खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-14

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

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 3, NO-14 , 16th – 31st JULY , 2019

BUSINESS LINE DATE : 22 /7/2019 P.N.11

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	1824	1.2	3.8	-10.7	2247	1719
Copper	6055	2.1	2.7	0.3	6572	5755
Iron Ore	118	0.6	11.4	98.9	119	59
Lead	2044	3.6	8.0	-2.5	2190	1767
Zinc	2414	-1.4	-7.0	-6.9	3017	2285
Tin	17776	-2.1	-6.2	-9.3	21914	17665
Nickel	14680	9.5	22.1	10.8	14684	10437

BUSINESS LINE DATE : 29 /7/2019 P.N.11

GLOBAL		Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals ($/tonne)						
Aluminium	1777	-2.5	-1.0	-13.3	2247	1719
Copper	5941	-1.9	-0.5	-5.2	6572	5755
Iron Ore	114	-2.9	3.9	90.7	119	60
Lead	2057	0.6	7.1	-4.1	2190	1767
Zinc	2448	1.4	-5.7	-6.8	3017	2285
Tin	17655	-0.7	-5.9	-11.6	21914	17587
Nickel	14063	-4.2	13.2	2.8	14684	10437

THE HITAVADA (CITY LINE) DATE : 16/7/2019 P.N.10

Gems & jewellery exports plunge 16.3 per cent in June to $2.8 bn

Business Bureau

GEMS and jewellery exports continued to face headwinds with June shipments plunging 16.26 percent due to the renewed bout of US-China trade wars.

Exports of gems and jewellery dipped 16.26 percent to USD 2.82 billion in June from USD 3.37 billion in June 2018, according to the data from the Gem & Jewellery Export Promotion Council released on Monday.

The continuing trade wars between the world's two largest economies have subdued Chinese demand, which is the second largest market for the country's cut and polished diamonds, Council Vice-Chairman Colin Shah said.

American president Donald Trump has renewed his threats to slap more duties on Chinese imports and the bilateral talks have not made much headway so far, creating more poor sentiment in the market. The issue has also led to slowing demand from the US which otherwise has been steady, he added. "The US-China trade wars have impacted demand for loose diamonds from China," he said.

Adding to the crisis were the lingering domestic issues, which was mostly policy-created as high Customs duty, GST, and the liquidity crisis that began with the Nirav Modi-Mehul Choski scam.

"Lack of stocks have also affected manufacturing, impacting exports," he added. On a quarterly basis, exports declined 10.38 percent to USD 9.18 billion in the April-June period.

BUSINESS LINE
DATE : 16/7/2019 P.N.13

E-auction of iron ore dumps to start in 15-20 days: Goa CM

PRESS TRUST OF INDIA

Panaji, July 15

E-auction of iron ore dumps lying across Goa will begin in the next 15-20 days, as a prelude to resuming mining operations, said Chief Minister Pramod Sawant on Monday.

Responding to a concern raised by BJP MLA Pravin Zantye in the Assembly over the crisis in the State's mining industry, Sawant said the government was working to resolve the issue.

Mining came to a standstill in March 2018 following a Supreme Court order quashing 88 leases.

"The Centre has been working to ensure that this industry resumes in a legal way...," Sawant said.

A follow-up meeting on the issue will be held next week, he said. "In the meantime, we will conduct e-auctions in 15-20 days," Sawant said.

BUSINESS LINE
DATE : 16/7/2019 P.N.4

Steel exports fall 34% in 2018-19

New Delhi, July 15

The country's total steel exports fell 34 per cent in 2018-19 to 6.36 million tonnes (MT) compared to the preceding fiscal, Parliament was informed on Monday. "In comparison to 2017-18 (9.62 million tonnes), India's total steel export has declined by 34 per cent in 2018-19 and stood at 6.36 million tonnes," Union Minister for Steel Dharmendra Pradhan said in a written reply to the Lok Sabha. He also said the government has taken appropriate measures to protect the domestic industry from unfair external competition. PTI

THE INDIAN EXPRESS DATE : 17/7/2019 P.N.14

ADDS 60,000 SQUARE KM TO INDIA'S EXPLORATION MAP

Centre signs contracts for 32 hydrocarbon blocks under OALP

ENS ECONOMIC BUREAU
NEW DELHI, JULY 16

Bids came in for 32 blocks out of the 37, but none for the coal-bed methane blocks which were carved out by Directorate General of Hydrocarbons

THE GOVERNMENT on Tuesday signed revenue-sharing contracts for 32 hydrocarbon blocks offered under the Open Acreage Licensing Policy (OALP) Rounds II and III, adding 60,000 square km to India's exploration map. State-run Oil India has won 12 blocks under the two rounds, followed by Vedanta (10), ONGC (8) and Indian Oil Corporation (1).

Reliance Industries, along with its foreign partner BP, has also got a hydrocarbon field after a gap of 11 years, as it last won in 2008 under the New Exploration Licensing Policy. OALP is a critical part of the March 2016-launched Hydrocarbon Exploration Licensing Policy (HELP).

"More production of oil and gas in the country is the priority of the government. With these contracts, more than billions will come to India's exploration sector," said petroleum and steel minister Dharmendra Pradhan.

There were eight onland, five shallow-water and one ultra-deepwater blocks under auction for OALP-II, a total of 14. Under OALP-III, out of the 23 blocks, 19 are on land (including five coal-bed methane), three in shallow water and one in deep water. No bids were received for five blocks under Round III.

Bids came in for 32 blocks out of the 37, but none for the coal-bed methane blocks which were carved out by the Directorate General of Hydrocarbons and put up for auction.

In first round of OALP, Vedanta — operator of prolific Barmer field in Rajasthan — bagged 41 out of 55 hydrocarbon blocks. HELP's hallmarks are single licence for exploration of all forms of hydrocarbons (including shale gas and CBM), a simple revenue-sharing model, and marketing and pricing freedom for developers.

Under HELP, blocks are awarded to those companies that offer the highest share of revenue to the government. However, the government was forced to dilute the revenue-sharing model for hydrocarbon exploration two years after its launch.

In several cases, irrational bidding, quoting very high revenue share to the government, even above 90 per cent at the peak production level during contract period, had raised serious concerns of back-loading of production.

It was suspected that in case of Category 1 fields with proven reserves, companies were bidding aggressively on revenue share to get hold of the assets but were slow on development plans, frustrating the government's objective of stepping up domestic production of oil and gas. The revised revenue-sharing model will be applicable from the fourth round of OALP. India has 26 sedimentary basins divided into three categories: Seven in the first category where commercial productivity has been proven. **FE**

BUSINESS LINE DATE : 18/7/2019 P.N.5

Steel, cement prices plunge amid economic slowdown

SURESH P IYENGAR
Mumbai, July 17

A weak economy and slowing infrastructure spending have taken a heavy toll on steel and cement prices.

Steel prices have plunged below the ₹40,000-mark for the first time in two years due to the low demand from the auto and white goods sectors while cement prices have started cracking since June.

Over the past few months, the price of the basic hot-rolled coil steel variety has slipped to ₹38,000-39,000 a tonne due to a sharp fall in demand. The auto sector, one of the major drivers of steel demand, has seen sales drop over the last 10 months, with the crisis in the NBFC sector squeezing lending to the sector.

Rising defaults by automobile dealers have prompted large banks such as SBI and HDFC Bank to trim exposure towards their inventory funding.

Seshagiri Rao, Joint Managing Director, JSW Steel, said steel demand is weak, growing just 6.5 per cent in April and May compared to 8 per cent in the March quarter, driven largely by liquidity constraints and bank lending curbs. Since there are few active lenders, the availability of credit at reasonable rate has become an issue, he said.

There is an anomaly in the market place with the RBI cutting key bank rates to stimulate growth while banks' lending rates are going up to unaffordable levels, he added.

Steel prices have plunged below the ₹40,000-mark for the first time in two years while cement prices have started cracking since June

Local demand

Unlike steel, cement prices are driven by local demand and availability. Any cut in output by a cement company in a particular region can push up prices substantially.

Though the average cement prices were down 2 per cent at ₹366 a 50 kg bag in June, it was up 4 per cent in the first quarter due to the sudden price spike in May to ₹375 from ₹359 in April.

Kunal Shah, Research Analyst, Yes Securities, said the western and southern regions witnessed the sharpest price decline. It was down 9 per cent in Visakhapatnam in June due to government project cancellations and a ban on illegal sand mining, he added.

This apart, he said, a liquidity crunch, slowdown in government-led infrastructure activities and onset of monsoon in a few regions impacted demand.

NAVBHARAT DATE : 18/7/2019 P.N.9

41 नए कोयला ब्लॉक की नीलामी जल्द

आपूर्ति में आ रही कमी : जोशी

एजेंसियां
दिल्ली. केंद्रीय कोयला मंत्री प्रह्लाद जोशी ने कहा कि बहुत जल्द 41 नये कोयला ब्लॉक की नीलामी की जाएगी. साथ ही, देश में उपलब्ध कोयले की गुणवत्ता में सुधार के लिए भी कदम उठाए जा रहे हैं. जोशी ने लोकसभा में प्रश्नकाल के दौरान पूरक प्रश्नों का उत्तर देते हुए कहा कि कुछ खास ताप विद्युत संयंत्रों को कोकिंग कोल की आपूर्ति के लिए हम आयात पर निर्भर हैं. इसलिए देश में उपलब्ध कोयले की गुणवत्ता में सुधार के लिए प्रौद्योगिकी के स्तर पर कदम उठाए जा रहे हैं. उन्होंने कहा कि देश में कोयले की मांग बढ़ रही है, लेकिन इसकी आपूर्ति में कमी को ध्यान में रखते हुए बहुत जल्द 41 नये कोयला ब्लॉक की नीलामी की जाएगी. मंत्री ने यह भी कहा कि वर्ष 2030 तक हम कोयले के उत्पादन के मामले में पूरी तरह से आत्मनिर्भर हो जाएंगे.

THE ECONOMIC TIMES DATE : 18/7/2019 P.N.8

PRODUCTION GROWS 9.5%; OPERATING PROFIT ALSO UP

Essar Steel Comes up with a Good Show in June Quarter

Vatsala.Gaur@timesgroup.com

Mumbai: While its bankruptcy resolution continues to negotiate fresh twists every passing month, Essar Steel has posted its best quarterly performance in the June quarter, bucking a muted business cycle in the global infrastructure industry.

Crude steel production witnessed growth of 9.5% at 1.88 million tonnes and the company posted operating profit of ₹1,120 crore in the quarter ending June. This is more than twice what Essar Steel had earned when administrators took over the debt-laden alloy-maker about two years ago, according to sources aware of the development. Net sales increased in the quarter by 3% at ₹8,100 crore.

Operating profit is also 2.5% higher than the same period last year and more than double of the March quarter, when low steel prices had hit realisations for the entire steel industry. "The improvement has come due to cost efficiency and better inventory management, aided by better product mix," said a banker aware of the resolution process. He also said that the company is meeting working capital needs through internal cash and is not borrowing anymore from banks.

A court of appeals had cleared the way for ArcelorMittal's takeover of Essar Steel in its ruling that came on July 5. The ruling, however, reduced the proceeds financial creditors were supposed to get under the previous arrangement cleared by the banks. The appeals court has now made an almost equal treatment to financial creditors and operational creditors on the proceeds.

The consortium of lenders, led by State Bank of India, has consequently moved the Supreme Court against this ruling that will slash lenders' recovery to a little more than 60% of their dues against 90% recovery anticipated earlier.

In the June quarter, Essar Steel was able to offset the effect of low steel prices by focusing on high-margin value-added products, a strategy that both Tata Steel and JSW Steel have adopted lately to cushion against volatility in the primary steel market. Earlier this month, Posco India, the Korean company's local value-added steel-making arm, said that it has signed a deal with Essar to buy 1 MT steel worth ₹5,000 crore. Also, with a pellet-making and beneficiation plant, the company was able to shield itself against volatility in iron ore prices that shot up by 50% since the beginning of this year.

From 40%, Essar Steel has graduated to producing at more than 80% of capacity, and expects to clock in 7.4 million tonnes of crude steel production this year, which would require it to utilise 86% of its rated capacity, said a banking source.

THE ECONOMIC TIMES
DATE : 18/7/2019 P.N.8

'Steel Makers Without Captive Mines May Face 20% Rise in Cost'

Our Bureau.

Kolkata: With leases for a number of merchant mines set to expire in March 2020, steel makers without captive mines, who account for about 75% of the domestic production, are likely to face up to 20% increase in costs.

This would put pressure on profitability of these companies, leading to a 300-400 basis point (3-4 percentage points) fall in Ebitda (earnings before interest, tax, depreciation and amortisation) margins in 2020-21, according to a new report by Crisil.

