium-term perspective can go long at the current levels, with a stop-loss at ₹172 for a target of ₹184. Revise the stop-loss to ₹178 as soon as the contract moves up to ₹180.

The bullish outlook may get negated if the contract declines decisively below ₹173. Such a fall will increase the possibility of the contract falling to ₹170 or even ₹165 levels once again.

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

Bullish outlook for nickel

GURUMURTHY K

BL Research Bureau

The nickel futures contract on the Multi Commodity Exchange (MCX) has risen sharply in the past week.

The contract has surged over 2 per cent, breaking above a key resistance at around ₹580 a kg. The contract is currently trading at around ₹592.

A resistance level at ₹600 is likely to be tested in the near term. An inability to break above ₹600 can trigger a pull-back move to ₹590 and ₹585.

On the other hand, if the

contract manages to break above ₹600, it will increase the likelihood of the contract extending its upmove to ₹625 or even ₹630 thereafter.

High-risk appetite traders with a medium-term perspective can go long at the current levels with a stop-loss at ₹575 for a target ₹620. Revise the stop-loss higher to ₹600 as soon as the contract moves up to ₹605.

The contract will come under renewed pressure only if it falls below ₹580 decisively. The next targets will be ₹575 and ₹570.

‘Govt resolving capital cost issues for steel sector’

GST to lower input costs for steel

OUR BUREAU

New Delhi, June 29

The government is working towards addressing the high cost of capital for the steel sector, according to the top Steel Ministry official.

Addressing industry representatives, Steel Secretary Aruna Sharma said, “We are quite aware about it (high capital cost) and we are consciously working on that. So maybe once we are ready with it and we have a bilateral dialogue with the bank’s and others, we will freeze it and move ahead with it.”

Sharma also said that the government is working towards addressing industry concerns on the functioning

of ports and rails. “The Shipping Ministry is keen on resolving concerns in the first round of meetings that have been held.”

Responding to industry worries regarding the impact of the Goods and Services Tax on the steel sector, Union Steel Minister Birender Singh said, “It is anticipated that with GST in place, the cost of raw materials will come down, making the sector competitive and boost exports.”

With GST, the time and cost of transportation and logistics is expected to come down by 40-45 per cent, he added.

Minister of State for Steel Vishnu Deo Sai said that there is a need to enhance competitiveness and quality and control the expenditure by way of reducing imports.