In March 2020, leases for more than 30 iron ore mines, which account for nearly 62 MT of iron ore, comprising 50-55% of Odisha's output, are expiring

In March 2020, leases for more than 30 iron ore mines, which account for nearly 62 million tonnes (mt) of ore — comprising 50-55% of Odisha's output and 10% of other states' production of around 10 mt — are expiring. This could lead to a 30% reduction in overall iron ore output. Significantly, all these leases are held by merchant miners.

The report said that with the expiry of iron ore mining leases nearing, there is some uncertainty about the completion and scheduling of auctions for G2 exploration licences.

Three possible scenarios could emerge, it said. In the base case, assuming auction takes place in the third quarter of 2019-20, prices are predicted to go up 15-20% in 2021 with limited supply disruption. If leases are extended by two-three years for existing mines, there will be no supply disruption.

THE HINDU
DATE : 18/7/2019 P.N.14

'Steel makers may see their margins hit'

SPECIAL CORRESPONDENT
KOLKATA

Steel manufacturers, especially non-integrated players, may see their margins coming under pressure on account of high iron ore prices, according to a Crisil research report.

The report said that iron ore prices, which contribute to around 15% of the total operating cost for non-integrated steel makers, are expected to rise ahead of the upcoming auctions and elevated global prices. As a result, this segment will see margins squeezed.

Iron ore leases, accounting for 30% of India's and half of Odisha's production, would expire in 2020, it noted.

NAVBHARAT DATE : 20/7/2019 P.N.7

शून्य दुर्घटना लक्ष्य हासिल करना लक्ष्य : राजसिंघोट

खनन मित्र एप का शुभारम्भ

व्यापार प्रतिनिधि

नागपुर. 'डिजिटल इनिसिएटिव फॉर माइनिंग सेक्टर' विषय पर एक दिवसीय सेमिनार आयोजित किया गया. खान सुरक्षा महानिदेशालय पश्चिम अंचल के तत्वावधान में श्रम एवं नियोजन मंत्रालय के अधीन विभिन्न विभागों के सहयोग से आयोजित इस सेमिनार का उद्देश्य, खदानों में व्यवस्थागत सुधार के लिए डिजिटल प्रवेश पर ध्यान देना है. इसमें सेफ्टी, उत्पादकता और अन्य महत्वपूर्ण पैरामीटर को क्रियान्वित किया जा सके. इस समारोह में नई डिजिटल पहल के रूप में 'खनन मित्र' नामक एक मोबाइल ऐप भी शुरू किया. इस ऐप को डीजीएमएस पश्चिम जोन तथा दक्षिण-पूर्व जोन रायगढ़ ने इस लक्ष्य के साथ विकसित किया है. जिससे इन क्षेत्रों की कोयला एवं गैर कोयला खदानों में कार्यरत करीब एक लाख डिजिटली कनेक्टेड कामगारों के बीच सेफ्टी के प्रति जागरूकता बढायी जा सके. उद्घाटन समारोह के बाद विविध खनन संस्थानों एवं श्रम तथा नियोजन मंत्रालय के ईपीएफओ, ईएसआईसी एवं सीएलसी विभागों द्वारा तकनीकी प्रेजेंटेशन भी किए गए. संयुक्त सचिव श्रम एवं नियोजन मंत्रालय कल्पना राजसिंघोट मुख्य अतिथि थीं. आर. सुब्रमनियन, उप महानिदेशक खान सुरक्षा ने अध्यक्षता की. आर.आर. मिश्र सीएमडी वेकोलि, एम.पी. चौधरी सीएमडी मॉयल लिमिटेड, मनोज कुमार एवं अजीत कुमार चौधरी, विनोद पिल्लई विशिष्ट अतिथि के रूप में उपस्थित थे. आर.टी. मंडेकर ने स्वागत भाषण किया. राजसिंघोट ने श्रम एवं रोजगार मंत्रालय द्वारा भारत सरकार के फ्लैगशिप कार्यक्रम 'डिजिटल इंडिया' के तहत इस पहल के महत्व का उल्लेख किया. उन्होंने खदानों में शून्य-दुर्घटना लक्ष्य की प्राप्ति में इसके महत्व को निरूपित किया.

LOKMAT (HELLO NAGPUR) DATE : 21/7/2019 P.N.1

राष्ट्रीय खाण आरोग्य संस्थेचे अस्तित्वच संपविण्याचा घाट

महाराष्ट्राला झटका । नॅशनल कौन्सिल ऑफ मेडिकल रिसर्चमध्ये होणार विलिनीकरण

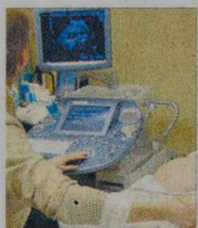
कमल शर्मा

लोकमत न्यूज नेटवर्क

नागपूर : केंद्र सरकारने महाराष्ट्राला विशेषत: विदर्भाला जोरदार झटका दिला आहे. विदर्भ आणि मध्य भारतामध्ये खाणींची संख्या अधिक असतानाही केंद्र सरकारने नागपुरात असलेल्या राष्ट्रीय खाण आरोग्य स्वायत्त संस्थेचे (एनआयएमएच) अस्तित्व संपविण्याचा घाट घातला आहे. खाणीमध्ये काम करणाऱ्या कामगारांच्या आरोग्याची जबाबदारी या संस्थेवर होती. मात्र यापुढे नॅशनल कौन्सिल ऑफ मेडिकल रिसर्चच्या एनआयओएचमध्ये त्याचे विलिनीकरण होणार असून, त्याचे मुख्यालय गुजरातच्या अहमदाबादमध्ये राहणार आहे.

केंद्राने सुरु केलेल्या या हालचालींचा विरोध सुरु केला आहे. सूत्रांनी दिलेल्या माहितीनुसार, देशामध्ये सर्वाधिक खाणी विदर्भ, छत्तीसगड, ओडिशा, कर्नाटक या राज्यांमध्ये आहेत. त्यामुळे श्रमिकांच्या हितरक्षणासाठी संस्थेचे कार्यालय नागपूर या देशाच्या मध्यवर्ती ठिकाणी असणे आवश्यक आहे. प्रत्यक्षात अन्य राज्यांच्या तुलनेत गुजरातमध्ये खाणींची संख्या कमी आहे. योजना आयोगाने लहान संस्थांनांना मोठ्या संस्थांनांमध्ये विलीन करण्याचा निर्णय घेतला आहे. त्यानुसारच राष्ट्रीय खाण आरोग्य संस्थेचे विलिनीकरण करण्याच्या हालचाली सुरु झाल्या आहेत.

» पान/५



या आहेत संस्थेच्या जबाबदाऱ्या

राष्ट्रीय खाण आरोग्य संस्था देशभरातील खाण कामगारांच्या आरोग्य हितरक्षणासाठी कार्यरत आहेत. ही संस्था कामगारांना अनेक सेवा देते. खाणीचे नूतनीकरण करताना त्यातील तीन टक्के कामगारांच्या आरोग्याची तपासणी करण्याची जबाबदारी या संस्थेवर आहे. कामगारांचे आरोग्य आणि स्वच्छतेसंदर्भातिही ही संस्था कार्य करते.

संस्था नागपुरातच असावी : अंजली साळ्वे-विटणकर

राष्ट्रीय खाण आरोग्य संस्थेच्या (एनआयएमएच) सदस्य डॉ. अंजली साळ्वे-विटणकर म्हणाल्या, श्रमिकांच्या हितासाठी संस्थेची स्वायत्तता कायम राखणे महत्त्वाचे आहे. याचे मुख्यालयही नागपुरातच असायला हवे. याचे अस्तित्व संपणे हे केवळ विदर्भासाठीच नव्हे तर महाराष्ट्रासाठी धक्कादायक आहे. महाराष्ट्रातील खासदारांनी यासाठी संसदेमध्ये प्रश्न उचलायला हवा.

CONTD.. ON PAGE 9

CONTD.. FROM PAGE 8

LOKMAT (HELLO NAGPUR)
DATE : 21/7/2019 P.N.5

राष्ट्रीय खाण आरोग्य संस्थेचे अस्तित्वच संपविण्याचा घाट

(पान १ वरुन) ही संस्था १९९० मध्ये स्थापन करण्यात आली होती.कर्नाटकातील कोलार गोल्डमाईन्स येथील आजारी श्रमिकांसाठी मदत करणे हा त्यामागील हेतू होता; नंतर २००२ मध्ये या संस्थेचे क्षेत्र वाढविण्यात आले.

देशभरातील खाणींमध्ये काम करणाऱ्या श्रमिकांच्या आरोग्याची जबाबदारी या संस्थेकडे सोपविण्यात आली. नागपूर शहर देशाच्या मध्यवर्ती ठिकाणी असल्याने या ठिकाणी हे कार्यालय स्थापन करण्यात आले होते. कोलारचा देशभरातील खाणींसोबत संपर्क नसल्याची बाब तेव्हा महत्त्वाची ठरली होती. नागपुरात या संस्थेची स्थापना झाल्यापासून देशभरातील कामगारांच्या आरोग्याकडे आणि स्वच्छतेकडे ही संस्था लक्ष पुरवीत आहे.

नागपुरात संस्थेची अत्याधुनिक प्रयोगशाळा स्थापन करण्यात आली. त्यातून कामगारांच्या आरोग्यासाठी कार्य केले जात आहे. तीन विभागांच्या माध्यामातून ही संस्था सेवा देत आहे. असे असतानाही या संस्थेला एनआयओएचमध्ये विलीन करुन अहमदाबादला स्थलांतरित करण्याची प्रक्रिया सुरु झाली आहे. ही संस्था खाण मंत्रालयाकडून काढून आरोग्य मंत्रालयासोबत जोडली जाणार असल्याचे या संस्थेच्या कार्यालयाला ई-मेलवरुन आलेल्या संदेशात सांगण्यात आले आहे. विलिनीकरणाच्या दृष्टीने सर्व्हेही झाला आहे. असे झाले तर या संस्थेच्या स्थापनेचा मूळ हेतूच संपणार आहे.

THE HITAVADA (CITY LINE) DATE : 22/7/2019 P.N.10

Steel prices dip by Rs 3,000-Rs 3,500 per tonne

Business Bureau

STEEL appears to be following the footprints of cement as prices of both the commodities are witnessing dip in the local markets. While cement prices have dipped by Rs 20 -25 per 50 kg bag recently, steel prices have registered fall of about Rs 3,000 to Rs 3,500 per tonne in a span of 40 days.

For 8 mm bars, steel saw price of Rs 33,000 to Rs 33,500 per tonne (excluding 18 per cent GST) and for 10mm to 25 mm bars, the prices touched the Rs 32,500 per tonne (excluding 18 per cent GST) mark on Saturday.

In mid June, the prices of 8 mm bars were at Rs 36,500 per tonne (excluding 18 per cent GST) and for 10mm to 25 mm bars, it were between Rs 35,000 and Rs 35,600 per tonne (excluding GST).

Rajesh Lakhotia, President of the Steel and Hardware Chamber of Vidarbha, confirmed that the prices were falling. He attributed the fall to various domestic and international parameters.

Prices of steel per tonne in Nagpur (excluding 18% GST)

Prices in	For 8mm bars	For 10-25 mm bars
February 2019	Rs 39,000-40,000	Rs 38,000-38,500
June 2019	Rs 36,500	Rs 35,000-35,600
Mid July 2019	Rs 33,000-Rs 33,500	Rs 32,000-Rs 32,500

However, he said that poor demand for steel products is one of the major reasons.

"It rarely happens when steel and cement prices fall simultaneously. But in the current scenario it is happening. So far we have been seeing price of steel going up if cement price is falling and vice versa," he said.

Lakhotia also said that the steel prices have been falling for more than a year. "The current prices of steel are at the lowest point of the year," he said.

Another dealers, who preferred not to be quoted said that the slowdown in the realty sector is reflecting in the prices.

"Construction activities are moving at a snail's pace. Apart from this, work on mega projects are also not going on at a desired level. Moreover, local dealers are not getting benefit of the mega projects coming up here and thus the demand is very low for steel and cement," he said.

Sources told *The Hitavada* that steel prices were also falling in international markets due to slew of reasons. "The trade war between US and China is negatively affecting various commodities and steel is among them. Moreover, other factors are also not looking favourable as far as demand of steel is concerned," he said. Sources also observed that steel prices would fall further in coming days. "Considering the deficit rainfall in the current season, it seems that prices of steel and cement may go down in coming days," they said.

A 'duty' to fight dumping of steel products

Move to protect local players could adversely impact solar power sector

SATYA SONTANAM

Imports of flat rolled products of steel, plated or coated with alloy of Aluminium and Zinc (Al-Zinc), might attract anti-dumping duty (ADD) soon, as recommended by the Directorate General of Trade Remedies (DGTR), an investigation arm of the Finance Ministry.

The alloy of Al-Zinc resists corrosion and is used in the infrastructure, solar power, white goods and appliances, and real estate (for roofing, walling, decking, cladding and framing) sectors.

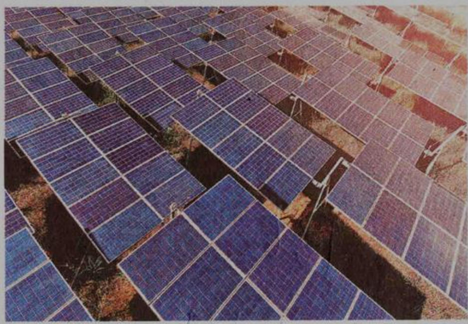
Local players at risk

The DGTR recommends anti-dumping duty to provide a level-playing field to domestic manufacturers of the product by disincentivising cheap imports. However, the move could also negatively impact the booming solar power industry.

The Finance Ministry is soon expected to take a final decision on the duty.

According to the report submitted by the DGTR to the Finance Ministry, the demand for Al-Zinc alloy has soared, with increasing orders from the solar energy sector. From 2017-18, the price of imported Al-Zinc coated steel from China, Vietnam and Korea has been substantially lower than the cost of domestically produced Al-Zinc coated steel. Domestic players who made investments in plant and machinery to manufacture alloy-coated steel have felt the pinch.

Domestic players have the capability to cater to the increased demand for Al-Zinc coated steel with similar physical characteristics and usage as imported products. Yet, their demand has been poor, and capacity utilisations are falling. Indian industry claimed that the imports of the alloy-coated steel shot up from 17,695 tonnes in FY16 to 2,02,711 tonnes in the year to September 2018. This has impacted the domestic industry's profitability: local players went from a profit of 100 indexed units in 2015-16 to a loss of 5,112 indexed units in 2017-18. The return on capital employed (ROCE), too, collapsed from 100 indexed points to 7 indexed points over the same period. The DGTR, therefore, recommended imposition of anti-dumping duty on such imports from China, Korea, and Vietnam in the range of \$68-130 per tonne, \$28-123 per tonne, and \$45-200 per tonne, respectively.



ISTOCK.COM/LOVESILHOUETTE

As per the report, anti-dumping measures would not restrict imports from those countries, and, therefore, would not affect the availability of the products to the user industries.

Solar industry takes a hit

However, the anti-dumping duties, if effected, could hurt some user industries. Al-Zinc is extensively used in solar panels to prevent corrosion from red-rust on the edges. One of the imported Al-Zinc products — PosMAC (POSCO Magnesium Aluminium Alloy Coated Steel) — is extensively used in solar panels. The 25-year economic life of PosMAC is coterminous with that of solar panels, which renders it suitable for solar structure fabrication and support structure.

According to CARE Ratings, the solar sector will require about 2.1 million tonnes of Al-Zinc-coated flat steel products to meet the ambitious solar energy target of 70 GW by 2022.

CARE reckons that the imposition of anti-dumping duty on Al-Zinc will increase the cost of solar power projects by 2 to 4 per cent and will impede the growth of solar power in India.

As an alternative to an anti-dumping duty, therefore, stakeholders from the industry suggest that the government consider providing low-interest loans to Al-Zinc-coated steel manufacturers so they can make products at competitive prices.

What will be spared?

Flat rolled steel products that are not coated with aluminium and zinc, and pre-painted or colour-coated Al-Zinc steel sheets

Short-term outlook is bullish for gold

GURUMURTHY K

Gold began the week on a stable note and turned volatile towards the end of last week. After oscillating between $1,400 and $1,430 per ounce in the initial part of the week, the global spot gold prices surged to a high of $1,446 on Friday. However, the yellow metal came-off from its high, giving back most of the gains, and closed at $1,425.37 per ounce, up 0.7 per cent for the week.

Silver, on the other hand, outperformed gold last week. The global spot silver prices sky rocketed over 6 per cent last week. The global silver prices breached the key resistance level of $14.50 per ounce and surged to a high of $16.59. However, it gave back some gains and closed the week at $16.20 per ounce.

On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) moved in tandem with the global prices. The MCX-Gold was up 0.4 per cent last week and closed at ₹35,036 per 10 gm. The MCX-Silver contract surged over 6 per cent and closed the week at ₹40,682 per kg.

MCX-Gold

Supports
₹34,900,
₹34,350
Resistances
₹35,500,
₹36,000

MCX-Silver

Supports
₹40,500,
₹39,500
Resistances
₹41,500,
₹42,000

Rate cut hopes

Increasing hopes of a rate cut from the US Federal Reserve in its meeting this month is keeping gold prices higher. The Fed is scheduled to announce its policy next week on Wednesday (July 31, 2019). Prices of the yellow metal can continue to trade higher, ahead of the Fed meeting. The actual outcome of the meeting next week will determine the direction of the next move. Since the prices have risen sharply so far, there is a strong likelihood of a sharp correction after the meeting next week.

Gold outlook

The near-term outlook is positive. The global spot gold ($1,425.37 per ounce) has cluster of supports in the broad $1,420-1,410 region and at $1,400, which can limit the downside in the near term. A strong rise to $1,460-1,470 is likely, ahead of the Fed meet. Gold will come under pressure only if it falls below the psychological level of $1,400. But such a strong down-move seems unlikely now.

The MCX-Gold (₹35,036 per 10gm) has support at ₹34,900. As long as the contract trades above this support, the outlook remains bullish and a rise to ₹35,400-35,500 is possible this week. On the other hand, if the MCX-Gold contract declines below ₹34,900, it can dip initially to ₹34,350. A further break below ₹34,350 will then increase the likelihood of the fall extending to ₹33,850.

Silver outlook

The global spot silver ($16.20 per ounce) has to sustain above $16 to retain the bullish momentum. As long as silver trades above $16, a range-bound move between $16 and $16.60 is possible for some time. A strong break above $16.60 is needed to bring back fresh momentum and take silver further higher to $17 and $17.25 levels. Silver will come under pressure if it declines below $16. A corrective fall to $14.60 and $14.50 is possible.

On the domestic front, the MCX-Silver (₹40,682 per kg) has come-off sharply after testing the key long-term resistance level of ₹41,500 last week. Immediate support is at ₹40,500; if it holds, a rise to ₹41,500 is possible again. A strong rise past ₹41,500 will see the current rally extending to ₹42,000 and ₹42,500. But if the MCX-Silver contract declines below ₹40,500 a sharp fall to ₹39,500-39,000 is possible on the back of profit-taking.

NGT panel to guage damage due to illegal sand mining

NEW DELHI, July 22 (PTI)

TAKING note of excessive sand mining in Alappad, a coastal village in Kerala, the National Green Tribunal has formed a committee to determine compensation to be recovered for damage to the environment by unsustainable illegal mining.

A bench headed by NGT Chairperson Justice Adarsh Kumar Goel constituted the committee comprising representatives from the Central Pollution Control Board (CPCB) and the Kerala State Pollution Control Board. It asked the panel to submit report within two months by e-mail and said it would be open to the regulatory authorities concerned to recover the compensation by following due procedure of law.

The tribunal passed the order recently after perusing a report by District Magistrate, Kollam, and the State Pollution Control Board which showed that mining volumes have far exceeded the sustainable mining quantity proposed.

The report shows that mining volumes have far exceeded the sustainable mining quantity proposed, NGT noted. "The long-term shoreline changes computed from the aerial photograph/satellite imageries for the period 2000-2019 shows severe erosion of mining sites of Indian Rare Earths Limited and Kerala Minerals and Metals Ltd. The shoreline retreats are to the extent of 425 metre, 382 m and 142 m respectively at Vellanathuruthu (IREL mining site), Ponmana (KMML mining site) and Kovilthottam," it said.

The report further stated that during the period of 2000-2019, the shoreline has receded by 243 m, 227 m and 57 m respectively at Vellanathuruthu, Ponmana and Kovilthottam mining sites.

The extent of deepening of the nearshore areas is more pronounced at Ponmana and Vellanathuruthu indicating severe erosion in the near shore areas, it said.

The tribunal has taken suo motu (on its own) cognisance of a news report titled "17-year-old's video gets Kerala talking of impact of sand mining."

The news report mentioned about Kavya S, a class 12 student, who made the video about the environmental impact of the decades-long black sand mining activity in her village Alappad.

Illegal sand mining being carried out in Kerala. (File photo)

THE ECONOMIC TIMES DATE : 23/7/2019 P.N.9

Status Quo on Essar Steel Sale For Now

CoC, SBI, ICICI, Arcelor had objected to NCLAT order directing financial & operational creditors be treated on a par

Samanwaya.Rautray
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New Delhi: The Supreme Court on Monday ordered that status quo be maintained for now on the proposed sale of ailing Essar Steel to ArcelorMittal till the court examined objections by the committee of creditors, lenders and Arcelor to an NCLAT order directing that financial creditors and operational creditors be treated on a par in the process of settling claims.

The top court said that it would examine the issue at length and decide the issue once and for all after hearing all sides after two weeks after receiving the formal legal views of all the parties to the case. Any order in this case is likely to impact other resolution schemes.

The NCLAT's July 5 order while upholding ArcelorMittal's bid, had created much consternation among the lending banks who form the committee of creditors (CoC), by calling for a redistribution of claims as opposed to the proposal cleared by the committee of creditors.

The lenders had dubbed the move as a disincentive to lenders' and investors. Financial creditors are those which provide long term capital by way of loans to an establishment whereas operational creditors are usually the suppliers of raw materials etc.

While the former are mostly secured creditors, operational creditors are not — the singular objection by financial creditors to be treated on par with operational creditors. The NCLAT had modified the CoC order to allow financial creditors to settle for 60.7% of their claims.

Operational creditors were also allowed to claim a similar percentage – a change from the CoC order which had directed that financial creditors be allowed to get 92.5% of their claims much to the detriment of the operational creditors.

This, the banks and the CoC, had a[…]ed was against the IBC scheme w[…]ch does not envisage such a parit[…]etween the two categories. Oper[…]ional creditors are expected to be pa[…]d only after all secured creditors have been paid off.

Reacting prima facie to their pleas, Justice RF Nariman said: "Once the commercial wisdom of the committee of creditors is in place, the tribunal cannot act as a resolution professional and distribute funds." He said that he would hear all the appeals and cross appeals against the NCLAT order soon.

Arcelor on its part has challenged that part of the NCLAT order asking it to share the profits generated from the resolution process with financial and operational creditors on a pro-rata basis. The Essar Steel's Gujarat Steel plant has been ailing since 2017.

ArcelorMittal has since won the right to bid for it and has bid over ₹42,000 crore for it. This will have to be split between the financial creditors who are owed over ₹30,000 crore and the operational creditors who are owed ₹11,969 crore.

ArcelorMittal on its part has garnered ₹3,495 crore as profits from the resolution process so far. That according to the order of NCLAT chairman and former top court judge SJ Mukhopadhaya, will also have to be shared pro rata with financial and operational creditors.

The Dispute

NCLAT's July 5 order had modified CoC orders to allow financial creditors to settle for 60.7% of their claims

OPERATIONAL CREDITORS were also allowed to claim a similar percentage – a change from CoC order which directed that financial creditors be allowed to get 92.5% of claims

Lenders & COC said the move is against IBC scheme, which does not envisage such a parity

₹42,000 cr ArcelorMittal's bid

Financial creditors are owed over ₹30K cr & operational creditors are owed about **₹11,969 cr**

THE HINDU DATE : 23/7/2019 P.N.13

SC puts on hold Essar Steel sale to ArcelorMittal

We would like to settle the issue once and for all, says court

PRESS TRUST OF INDIA
NEW DELHI

The Supreme Court put on hold the sale of Essar Steel to ArcelorMittal as it agreed to hear the appeal filed by financial lenders against the NCLAT order, saying it would like to settle the issue "once and for all." A bench of Justices R.F. Nariman and Surya Kant said the monitoring committee would continue its work till the case is heard on August 7.

"Once the Committee of Creditors (CoC), in their concerned wisdom, had decided on the division of assets, there should have been no re-distribution, like you are an Interim Resolution Professional. We would settle this issue once and for all," the bench observed.

The bench was hearing a plea by CoC of Essar Steel challenging NCLAT's July 4 order that approved steel tycoon Lakshmi Mittal-led ArcelorMittal's ₹42,000 crore bid for acquiring the debt-laden firm. The CoC had sought the quashing of the National Company Law Appellate Tribunal (NCLAT) order which had given financial creditors equal status with operational creditors in the distribution of ArcelorMittal's bid amount.

Essar Steel was auctioned under the Insolvency and Bankruptcy Code to recover ₹54,547 crore of unpaid dues of financial lenders and operational creditors.

The tribunal had said the CoC will have no role in the distribution of the bid amount and allowed claims of operational creditors such as Dakshin Gujarat, Gujarat Energy, Bharat Petroleum, Indian Oil, GAIL, ONGC, and the NTPC.

THE TIMES OF INDIA
DATE : 23/7/2019 P.N.4

Mining at Bisra Stone Lime co to resume soon

New Delhi: Mining activities at Bisra Stone Lime Company Ltd (BSLC), a limestone mining company, are set to resume soon after the intervention of minister of steel and petroleum Dharmendra Pradhan.

This will ensure workers and vendors are not affected as relevant measures are being worked out to ensure ceaseless operations. The decision was taken in a meeting chaired by the minister on Monday at the steel ministry. BSLC, a subsidiary of Rashtriya Ispat Nigam Ltd, has been mining and marketing limestone and dolomite in Sundargarh district of Odisha since 1910. BSLC had to cease operations in the last few days due to a cash crunch.

It has been agreed that the operational issues shall be sorted out. A long-term strategy shall soon be worked out and operations are expected to resume this week. TNN

BUSINESS LINE DATE : 24/7/2019 P.N.12

Gold, silver rally may not be sustainable

COMMENTARY

G CHANDRASHEKHAR

A combination of favourable factors has boosted the gold market in recent weeks, pushing the metal's price to a six-year high. Rising geopolitical tensions, continuing trade war between two of world's largest economies, central bank purchases and expectation of rate cut by US Federal Reserve have all contributed to the yellow metal's sharp price rise since early June.

Global uncertainties and relative weakness of the dollar has helped gold regain the safe haven status. Having conquered the psychological $1,400 an ounce mark and briefly touching $1,450/oz recently, the gold market has moved down to $1,415/oz levels.

A significant contributor to the price rally is speculative capital, which is often fickle. So, the big question is whether the current levels – in excess of 1,400/oz – are sustainable.

Fed rate cut

Although the Fed is set to cut fund rate on July 31, it is unclear as yet whether the cut will be sharp. In the event of a sharp cut – say 50 basis points – the dollar will see further weakness setting in, while a 25 bp cut may not have a strong impact as the market seems to have priced it in already.

Importantly, ECB will respond to the US rate cut which in turn can neutralise, even if partially, the dollar weakness.

While the euphoric conditions in the gold market are triggered by global uncertainties and flow of speculative investment funds, investors often forget that the physical market is not supportive of a price rally. If anything, physical demand for the yellow metal in two of the world's largest importers and consumers – China and India – is subdued. Record high prices in both the markets are seen constricting physical demand.

In India, gold is trading at an unprecedented level – just shy of ₹36,000 per 10 grams because of the triple impact of higher international prices, hike in customs duty and the weakening rupee. At such seemingly astronomical rates, physical demand for gold is seen taking a hit. Simultaneously, scrap sales are on the rise to take advantage of the price rise.

Need for caution

So, there is need for caution because of expectation of a good chance that global uncertainties may begin to fade. For instance, the US-Iran communication has turned somewhat conciliatory. The US-China tariff war is not expected to escalate, but de-escalate, if anything. Emerging global growth concerns may make consumers more wary of investing in an unproductive asset such as gold as cash is likely to become the king.

So, gold prices well above $1,400/oz may not really be sustainable. Once a sell-off begins, price slide will be rapid.

Silver rally

In this precious metals rally, silver has turned out to be an additional favourite for investors. Hanging on to the coattails of gold, silver prices have soared from less than $15/oz three weeks ago to breach $ 16/oz and are seen trading at a 12-month high.

Silver ETFs inflows are rising, putting the holdings at a two-year high. At the same time, investor demand is rising too. Speculative longs are raising their stakes, betting on further rise in silver prices.

However, as an industrial metal, demand for silver is on somewhat shaky ground. So, going forward, the current speculation driven rally is vulnerable to correction. Silver prices above $16/oz may not be sustainable.

A significant contributor to the gold price rally is speculative capital, which is often fickle BLOOMBERG

The writer is a policy commentator and commodities market specialist

Mauritius route: Four ships, a Hong Kong firm & Jindal Steel

JAY MAZOOMDAAR
NEW DELHI, JULY 23

AMONG THE assets disposed of by a beleaguered Noble Group, a Hong Kong-based commodity trading giant, in 2018 as part of a $3.5-billion debt restructuring were four bulk carrier vessels. The Hong Kong company owned these ships through a Mauritius company controlled jointly with Jindal Steel and Power Limited, records of Conyers Dill Pearlman show.

An investigation by *The Indian Express* shows that the chain of transactions begins in 2011 when Mudit Paliwal quit his position as co-head of global freight business at Noble Group and set up Panacore Investments Limited (PIL), backed by New Delhi-based entrepreneur Sunil Nihal Duggal. Records show that PIL was owned by Prosperity Investments Worldwide Limited (BVI) where Vision Shipping Private Ltd, a Singapore company set up in August 2011, held 90 per cent stake and Paliwal and his wife Aishwarya the remaining 10 per cent. "The understanding" between Duggal and Paliwal, records show, entitled Paliwal "to take additional 20 per cent shareholding in Prosperity at par."

While Duggal's role in Vision Shipping (Singapore), incorporated months before PIL, remains unclear, he set up Vision Shipping Private Limited in India in 2006. One of its subsidiaries Vision Shipping HK Ltd (later Nihal Group HK Limited) was incorporated in 2009. In an emailed response, Sunil Duggal denied being a beneficiary of Vision Shipping Pte Limited (Singapore), underlining that Vision Shipping Pvt Ltd (India) had "no connection with Panacore businesses" and Vision Shipping (Singapore). In May 2012, PIL placed orders with Chinese builders for four "kamsarmaxes" — 82,000-ton bulk carriers or ships — for $108 million, plus another $5 million in legal and delivery expenses.

Four subsidiaries, Core Ambition Limited, Core Forte Limited, Core Integrity Limited and Core Vision Limited, set up in Marshall Islands were to register a ship each upon delivery. Under 80:20 debt:equity ratio, the total equity requirement for purchasing the vessels was $22.5 million. In August 2012, Jindal Steel and Power (Mauritius) Limited signed an MoU with Duggal and Paliwal to pump in $9 million into PIL and its freight business company Panacore Shipping Pte Limited (Singapore).

Before JSPML's entry, records show, the already complex offshore structure had a ship-owning company (PIL), a management company (Panacore Resources DMCC, UAE) and freight business company (Panacore Shipping) under a holding company Panacore Group Pte Limited (Singapore) which was owned by Prosperity Investments Worldwide limited (BVI). Vision Shipping (Singapore) and Paliwal held shares of the BVI company at 90:10 ratio.

CEO Paliwal exited PIL in November 2013. Records show that JSPML kept pumping funds to the tune of $23 million through the year. Following Paliwal's exit, the holding structure changed and, by February 2014, JSPML held 16,000 shares in PIL and Vision Shipping Pte Ltd the remaining 4,000. In another restructuring, Vision exited the company by transferring its shares to JSPML which in turn passed on 7,000 shares to its subsidiary Blue Castle Ventures Limited (BCVL, Mauritius) in March 2014. Claiming that he did not "remember exactly" the details, Duggal said he was "director (in PIL) for a few years" and

MAURITIUS LEAKS

"JSPL complied with all the requisite regulations and made all the filings under the ODI regulations. Further, all requisite disclosures were made in the audited financial statements..."

JSPL SPOKESPERSON

Vision Shipping (Singapore) exited Panacore businesses "around the time Panacore started making huge losses."

In April 2014, JSPML sold its 65 per cent stake in PIL to Noble Chartering Limited, a wholly-owned subsidiary of Noble Group Limited. Noble Group also paid off PIL's debts to Vision and Cumulative Investments Limited, a Hong Kong company. It also settled partly what PIL owed to JSPML. The unsettled part of JSPML's loans was transferred to its subsidiary Blue Castle Ventures Limited which continued to hold 35 per cent stake in PIL.

The Jindal group removed PIL and its four subsidiaries as subsidiaries on record from April 8, 2014, the day Noble acquired JSPML's stake in the company. However, records show, Noble and Jindal were "running the business in Joint Venture basis (Jointly Controlled Entity)". In an emailed response, a JSPL spokesperson said: "The prime reason for JSPML to venture into the shipping business was to complement its increasing export and import volumes. Since JSPL did not have any experience in the shipping business, it later decided to divest the majority stake to a strategic partner and accordingly 65 per cent stake was sold to Noble Chartering which was world renowned in the shipping business. However, all the activities with respect to operations (including chartering), financing, financial accounting and reporting and management of PIL was being managed by Noble and JSPML through BCVL."

The four vessels — Ocean Ambition, Ocean Forte, Ocean Integrity and Ocean Vision — were delivered during 2014-15. By 2016, Noble Group's businesses floundered and it ran into debt. In August 2017 Noble Chartering Limited completed its takeover of PIL by acquiring the remaining 35 stake for a consideration of $1 apparently to facilitate the group's debt restructuring.

The JSPL spokesperson said: "Due to financial constraints at JSPML leading to JSPML defaulting in debt servicing commitments, JSPML/BCVL could not meet its funding commitments towards PIL and Noble continued to fund the same. PIL valuation fell drastically due to the fall in the value of the ships and the continuing operating losses incurred by PIL and JSPML/BCVL had huge liability towards Noble. Against this backdrop JSPML decided to sell its 35 per cent stake in PIL to Noble at US$1 which was hugely benefiting to JSPML as JSPML did not have to fund the past liabilities." "JSPL complied with all the requisite regulations and made all the filings under the ODI regulations. Further, all requisite disclosures were made in the audited financial statements," the spokesperson said.

It took Noble Group a year to complete sale of mortgaged Panacore vessels by September 2018 for approximately $95 million, allowing the group to retire $63 million of debt.

THE HINDU DATE : 24/7/2019 P.N.5

Uranium exploration to be non-invasive?

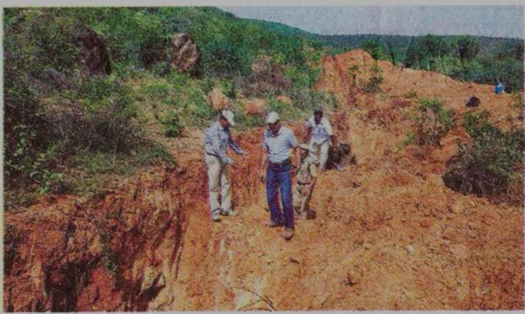
TS Wildlife Board assured in 2016; demand for fair, independent Environment Impact Assessment

SWATHI VADLAMUDI
HYDERABAD

The Telangana State Board for Wildlife was told that no invasive or destructive methods would be used for exploration of uranium in 83 square kilometres of Amrabad and Nagarjunasagar Tiger Reserve areas, when the proposal came before it in 2016.

However, the proposal by the Atomic Minerals Directorate for Exploration & Research, under the Department of Atomic Energy, which has got conditional approval recently from the Ministry of Environment and Forests, paving way for the survey, clearly has some invasive aspects.

While the term "invasive" is open for interpretations, at least a few members of the Board who attended the meeting assumed that it would be an aerial exploration for the mineral.



While the term 'invasive' is open to interpretations, a few Board members, who attended the meeting, assumed that it would be an aerial exploration for the mineral. ▪FILE PHOTO

Minutes of the first-ever meeting by the Board in December 2016, when the proposal was cleared, mentioned that the members had sought clarification from the user agency about the exploration, and were informed that "there is no involvement of any invasive or destructive methods for the exploration and no roads or infrastructure is involved."

Besides, the minutes assure that "however, since the area is falling under Amrabad Tiger Reserve, even if the presence of uranium is confirmed, mining cannot be permitted at a later stage at any cost."

Aerial surveys

A few members are now demanding that the proposal be redirected to the Board in view of the changed scope of the project. "Since the scope of project has changed significantly from aerial surveys using drones or satellite imagery to drilling of 4,000 holes... a fair and independent Environment Impact Assessment (EIA) should be conducted and the proposal should also be placed again at State and National Boards of Wildlife," says Imran Siddiqui, Director of the Hyderabad Tiger Conservation Society, who is a member of the Board.

The State Forest department knew all along that the exploration would be invasive and would require digging of 4,000 bore holes, each up to a depth of 250 feet. The project proposal submitted on March 19, 2015, also mentions two kinds of equipment, including non-core rig and compressor, and core drilling rig and pump both to be tugged on wheels.

The proposal was forwarded to the Divisional Forest Officers concerned for processing. While the DFO of Achampet Wildlife Management Division recommended in favour of the exploration in the Udumilla block, his counterpart from the Nagarjunasagar recommended against it.

The Conservator of Forests/Field Director of the reserve, who conducted the site inspection much before the Board meeting, specifically said that he agreed with the recommendations of the DFO, Nagarjunasagar and not with that of the DFO, Achampet, while dwelling elaborately on how the exploration could disturb wildlife and cause habitat fragmentation.

Notwithstanding the objections, the Principal Chief Conservator of Forests (PCCF) had recommended in favour of the proposal, with a few riders, that only existing cart tracks, roads and footpaths in the forest areas should be utilised for movement of vehicles, men and machinery; and that there should not be any felling of trees or lopping of branches, among others.

THE HITAVADA DATE : 25/7/2019 P.N.5

SC issues notices to Centre, CBI, 5 States in illegal sand mining

NEW DELHI, July 24 (Agencies)

THE Supreme Court on Wednesday sought responses from the Centre, CBI and five States on a plea which sought prosecution of entities involved in illegal sand mining.

A bench headed by Justice S A Bobde issued notices to the Centre, the Central Bureau of Investigation, Tamil Nadu, Punjab, Madhya Pradesh, Maharashtra and Andhra Pradesh on a plea which claimed that rampant illegal mining in the States was causing environmental degradation. Appearing for the petitioner, counsels Prashant Bhushan, Pranav Sachdeva and Abhishek Prasad told the bench that there were a number of legislations, rules and regulations which empower State Governments to frame rules to prevent illegal mining, transportation and storage.

In the plea, the petitioner said that Governments had violated the direction passed by the court that mining lease and environmental clearance should only be given to those entities who have an approved mining plan from the competent authority in accordance with the regulations framed for sustainable mining. The petitioner also said that "unscientific mining has caused degradation of land, accompanied by subsidence and consequential mine fires and disturbance of the water table leading to topographic disorder, severe ecological imbalance and damage to land use patterns in and around mining regions".

The petitioner also said that due to the lack of implementation of guidelines by the States, various sand mining scams had taken place across the country. Therefore, he sought direction to the CBI to register and investigate these scams. He also requested the top court to issue direction that no Environment Clearance would be accorded to any sand mining project without a proper Environmental Impact Assessment (EIA), Environmental Management Plan (EMP) and Public Consultation, and appraisal as per the EIA Notification 2006. He sought direction to all existing sand mining lease-holders to submit to the EIA, EMP and public consultation as per the EIA Notification 2006.

DAINIK BHASKAR DATE : 25/7/2019 P.N.12

सुप्रीम कोर्ट ने केंद्र और 5 राज्यों से जवाब मांगा

अवैध रेत खनन देश का मुद्दा : याची

भास्कर न्यूज | नई दिल्ली, अवैध रेत खनन के मुद्दे पर बुधवार को सुप्रीम कोर्ट ने केंद्र सरकार, सीबीआई और पांच राज्यों को नोटिस जारी कर जवाब मांगा है। इन राज्यों में मध्यप्रदेश, पंजाब, आंध्रप्रदेश, तमिलनाडु और महाराष्ट्र शामिल हैं।सुप्रीम कोर्ट में दायर एक जनहित याचिका में अवैध बालू खनन करने वालों पर कार्रवाई और इस मामले की सीबीआई जांच की मांग की गई है। एम अलगरस्वामी ने वकील प्रशांत भूषण के माध्यम से यह याचिका दायर की है। प्रशांत भूषण ने बुधवार को

जस्टिस एसए बोबडे की अध्यक्षता वाली बेंच के समक्ष कहा कि पांच राज्यों में पर्यावरण विभाग की मंजूरी के बिना बालू का अवैध खनन हो रहा है। इसके पीछे एक बड़ा बालू खनन माफिया है। उन्होंने कहा कि केंद्र सरकार को निर्देश दिया जाए कि पंजाब, मध्यप्रदेश, तमिलनाडु, आंध्रप्रदेश और महाराष्ट्र में बालू खनन के लिए पर्यावरण मंत्रालय की मंजूरी देना बंद करें।

NMDC terms ECT's steel-making technology unproven, irrelevant

Australian company had parted ways with NMDC last month

M RAMESH

Chennai, July 24

Public sector mining major NMDC Ltd, which signed a research collaboration agreement with Environmental Clean Technologies (ECT) of Australia in May 2018, has described ECT's lignite-based steel making technology as "unproven" and one that has "no business relevance for NMDC".

In response to *BusinessLine*'s report, "Miffed with 'lack of responsiveness', Australian firm ends JV with NMDC," the public sector company has said that it feels "it would not be prudent to consider investment in partnership with a company (ECT) that is precariously placed."

Accordingly, the board of NMDC has decided that the company should not go ahead with the proposal for a collaborative research project, at the heart of which is a ₹150-crore pilot for producing steel.

ECT owns patents for the MATMOR technology that uses low-cost lignite, instead of the costly coking coal, for making steel.

In May 2018, after a few years of negotiations, ECT, NMDC and another PSU, NLC India Ltd, signed the agreement in Australia. While the boards of ECT and NLC ratified the agreement, NMDC's did not.

Last month, ECT put out a statement telling its shareholders essentially that it was parting ways with NMDC, while still continuing with NLC, based on which *BusinessLine* published a report.

'Highly inflated'

In response, NMDC has observed that ECT had "highly inflated" the value of its technology and that ECT's "credentials were not found to be attractive enough by NMDC to agree for a huge investment in this project."

It also noted that ECT has been making losses and had expressed its (ECT's) inability to provide bank guarantees.

"The technology proposed by ECT is unverified/unproven and has no business relevance for NMDC," the PSU said.

When told about NMDC's letter, ECT Chairman Glenn Fozard said: "There are a number of factual and material errors that NMDC have failed to identify in their correspondence to you. However, given that confidentiality of the signed MoU survives the termination, we are cautious about correcting this correspondence."

He said ECT intends to pass on NMDC's letter to the Indian High Commissioner in Australia, (HM Gondane, who was present when the three partners signed the agreement in May last year), the Australian High Commission in New Delhi "and our legal team and seek their guidance."

The discord

- ECT owns patents for the MATMOR technology that uses low-cost lignite, instead of costly coking coal, to make steel
- In May 2018, ECT, NMDC and NLC had signed an agreement in Australia for a research pilot project
- Boards of ECT and NLC ratified the MoU, but NMDC's did not
- NMDC observed that ECT had "highly inflated" the value of its technology, which also has no relevance for the PSU

THE HINDU DATE : 25/7/2019 P.N.7

Sand mining: SC seeks reply from Centre and five States

Notice issued to Tamil Nadu and Andhra Pradesh, among others

LEGAL CORRESPONDENT
NEW DELHI

The Supreme Court on Wednesday sought a response from the Centre and five States to a plea for a CBI probe into rampant illegal beach and river sand mining, which was causing severe ecological imbalance, disturbance in water tables and land degradation.


A sand mining site in Ramanathapuram, Tamil Nadu.

A Bench led by Justice S.A. Bobde issued notice to the Centre, Tamil Nadu, Maharashtra, Andhra Pradesh, Punjab and Madhya Pradesh on the alarming extent of illegal sand mining activities with scant regard to the Sustainable Sand Mining Management Guidelines of 2016.

"Unscientific mining has caused degradation of land, topographical disorder and damage to land use patterns in and around mining regions," said the petition filed by M. Alagarsamy through advocate Pranav Sachdeva.

The plea said armed miners "run the racket" and caused a loss of thousands of crores of rupees to the public exchequer.

The 2010 Guidelines had not been implemented in consultation with the States to maintain sustainable mining practices and to check illegal activities which harmed the ecology, it noted. Mr. Alagarsamy referred to media reports saying investigation in Tamil Nadu revealed illegal mining of one crore metric tonnes of beach sand from Tirunelveli, Thoothukudi and Kanniyakumari districts.

BUSINESS LINE DATE : 25/7/2019 P.N.15

Supreme Court notice to Centre, CBI, 5 States on plea against illegal sand mining

PRESS TRUST OF INDIA

New Delhi, July 24

The Supreme Court directed the Centre, the CBI and five States to respond to a plea that sought investigation into illegal sand mining and termination of leases of entities concerned.

A Bench headed by Justice SA Bobde initially asked the petitioner to approach the respective High Courts with his grievance but later issued notices to the Centre, the CBI and Tamil Nadu, Punjab, Madhya Pradesh, Maharashtra and Andhra Pradesh. The plea has alleged that illegal sand mining across the country has damaged the environment. During the hearing, the Bench told advocate Prashant Bhushan, who appeared for the petitioner M Alagarsamy, that they should move the High Court first.

"We want to have advantage of a High Court order so that we can decide it properly," the Bench, also comprising Justices R Subhash Reddy and BR Gavai, said.

'Environmental havoc'

Bhushan said that 'environmental havoc' has been created due to illegal sand mining and the authorities concerned have allowed entities to carry out mining without even the mandatory environmental plan and clearance.

"This (illegal sand mining) is a rampant problem across the country and it needs to be tackled," Bhushan told the Bench. In his plea filed through advocate Pranav Sachdeva, the petitioner highlighted the issue of illegal sand mining in rivers and beaches across the country. It claimed that States have the onus of regulating sand mining but they have been unable to curb the illegal activities.

"Due to the lack of implementation of guidelines by the States, various sand mining scams have taken place across different parts of the country," he said in the plea.

It added that the citizens' right to life is being gravely affected as not only is the environment being adversely affected, but even the law and order situation has worsened.

It said the authorities should be directed that no environmental clearance would be accorded to any sand mining project without proper Environmental Impact Assessment (EiA), Environmental Management Plan (EMP) and public consultation as per the EIA notification of 2006.

THE HITAVADA(CITY LINE) DATE : 26/7/2019 P.N.10

VED readies Mining Policy recommendations for GoM

Business Bureau

THE Vidarbha Economic Development Council (VED) with the Maharashtra State Mining Corporation (MSMC) organised a two-day Mining Conclave, "MINCON – 2019 - Minerals in Maharashtra – Potential & Opportunities" in February 2019, one of the significant outcomes of which was the Chief Minister, Devendra Fadnavis, giving the responsibility to VED and MSMC of drafting recommendations for the formulation of the State Government's Mining Policy to VED. The deadline for the same was June 2019 in time for the Assembly Session when it could be tabled.

Fadnavis appealed to the stakeholders and the experts in the mining industry to come forward and suggest a framework for a mineral-processing zone comprising the incentives required, concessions to be given, etc., and assured that within due course the Government would declare the new mineral policy so that our state can compete with the neighbouring states in terms of mining exploration.

"As per the mandate of MINCON and the CM's wish, VED, after extensive deliberations with stakeholders, mine-owners, mining experts, and legal experts, finally came out with the recommendations well within the deadline which it has, since, submitted to the Government through the MSMC," said Shivkumar Rao, President, VED Council.

The focus areas of the policy emphasized ease of doing business by investors, stakeholders, mine-owners in this sector by streamlining policy matters mainly for minor materials, not major ones which are the responsibility of the Central Government. The recommendations have very clearly laid down the roadmap for leases expiring in 2020 and also the concern of the investors wherein long leases are not granted by the Government. VED has urged the Government to obtain all necessary clearances, particularly with regard to the environment, and only then put up the mines for auction.

Legal expert in this sector, VED member, Bhupesh Shukla, VED Vice-President and expert on minerals, Pradeep Maheshwari and mining expert, Arun Deoras, deliberated on matters in their minute details and readied the policy recommendations.

THE TIMES OF INDIA
DATE : 26/7/2019 P.N.1

DAE notifies ban on pvt mining of atomic minerals

The department of atomic energy has notified that exploring rights of atomic minerals rest only with government agencies. The notification is significant for Tamil Nadu, which faces illegal mining of beach sand. In a gazette notification in February, the Centre had banned beach sand mining by private firms.

BUSINESS LINE
DATE : 26/7/2019 P.N.3

Ambuja Cements net rises 19% to ₹623 crore on better realisation

OUR BUREAU
Mumbai, July 25

Ambuja Cements, a part of Lafarge-Holcim group, has reported that its net profit in the June-quarter was up 19 per cent at ₹623 crore (₹525 crore) largely due to higher realisation and lower raw material cost.

The company's net sales was up 8 per cent at ₹6,925 crore (₹6,683 crore). Its sales volume was down 4 per cent at 13.02 million tonnes (13.61 mt).

Ebitda increased 15 per cent to ₹1,484 crore (₹1,294 crore). While the cost of fuel increased, it was partly offset by the lower cost of raw materials and supply chain efficiencies.

On a standalone basis, the net profit was up 15 per cent at ₹412 crore (₹358 crore) while sales were down marginally at ₹2,912 crore (₹2,927 crore). The company had received ₹132 crore as dividend in March quarter from its subsidiary ACC.

Vedanta welcomes South African court decision to block sale of Zambia mines

PRESS TRUST OF INDIA
New Delhi, July 25

Vedanta Resources on Thursday welcomed a South African court's decision to block sale of its mines in Zambia, saying the company is committed to resolving the current situation through arbitration.

Earlier this week, South Africa's high court ordered Zambia to halt sale of Vedanta Resources' Konkola Copper Mines (KCM) until a final decision is made through arbitration. Further, the company said it is unable to comment on the process currently underway in Zambian courts.

THE HITAVADA DATE : 26/7/2019 P.N.12

Russian steel firm to invest Rs 6,800 cr in Mah by 2022

MUMBAI, July 25 (PTI)

RUSSIAN firm Novolipstek Steel (NLMK) will invest Rs 6,800 crore in two phases by 2022 in Maharashtra, where it wants to set up its maiden plant, the State Government said on Thursday.

The Maharashtra Government will extend all required cooperation to the Russian steel company to set up facilities in the State, said Chief Minister Devendra Fadnavis here. The senior Directors of the leading steel company of Russia called on the Chief Minister at his official residence Varsha in south Mumbai.

During the meeting, Fadnavis assured them all cooperation from the Government.

A statement from the Chief Minister's Office (CMO) said NLMK, famous globally for their electric steel production, and has evinced interest to set up their maiden project in Maharashtra.

The company has been allotted a plot in Aurangabads DMIC (Delhi-Mumbai Industrial Corridor) Shendra or Bidkin and the Government has given its consent to hand over this land to them, the release said.

In the first phase, there will be an investment of Rs 800 crore. The second phase will begin in 2022 which would envisage an investment of Rs 6,000 crore, it said.

NLMK is investing Rs 800 crore in Auranagabad DMIC in the first phase and will expand it further with Rs 6,000 crore investment by 2022, CMO said in a tweet.

This project will be in Aurangabads Auric (Aurangabad Industrial City).

The company is expected to boost investment in the State which would create more job opportunities. Therefore, the Government would extend all possible cooperation to the company at all levels, the Chief Minister assured.

NAVBHARAT(NAGPUR PLUS) DATE : 26/7/2019 P.N.7

फेरोअलाय क्लस्टर करें विकसित

विदर्भ में है प्रचुर संभावनाएं

खनिज संपदाओं का होगा भरपूर उपयोग

स्थानीय युवाओं को मिल सकेगा रोजगार

VED ने कहा जल्द हो निर्णय

व्यापार प्रतिनिधि

नागपुर. विदर्भ में एक वक्त फेरोअलाय कम्पनियों की भरमार थी, प्रतिकूल माहौल में भी इन कम्पनियों ने स्वयं को खुद के बल पर स्थापित किया था. आज अगर सरकार का समर्थन मिलता है, तो इस क्षेत्र को पुनः विदर्भ में बड़े पैमाने पर स्थापित किया जा सकता है. इससे जहां विदर्भ की खनिज संपदाओं का बेहतर इस्तेमाल होगा, वहीं स्थानीय युवाओं को बड़े पैमाने पर रोजगार भी मिल सकेगा. विदर्भ जनकल्याण व विकास संस्थान (वेद) का मानना है कि यह सही वक्त है कि विदर्भ में फेरोएलाय क्लस्टर की स्थापना की जाए.

वेद के अध्यक्ष शिवकुमार राव ने कहा कि जब कोई स्पोर्ट नहीं था तब से यह उद्योग पनपता है. आज सरकार और सरकारी नीतियां काफी अनुकूल हैं. नीतियों का लाभ लेते हुए इन उद्योगों को प्रोत्साहित कर करोड़ों रुपये के निवेश को आकर्षित किया जा सकता है. उन्होंने कहा कि इस उद्योग को कच्चा माल चाहिए और बिजली दर कम होनी चाहिए. मैंगनीज ओर और आयरन ओर की प्रचुरता है. वहीं सरकार ने रियायत दरों पर बिजली देने की घोषणा कर दी है. इसलिए कहा जा सकता है कि इस उद्योग को बढ़ावा देकर विकास को गति प्रदान की जा सकती है.

MSMC करे पहल

राव ने कहा कि राज्य खनन विकास महामंडल (एमएसएमसी) को इसके लिए अधिकृत करना चाहिए. एमएसएमसी को पहल करनी चाहिए और राज्य सरकार को चाहिए कि इस एजेंसी के माध्यम से क्लस्टर की स्थापना करे. इससे एमएसएमसी का महत्व भी बढ़ेगा और विकास को सुनियोजित तरीके से किया जा सकेगा. कम्पनियों को जो भी चाहिए, वह देने की जिम्मेदारी उठानी चाहिए.

उन्होंने कहा कि 20-30 वर्ष पूर्व जो कम्पनियां थीं, वे विविध कारणों से संकट में आईं. सबसे बड़ा संकट ऊंची बिजली दरों का था. आज परिस्थिति अनुकूल है. सरकार बात सुन रही है और बिजली की दरें भी कम है. ऐसी परिस्थिति में बंद पड़ी या संकट से गुजर रही फेरोएलाय इकाइयों में जान फूंकने का भी प्रयास करना चाहिए.

सचिव राहुल उपगलनावार ने कहा कि आज कच्चे माल को हम सीधे दूसरे क्षेत्रों और देशों में भेज रहे हैं, जिससे क्षेत्र को कुछ भी लाभ नहीं मिल रहा है अगर इन खनिजों का प्रोसेस स्थानीय स्तर पर होगा, तो निश्चित रूप से अर्थव्यवस्था को लाभ होगा, वहीं रोजगार सृजन करने में काफी मदद मिलेगी.

मौका है अच्छा

वेद का मानना है कि इस ओर ध्यान देने का यह बेहतर मौका है. एक क्लस्टर को मंजूरी देने की जरूरत है और राज्य सरकार सुविधाएं दे, तो हजारों करोड़ के निवेश को आकर्षित करने में तकलीफ नहीं होगी. एमएसएमसी को नोडल एजेंसी बनाने से रास्ता और भी आसान हो सकता है. विदर्भ में मैंगनीज़ ओर, आयरन ओर, डोमोलाइट, लाइमस्टोन, क्वार्टज, कोल आधारित उद्योग को बढ़ावा देने का यह सही मौका है.

BUSINESS LINE DATE : 27/7/2019 P.N.14

Voltas' mining & construction gear division hopes to hit pay dirt in India

Expects operations to pick up on higher govt infrastructure spending, PSU rejig

SHOBHA ROY

Kolkata, July 26

The mining and construction equipment division of Voltas Ltd, which currently earns more than two-thirds of its revenues from international operations, expects India operations to pick up.

According to Ranjit Ravindran, Business Head – Mining, Voltas Ltd, higher infrastructure spending by the government coupled with the disinvestment plan will help grow the division's'India business.

"International business contributes about 70 per cent of our revenues and increasing year-on-year. The share of India business is also likely to grow moving forward," Ravindran told *BusinessLine*.

The segment is likely to see a growth of 5-8 per cent both from domestic and international businesses this year.

PSUs are set to take initiatives to bring in efficiencies in operations. "If government holding in these PSUs comes down, we will see a lot of investments by FIIs happening. So, the independence and accountability of boards will become high. That is where bringing in global standards in maintenance and safety practices will be required," he said.

The ₹6,693-crore Voltas has three divisions — Unitary Products that deals with consumer durables such as air-conditioners, air-coolers, and other refrigeration products; Projects, where it acts as an MEP operator both within the country and overseas; and Engineering Products and Services, which has two segments, Textile Machinery and Mining & Construction Equipment.

The consumer durables business accounts for 50-51 per cent of the company's total turnover; the projects group contributes 47-48 per cent while the remaining comes from the Engineering Products and Services business.

Though the third segment's share in the turnover is small, it contributes in terms of profitability because of its "asset light model", he pointed out.

According to Ravindran, the Engineering Products and Services business has consciously moved away from being a "pure distribution outlet" to an "independent service outlet" in the past five-six years.

Ranjit Ravindran, Business Head - Mining, Voltas DEBASISH BHADURI

Focus on consolidation

Ruling out any immediate plans of diversifying into new geographies, he said that consolidation would be the key to growth in the current economic scenario. Diversification cannot always ensure that the risks are mitigated.

The company works with Vale in Mozambique, which accounts for about 95 per cent of its revenues. The remaining 5 per cent comes from Jindal Steel in Africa.

"It is a conscious decision (not to diversify) otherwise we could have expanded to other African countries because we work there through Tata Africa which has presence in almost all the countries," he said.

The Indian mining industry is likely to see a lot of consolidation and public sector organisations will look at optimisation of assets.

"Lot of consolidation and asset optimisation would happen in the industry, particularly with public sector companies where there is a dearth of manpower and skill-sets," he pointed out.

Rough Trade: Customs Cracks Down, Diamond Industry Cries Foul

Shailesh Menon

A packet of stones bearing the label 'rough diamonds' recently found its way to the customs department in Mumbai. It was part of a consignment for a city-based diamantaire, one of many similar packages. The accompanying shipping bill pegged its value as high as any high-yielding, rough-cut diamond lode. But the stones in this particular packet were quartz--they weren't diamonds. It wasn't a packing error, or a case of wrongful disclosure. What it represented, according to the customs department, was evidence of a scam that's been brewing in the Indian diamond industry over the past few years.

The trade, which imports roughs for polishing, acknowledges the presence of bad apples but allege that the customs department is harassing them indiscriminately. India processes close to 70% of the world's polished diamonds in terms of value and 92% in terms of number of pieces.

"There are a few dishonest diamantaires and they should be punished. But what's the point harassing 7,000-odd genuine diamond traders?" said one trader who didn't want to be named.

The Mumbai customs crackdown began with an office note to all assessors clearing consignments of roughs in the first week of May. It listed a set of "declaration/disclosure rules" that importers have to comply with. They had to specify origin by country and mine, size, shape, type, colour and other key details. This would allow the customs department to assess their value and not just wave the consignment through as had been the practice.

"This diktat, asking rough diamond importers to make very specific declaration, is not helping any cause whatsoever--it's only adding to our existing challenges," said Colin Shah, vice chairman of the Gems & Jewellery Export Promotion Council (GJEPC).

Customs department officials say that fake roughs are being sent to India to generate bank credit, which is then sent overseas. Over the past few years, several diamond traders have opened offices in tax-friendly jurisdictions such as Dubai, Singapore, Tel Aviv and Antwerp. Many of these are manned by close relatives or trusted employees of diamond manufacturers in India.

These foreign offices buy roughs from mining companies directly, empty the packets and refill them with spurious roughs, half-baked lab diamonds and even stones, according to the customs officials. The refilled packets are sent to India with shipping bills generated by the overseas offices of the Indian diamantaires. These bills are then used to raise bank credit and the money is siphoned off through the overseas offices, according to the officials.

"The money, received by way of bank funding for 90-180 days, is sent overseas," said another customs official. "This money will then be diverted for other purposes such as investing in the stock market or real estate. They may even bet on horses or on IPL (Indian Premier League) matches with that money."

Bharat Diamond Bourse

CONTD...ON PAGE 27

CONTD...FROM PAGE 26

A pile of white grey uncut and rough diamonds on birch wood

sources say the new rules have helped corrupt customs officials demand bigger bribes. Some diamond importers said they have been forced to pay to get their parcels released.

Customs officials retort that raising revenue isn't the reason for the move.

"The idea is not to increase import duty collections," said one. "At 0.25% IGST (integrated goods and services tax), these collections are negligible anyway. We're more concerned about the hawala racket that is going around import of roughs."

The traders see the "additional declarations" as being antithetical to the much-touted ease-of-doing-business policy, one of them said.

Customs officials say foreign offices buy roughs, refill the packets with spurious roughs and send to India with shipping bills. These are used to raise bank credit and the money is siphoned off through the overseas offices

The move will reduce imports of roughs, hurting the diamond cutting and polishing industry, according to traders. Many are looking to route roughs through Surat, Kolkata, Delhi and Chennai, where customs clearance is regarded as relatively less onerous.

Various industry bodies are said to be lobbying the government at the top levels, seeking an immediate intervention in the matter. But for now, most importers are adhering to the specifications sought by the customs department.

"We're fine with any number of packets coming to us from a miner," said one of the officials cited above. "Miners give clear details of packet content on their shipping bills. Our problem is when we don't know where the packets are coming from, and what quality of roughs are there in the packet."

According to diamond traders, ascribing a precise valuation to roughs is next to impossible and such a practice is not followed in centres such as Antwerp or Tel Aviv. Besides that, even in the Kimberley Process manuals, there has never been any attempt to describe roughs in the manner that the customs department has sought. The Kimberley Process is a certification scheme that was put in place to stop conflict diamonds from being trafficked through regular channels.

"Valuing rough diamonds is a very subjective matter," said Sanjay Shah, a senior partner at KBS Diamonds, India's largest diamond-studded jewellery exporter. "Roughs that come to India are often 'run-of-the-mine' parcels--they're not sorted for quality or yield. These are packed in smaller packets after doing preliminary mine-level assortment. These are then shipped to polishing hubs like India. Many a time, these are shipped at gross wholesale prices – for example from $5 to $500. Nobody can tell the exact value or nature of roughs inside the packet."

Traders add that miners such as Alrosa, Dominion, Rio Tinto and DeBeers have their own set of classifications for roughs. Grading parameters and terminologies also vary for mines located in different countries.

"If we mention the mine specification in the shipping bill, and if the customs appraiser evaluates (or) grades the packet differently, traders may be held for custom misdeclaration, which is a serious charge," Shah said.

One customs official said he found it hard to believe that importers would have little idea about the value or provenance of the stones.

"Do you believe these traders would pay money for roughs without ascertaining their yield potential?" he said.

Many traders view the declaration rules as a fallout of the scam that Nirav Modi and Mehul Choksi allegedly perpetrated at Punjab National Bank. They point to the industry's substantial contribution to the economy–exports worth $25 billion annually and providing employment for more than 1 million people. That should persuade the customs department to be more lenient, they feel.

THE HINDU DATE : 27/7/2019 P.N.15

Mining firm Vedanta's first quarter profit slides 12%

Revenue also lower on account of fall in commodity prices, says company

SPECIAL CORRESPONDENT
NEW DELHI

Mining giant Vedanta saw its Q1 attributable net profit fall 12% to ₹1,351 crore, the company announced on Friday.

The company had registered an attributable net profit of ₹1,533 crore in the same quarter of the previous year.

"Revenue in Q1 FY2020 was at ₹21,167 crore, lower 4% y-o-y, primarily due to lower commodity prices partially offset by higher aluminium sales, volume addition from ESL [Electrosteel Steels Ltd.], commencement of Gamsberg mine and currency depreciation," the company said in a statement.

The company said that its EBITDA for Q1 of the current financial year stood at ₹5,188 crore, lower by 20% compared to the same quarter of 2018-19, mainly due to lower

commodity prices partially offset by easing of input commodity inflation, rupee depreciation and volume addition from the ESL acquisition.

The EBITDA margin during the quarter was at 27% compared to 34% in Q1 of the previous year.

"Gross debt was at ₹59,517 crore on June 30, 2019, lower by ₹6,708 crore as compared to March 31, 2019," the company said. "This was mainly due to repayment of debt at Cairn India Holding Limited (CIHL), Vedanta Limited Standalone and temporary borrowings at Zinc India." The company's net debt stood at ₹28,743 crore on June 30, 2019, higher by ₹1,787 crore compared to its level on March 31, 2019, primarily due to working capital unwinding and regrouping of lease liability to borrowing due to INDAS 116 implementation, the company added.

"Our businesses stayed resilient in a quarter with low commodity prices and uncertain market environment and we continued to ramp up across the key verticals, zinc and oil and gas," Srinivasan Venkatakrishnan, CEO of Vedanta said. "Silver is outperforming as we climb up the ranks among the top global silver producers."

The company's aluminium business is steadily moving towards its target cost, Mr. Venkatakrishnan added.

The company also announced that Cairn India Holdings Limited, an overseas subsidiary of Vedanta, and Volcan Investments Limited had agreed to unwind entirely the structured investment entered between them in December 2018 ahead of the original schedule.

"With this, Volcan will exercise the early exchange option available to it on July 26, 2019 and consequent to this the full exchange of its two issues of mandatory exchangeable bonds secured by shares in Anglo American plc, will settle on August 12, 2019," Vedanta said. "The share price of Anglo American has close to doubled, since Volcan invested, delivering attractive gains to all investors."

Sells stake in Anglo American

PIYUSH PANDEY
MUMBAI

Anil Agarwal-led Vedanta Limited has sold its stake in Anglo American with superior gains, giving rest to speculation that the mining baron will launch a bid to acquire the global miner.

However, the sale, with a net gain of over $100 million, couldn't enable the firm to improve its profitability as net profit for the first quarter fell 12% to ₹1,351 crore.

THE HINDU DATE : 27/7/2019 P.N.7

Singareni Collieries posts ₹1,766 cr profit in 2018-19

Financial results of company announced at Board of Directors meeting

SPECIAL CORRESPONDENT
HYDERABAD

The Singareni Collieries Company Limited (SCCL) has posted a profit after tax of ₹1,766 crore for 2018-19 with an increase of 50% compared to the profit achieved in the previous year.

Financial results of the company were announced at its Board of Directors meeting held here on Friday by Chairman and Managing Director N. Sridhar.

He stated that he would soon meet Chief Minister K. Chandrasekhar Rao for a decision on the share of bonus to be paid to the company's workers from out of the profit.

The company has achieved ₹1,177 crore profit after tax for 2017-18 and it is ₹589 crore higher this year. According to the officials, the company's turnover during 2018-19 was ₹25,828 crore with 64.4 million tonnes of coal production and 67.7 million tonnes of dispatches.

In 2017-18, the company's turnover was ₹21,323 crore with 62 million tonnes of production and 64.6 million tonnes of dispatches. Mr. Sridhar told the Board of Directors that the growth rate of profit over the last five years was 322% as the profit after tax of the company was only ₹418.74 crore in 2013-14. Such a phenomenal growth, which he said was not possible even to Maharatna companies and other major public sector undertakings, was possible due to the reforms initiated during the period with the guidance of the Chief Minister, the CMD noted. Appreciating the employees' contribution in the company's growth, Mr. Sridhar asked them to work with relentless dedication to achieve higher goals and records.

The board meeting was attended by Special Chief Secretary (Energy) Ajay Misra, Principal Secretary (Finance) K. Ramakrishna Rao, Deputy Secretary in the Ministry of Coal P.S.L. Director in the MoC Mukesh Chowdhary and Directors of SCCL S. Shankar (E&M), S. Chandrasekhar (Operations and PA&W), B. Bhaskar Rao (Planning & Projects), N. Balaram (Finance) and Company Secretary G. Srinivas.

BUSINESS LINE DATE : 27/7/2019 P.N.15

JSW Steel plans to raise ₹17,000 crore

To meet capex among other needs

SPECIAL CORRESPONDENT
MUMBAI

JSW Steel is planning to raise as much as ₹17,000 crore by way of redeemable non-convertible debentures in the domestic market and non-convertible, senior unsecured fixed rate bonds in the international market.

The company plans to raise ₹10,000 crore in the domestic market largely to replace short-term loans, meet long-term working capital requirements, capital expenditure and for general corporate purposes.

From the international market, JSW Steel plans to raise $1 billion to meet its capital expenditure and repayment of outstanding loans to the company and general corporate purposes in the case of issuance from overseas subsidiaries.

"The Board has also authorised the Finance Committee of Directors to decide on all matters relating to the aforesaid proposed issuance, including finalisation and approval of the detailed terms and conditions of issue and the type and number of bonds to be issued," the company said in a statement. JSW Steel net profit for the first quarter fell by over 56.9% to ₹1008 crore due to fall in sales due to subdued steel demand.

BUSINESS LINE DATE : 27/7/2019 P.N.13

AP issues notice to 2,680 mining, industry projects on compliance

OUR BUREAU
Hyderabad, July 26

A whopping 2,680 mining and industrial projects have been issued notices by the Andhra Pradesh Pollution Control Board (APPCB).

The reason cited is non-compliance of filing their two consecutive half yearly, environmental clearance (EC) compliance reports to the State Level Environment Impact Assessment Authority (SEIAA).

The Chief Minister, YS Jaganmohan Reddy and Principal Secretary, environment, forests, science and technology department reviewed the environmental protection and pollution scenario recently.

Consequently, the APPCB issued a circular on July 9, stating that if the project proponents failed to upload or submit two consecutive, half yearly compliance reports to the concerned authority, action will be initiated for cancellation/revocation of prior EC issued.

During review, it was observed that EC was given to 2,839 projects and proposed ones during the period October 2007 to June, 2019. Out of these, 2680 projects had to file their half yearly compliance reports. The APPCB uploaded the circular on its website.

THE HITAVADA DATE : 28/7/2019 P.N.6

Govt prohibits mining of atomic minerals by private entities

Zirconium, hafnium and thorium are important strategic elements used in country's nuclear power programme, and since monazite and zircon occur in beach, any loss of these minerals at any stage of mineral handling or processing "shall affect the larger national interest", said a gazette notification

NEW Delhi, July 27 (PTI)

THE Government has prohibited mining of atomic minerals by private entities and will grant operating rights to only State-run companies to "safeguard" strategic interest of the country, according to a gazette notification issued on Saturday.

Atomic minerals zirconium, monazite and thorium are found in abundance along several beaches of the country.

Zircon have potential applications in the strategic, defence and hi-tech sectors as it contains an important strategic element, called hafnium, which is used in the field of atomic energy.

Monazite is a mineral of thorium, uranium and rare earths and it has a high percentage of neodymium which has several hi-tech applications.

Zirconium, hafnium and thorium are very important strategic elements used in different stages of the country's nuclear power programme, and since monazite and zircon occur in beach sand minerals, any loss or pilferage of these minerals at any stage of mineral handling or processing "shall affect the larger national interest", the notification said.

"In offshore areas and their strategic importance, it is imperative that the mineral concessions in offshore areas be brought at par with the onshore areas in their treatment and therefore, in order to safeguard the strategic interest of the nation, it is expedient in larger national interest to prohibit the grant of operating rights in terms of any reconnaissance permit, exploration licence or production lease of atomic minerals" in any offshore areas to anyone, except a government owned or controlled company, it stated.\"The Central Government hereby prohibits grant of operating rights in respect of atomic minerals in any offshore areas in the country...To any person, except the Government or a Government company or a corporation owned or controlled by the Government, under the Offshore Areas Mineral (Development and Regulation) Act, 2002," it said.

The Government also "rescinded" any action taken by it earlier in this regard.

Gold consolidates ahead of Fed meeting

The US monetary policy decision could set the trend

GURUMURTHY K

Gold prices remained stable last week. The global spot gold prices oscillated between $1,410 and $1,435 per ounce all through the week. The yellow metal closed at $1,418.9 per ounce, down 0.5 per cent for the week.

Silver continued to outperform gold for the second consecutive week. The global spot silver prices surged 2.8 per cent intra-week to make a high of $16.65 per ounce.

However, the prices reversed lower from there, giving back some of the gains. Silver closed at $16.40 per ounce and was up 1.2 per cent.

All eyes on Fed

The outcome of the US Federal Reserve meeting this week on Wednesday is likely to set the direction of move for gold going forward. The market expects a 25 basis points (bps) rate cut this week. It will have to be seen whether the Fed meets the market expectation or keeps the door open for the rate cut in its next meeting in September. Also, if the Fed decreases the rates by 25 bps this week, it will be important to look for any hint on the pace of rate cuts going forward, which will be key in determining the gold price movement.

The US dollar index surged in the past week, breaking above the key resistance level of 97.50. The dollar index was up 0.9 per cent for the week and closed on a strong note at 98. As long as the index sustains above 97.5, there is a strong likelihood of it moving further higher to 98.5 in the near term. This could cap the upside in gold.

Gold outlook

Gold ($1,418.9 per ounce) can continue to consolidate in the broad $1,400-1,440 region. Within this range, the possibility is high for gold to decline towards $1,400 ahead of the Fed meeting. The outcome of the Fed meeting on Wednesday could be a possible trigger for gold to break this range on either side. If gold manages to break above $1,440, it can gain fresh momentum.

Such a break can take it initially higher to $1,450. A further break above $1,450 will then increase the likelihood of the up-move extending to $1,475 or even $1,500 thereafter. On the other hand, if gold breaks the range below $1,400, it can come under pressure. In such a scenario, a fall to $1,380 and $1,360 is possible on profit-booking

Silver outlook

The global spot silver ($16.40 per ounce) has been facing strong resistance around $16.60 per ounce. A strong break and a decisive close above $16.60 are needed to extend the current up-move to $17 and $17.35. A key support is at $16.20. A break below $16.20 will negate the chances of the above mentioned rise to $17-17.35. It will also turn the near-term outlook negative and drag silver lower to $15.75 and $15.60.

GETTY IMAGES

Domestic price outlook

The gold and silver prices on the Multi Commodity Exchange (MCX) moved in tandem with the global prices. The MCX-Gold futures contract remained subdued all through the week and inched lower. The contract fell 0.8 per cent for the week and closed at 34,773 per 10 gm.

The MCX-Silver futures contract, on the other hand, was up 1.2 per cent last week. The contract closed at 41,152 per kg.

The recent uptrend in the MCX-Gold (₹34,773) seems to be losing steam. The 21-day moving average support at ₹34,680 is a crucial support to watch. A strong break below it can trigger a sharp fall towards ₹34,000 and even ₹33,700 in the coming weeks on the back of profit-booking.

On the other hand, if the contract manages to bounce from ₹34,680, an up-move to ₹35,200 is possible. A further break above ₹35,200 will increase the likelihood of the up-move extending to ₹35,400-35,500 thereafter. It will also keep the possibility high of the contract rallying to ₹36,000 in the coming weeks.

The MCX-Silver (₹41,152 per kg) has key resistances at ₹41,365 and ₹41,750. A decisive weekly close is needed for the contract to keep the uptrend intact. An inability to break these hurdles will increase the likelihood of seeing a corrective fall in the coming days. The support is at ₹40,800. A strong break below this level can trigger the corrective fall. Such a break will see the contract tumbling to ₹40,000 and even ₹39,500 in the coming weeks.

The writer is Chief Research Analyst at Kshitij Consultancy Services

MCX-Gold

Supports:
₹34,680/34,000
Resistances:
₹35,200/35,500

MCX-Silver

Supports:
₹40,800/40,000
Resistances
₹41,365/41,750

Steelmakers sound alarm over rising level of duty-free imports

SURESH P IYENGAR
Mumbai, July 28

Notwithstanding slowing domestic demand, steel companies have raised concerns over rising steel imports at 0 per cent duty from countries such as Japan and South Korea that have signed a free trade agreement.

Steel imports in the June quarter were down 9 per cent at 1.72 million tonnes, while exports declined 27 per cent to 1.02 mt.

In the financial year ended March 2019, imports were up 5 per cent at 7.84 mt, while exports plunged 34 per cent to 6.36 mt.

Though, overall, steel imports to India have fallen due to weak demand, the proportion of duty-free imports has increased to 66 per cent from 60 per cent in the June quarter.

Amid growing import worries, the steel industry has urged the government to keep steel out of the proposed 16-member Regional Comprehensive Economic Partnership (RCEP) negotiations, which is to begin later this week.

The industry has urged the govt to keep steel out of the proposed RCEP negotiations

Negative list

Seshagiri Rao, Joint Managing Director, JSW Steel, said trade bodies have asked the government to keep steel under negative list in the RCEP negotiations, as it will open duty-free access for three more countries, including China.

Indian steel industry's competition with China will not be a level-playing field, as they provide lot of implied subsidies to boost exports, he said.

Moreover, he added that once the industry is hurt by Chinese imports, India takes a lot of time to react and implement trade barriers.

Despite the global slowdown, steel production in China continues to peak, touching a high 89 mt in May and falling marginally to 87 mt in June.

In the first five months of this year, global steel production is up five per cent, but is almost flat excluding China, which alone recorded a production growth of 10 per cent compared to last year.

However, China has not exported much of its production due to the ongoing global trade war.

Moreover, steel prices fell sharply in the US by 30 per cent and between 5-10 per cent in Europe and China.

BUSINESS LINE DATE : 29/7/2019 P.N.11

Subdued demand contains copper prices

The weak price is despite the supply problems in the market leading to deficit

G CHANDRASHEKHAR

Copper has been hovering around the $6,000-a-tonne mark for some time now, and has failed to decisively break above it. For a while in June, the metal was trading a tad below $5,800/tonne.

Copper is a 'growth commodity' given the positive correlation between economic growth and consumption of the metal. Now, with the International Monetary Fund (IMF) lowering its forecast for global economic growth as well as global trade in goods and services in 2019, and with the world's largest consumer China distinctly slowing, copper prices are most unlikely to recover in the month ahead.

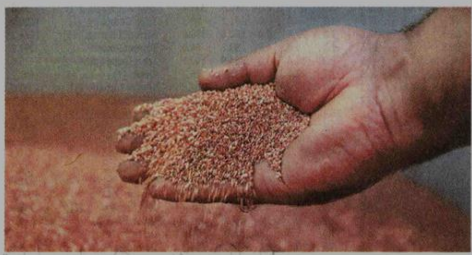
Geopolitical tensions, a strong dollar and an unending tariff war between two of the world's largest economies – the US and China – further worsen the sentiment in the industrial metals market in general, and copper in particular. Global supply chains are undergoing changes following imposition of tariffs.

Interestingly, the weak price situation for copper is despite the well-recognised supply problems in the market leading to deficit. According to the International Copper Study Group (ICSG), the estimated supply deficit for this year is 189,000 tonnes. Chile, Zambia, Peru and India are among the producers showing high decline in output. Sterlite Industries' copper project in Thoothukudi (Tamil Nadu) remains shut.

In the first four months itself, the deficit has reached 149,000 tonnes, causing anxiety among market participants, according to the ICSG. So, from a fundamental perspective, higher copper prices may be justified, but the sentiment at the moment is subdued because of demand conditions.

Chinese slowdown

The robust construction activity in China is expected to slowdown in the months ahead. Slowdown in factory output growth and lack of demand in user industries such as automobiles is adding to the problem. Treatment and refining charges have fallen sharply in recent months, reaching a seven-year low. Smaller smelters in China have already cut back production following a fall in TC/RCs (treatment/refining charges) to uneconomic levels because of a tight copper concentrate market.


REUTERS

Chinese trade data for June point to a sharp fall in import of copper, copper ore and concentrate.

It is apparent that Chinese consumers have opted to utilise domestic stocks as evidenced by the fall in Shanghai Exchange stocks.

In the months ahead, the US is predicted to slowdown markedly as the positive effects of the stimulus fade.

A widely expected rate reduction by the US Federal Reserve in response to slowing growth momentum may weaken the dollar for some time, but other central banks are likely to counter it with more accommodative monetary policies.

Subdued economic growth outlook for the rest of 2019 is expected to weigh on prices of industrial metals.

Any escalation in the ongoing US-China trade friction will have a negative implication for the market. An American delegation is scheduled to reach China by the end of July to resume negotiations, but many believe no significant breakthrough is likely.

Copper will be no exception to the challenges confronting all the industrial metals. But looking at the market fundamentals, the metal may prove to be more resilient than its counterparts because of lower mine output and supply deficit.

An additional factor will be China's recent tightening of restrictions on scrap imports. This is likely to boost demand for refined copper.

However, 2020 may be a different story for copper. Lack of expansion of existing mines and limited number of new mines opening, constraining supplies, would lend support to prices in an environment where there is likely to be a coordinated action among central banks around the world to revive growth.

The writer is a policy commentator and a commodities market specialist

A bleak year

Subdued economic growth outlook for the rest of 2019 is expected to weigh on prices of industrial metals

EXPOSURE EXIT Parent's decision to unwind Its investments in Anglo American could reduce immediate cash requirement from 2 units

Vedanta, Hind Zinc Likely to See a Fall in Dividend Payout

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Mumbai: Vedanta and Hindustan Zinc, the two locally-listed companies of the Vedanta Group, could see a drop in dividend payout, largely due to lack of immediate need of cash from the two units after the parent's decision to unwind its structured investments in Anglo American.

The two companies had paid heavy dividends translating into more than 8% dividend yield at current prices — payouts that drew investors.

Falling commodity prices and a decline in earnings in the short-to-medium term will also affect stock prices, say experts.

However, the Street will likely cheer the decision to unwind the structured investment into Anglo American. Contrary to investor concerns of capital misallocation, the investment has earned super-normal profit on Cairn's cash — $100 million in eight months on investment of $300 million.

With falling commodity prices due to weak global demand, earnings at India's largest mining conglomerate are likely to remain subdued. In the June quarter, Vedanta's net sales stood at ₹21,167 crore, down 3.5%.

Earnings Show

June Quarter Financial Performance

	Jun Qtr FY20	YoY Chg (%)
Net Revenues	21,374	-3.70
EBIDTA	5,198	-17.30
EBIT	3,043	-32.20
Interest	1,341	-13.30
Reported Net Profit	1,351	-11.90

(Figures in ₹crore)

ON FUTURE EARNINGS

With falling commodity prices due to weak global demand, earnings at India's largest mining conglomerate are likely to remain subdued

Net profit, at ₹1,351 crore, fell 12%. EBIDTA at ₹5,200 crore fell 17%. Earnings dropped due to lower realisations, lower production in oil and gas division, and higher costs in zinc's international business.

Zinc and oil & gas businesses accounted for 61% and 38%, respectively, of the total earnings. Other businesses, including aluminium and copper, made losses, while iron ore and power were marginally positive. Vedanta has forecast strong production ramp-up across verticals, but analysts expect earnings to remain subdued due to weak commodity prices.

LME Zinc prices have stayed lower. Since the beginning of FY20, prices are down 15%. LME aluminium prices are down 5% since the beginning FY20 and over 25% from the peak. Crude prices, too, have remained soft. These price trends will keep the upside capped for both Vedanta and Hindustan Zinc.

THE ECONOMIC TIMES DATE : 30/7/2019 P.N.7

JSW on the Prowl for Makers of Value-added Steel Products

Co has bid for assets like Asian Colour Coated Ispat and Vardhman Inds

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Mumbai: JSW Steel wants to consolidate the working capital-strapped downstream or value-added steel products industry in the country through its bids for assets like Asian Colour Coated Ispat and Vardhman Industries, a senior JSW official told **ET**.

Apart from showing keen interest in large steel companies like Bhushan Power and Steel and Monnet Ispat, the company has also kept an eye out for small assets that add value to primary steel products and earn at least 30% more in terms of margins against primary steel products like hot rolled coil.

"Most of the downstream (value-added) steel companies in India and internationally are facing a working capital crunch. While this is one market where demand is growing in double digits, from the supply side the sector is not growing. That is an area where we feel, because of our market penetration and by our ability to acquire assets, we will be able to consolidate much better," Jayant Acharya, director of commercial and marketing at JSW Steel, told ET on the sidelines of the company's earnings conference on Friday, adding that competition in that area is also moderate vis-a-vis other product areas.

> **CONSOLIDATION**
>
> That (downstream cos) is an area where we feel, because of our market penetration, we will be able to consolidate much better
>
> **JAYANT ACHARYA**
> Director, Commercial and Marketing, JSW Steel

Last month, its ₹1,525 crore offer for stressed Asian Colour Coated Ispat received the lenders' nod and is awaiting the final approval from the NCLT. The company has a total of 1 million tonne of galvanised and colour-coated capacities in two locations in Maharashtra and Haryana, and will be a good fit for JSW Steel that is nearly tripling its colour-coated steel capacity to 2 million tonnes per annum over a year and a half. Acharya said demand for colour-coated steel is growing at about 16% per annum.

JSW Steel has also bid for Vardhman Industries that makes galvanised products. JSW Steel is the preferred bidder for the asset and has offered a total of ₹63.50 crore to acquire it but the acquisition according to the company's terms is awaiting the nod of the Supreme Court.

On account of its own capacities, value-added and special products made for 53% of the company's total sales volumes in 2018. For Tata Steel too, beefing up value-added capacities is an important plank of its strategy. Both its acquisitions of Bhushan Steel and Usha Martin's steel business will help the company widen its offerings in the special products space.

BUSINESS LINE
DATE : 30/7/2019 P.N.10

Metal stocks battered

July 29

Metal companies are nearing the lowest close in more than two years after major producers reported weak quarterly earnings amid growing worries about a slowdown in demand in Asia's third-biggest economy. The S&P BSE Metal Index, moving toward the lowest close since December 2016, was among the worst performers on the BSE after JSW Steel and Vedanta plunged on Monday. Vedanta and JSW, the country's second-biggest steelmaker, slumped by more than 5 per cent after both companies reported a sharp drop in profits on Friday. Vedanta closed at ₹155.7, down 5.09 per cent, while JSW was down 3.24 per cent at ₹241.55. PTI

BUSINESS LINE
DATE : 30/7/2019 P.N.4

Crude steel output up 4% in June

New Delhi, July 29

India's crude steel output rose by 4 per cent to 9.336 million tonnes (mt) in June 2019 compared to the year-ago month, according to the World Steel Association. The country had produced 8.976 mt in June 2018, the global steel body said in its report. Global steel production increased by 4.6 per cent to 158.978 mt in June 2019 compared to 152.002 mt in June 2018, it said. China's crude steel production for June was at 87.533 mt, an increase of 10 per cent compared to 79.585 mt in June 2018. Japan produced 8.789 mt compared to 8.750 mt. South Korea's crude steel production was 5.958 mt as against 6.116 mt in June 2018. The US produced 7.3 mt, an increase of 3.1 per cent compared to June 2018. PTI

BUSINESS LINE DATE : 31/7/2019 P.N.8

'Roll back import-duty hike on gold'

OUR BUREAU

Mumbai, July 30

The All India Gem and Jewellery Domestic Council has urged the government to roll back the hike in gold import duty from 12.5 per cent to 10 per cent, and implement a comprehensive integrated 'gold policy' to save the gem and jewellery business.

The import duty of 12.5 per cent and a GST of 3 per cent has made gold jewellery costlier and has impacted consumer sentiment leading to postponement of fresh purchase.

The lack of demand in gems and jewellery has resulted in many craftsmen and artisans shifting to other businesses besides many workers in the sector committing suicide. It has also threatened jobs of 55 lakh labour force engaged in the business and the livelihood of their families, said GJC.

The import duty on gold was levied to curb the CAD

The GJC's recommendations are also echoed by the India Gold Policy Centre, set up by IIM-Ahmedabad, which has called for a comprehensive integrated gold policy, which would include setting up of a gold board and the advent of bullion banks.

The IGPC said that bullion banking would enable banks to source locally, finance bullion and refining business, and finance refineries to import dore or unrefined gold. It would also allow them to hedge their positions on Indian exchanges, create gold-backed products that help reduce dollar outflows and export refined bullion.

Anantha Padmanaban, Chairman, GJC, said the government should roll back the gold import duty till the time revised gold monetisation is implemented, as that is the only feasible substitute to reduce gold imports.

The import duty on gold was levied to curb the Current Account Deficit (CAD) but India's fiscal deficit narrowed down last fiscal.

On the one hand, the government talks of taking Indian craftsmanship to the world, while on the other, its policies are making skilled artisans leave the business. Such policies are not in sync with 'Make in India' or the ease of doing business, he said.