



# खनिज समाचार

**KHANIJ SAMACHAR**

**VOL 1 NO-12**

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

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# खनिज समाचार

## KHANIJ SAMACHAR



*A FORTNIGHTLY NEWS CLIPPING SERVICE*

*FROM*

*CENTRAL LIBRARY*

*INDIAN BUREAU OF MINES*

*VOL 1 NO-12, 1<sup>st</sup> - 15<sup>th</sup> OCTOBER 2017*

# Gold remains under pressure

Positive dollar index leaves room for further fall in bullion prices in the short term

GURUMURTHY K.

Gold prices fell for the third consecutive week. Though the prices surged initially above \$1,300 per ounce, they failed to sustain above this psychological level. The yellow metal touched a high of \$1,313.7 per ounce on Tuesday and fell sharply from there to \$1,276 before closing the week lower by 1.4 per cent at \$1,279.7. The strong dollar dragged gold prices lower.

Silver, on the other hand, reversed sharply lower, after recording a high of \$17.25 per ounce, it closed at \$16.66 per ounce, down 2 per cent for the week.

Silver looks much weaker, relative to gold, after falling sharply over the last three weeks.

On the domestic front, a weak rupee minimised the losses in the gold and silver futures contract on the Multi Commodity Exchange (MCX). The Indian rupee fell to a low of 65.89 and recovered from



there in the later part of the week.

The MCX-gold futures contract surged to a high of ₹30,169 per 10 gm on Tuesday and reversed lower, giving back all the gains. The contract closed on a flat note for the week at ₹29,557 per 10 gm, down 0.1 per cent for the week. MCX-Silver touched an intra-week high of ₹40,385 per kg and fell back from there to close the week 0.7 per cent lower at ₹39,457 per kg.

## Rate hike weighs

The increased possibility of a rate hike in the US in Decem-

ber is weighing on bullion prices. The third and final estimate showed that the US grew at 3.1 per cent (revised higher from 3 per cent earlier) in the second quarter this year. The US GDP data release last week has reinforced the hopes for the next rate hike by this year end.

A strong rise in the non-farm payroll numbers could boost the sentiment further on the rate hike front. In such a scenario, gold prices might get beaten down further.

## Dollar outlook

The dollar index surged, breaking above the key resistance level of 92.81 and recor-

ded a high of 93.66. The index has come off from this high, to close the week at 93.

The region between 92.8 and 92.7 is a key support, which can limit the downside in the near term. Though these levels might be tested, a fall below 92.7 is less likely.

An eventual reversal from the 92.8-92.7 support zone will increase the likelihood of the index rallying to 94.2 in the short term.

The positive outlook for the dollar index suggests that gold and silver can fall further in the coming days.

## Outlook

**Gold:** Global spot gold (\$1,279 per ounce) has support at \$1,270 which is likely to be tested in the coming week.

If it manages to reverse higher from there, a relief rally to \$1,290 or \$1,300 is possible.

But a strong fall below \$1,270 will increase the likelihood of gold extending its fall to \$1,260 or even \$1,250.

The psychological level of \$1,300 is a key resistance which has to be breached for

the outlook to turn positive.

The MCX-gold (₹29,557 per 10 gm) futures contract has a strong support in the ₹29,300-₹29,280 zone, which can limit the downside. An upward reversal after testing this support zone in the coming days can take the contract higher to ₹30,100 again.

A decisive weekly close above ₹30,100 will pave the way for the next target of ₹31,000 over the medium-term. Traders with a medium-term perspective can go long on dips at ₹29,350.

Stop-loss can be placed at ₹28,750 for the target of ₹30,500. Revise the stop-loss higher to ₹29,500 as soon as the contract moves up to ₹29,850.

**Silver:** As mentioned above, the global spot silver (\$16.66 per ounce) looks much weaker than gold.

With resistance at \$16.90, a fall to \$16.10 or \$15.90 cannot be ruled out in the coming days. Silver has to breach above \$17 decisively to ease the downside pressure and turn the outlook positive.

The MCX-Silver (₹39,457 per kg) can fall to test its support at ₹38,980.

A bounce from this support can take it higher to ₹40,000. But a strong break below ₹38,980 can drag it to ₹38,400.



## MCX Gold

Supports  
₹29,280/ ₹29,000  
Resistances  
₹30,100/ ₹31,000

## MCX Silver

Supports  
₹38,980/ ₹38,400  
Resistances  
₹40,500/ ₹41,500



# SCCL may be given Bayyaram iron ore mines

CM says Govt. exploring scope for SCCL diversification

SPECIAL CORRESPONDENT  
HYDERABAD

The State government was exploring the possibility of the State-owned Singareni Collieries Company Limited diversifying to take up extraction of iron ore, which was abundantly available in Bayyaram of Khammam district, Chief Minister K. Chandrababhan Rao said.

Addressing a press conference here on Friday to appeal to SCCL miners to vote for Telangana Boggu Gani Karmika Sangham, affiliated to the TRS, in the October 5 elections to the majority union of the company, Mr. Rao said the exploration of iron ore at Bayyaram was offered to Steel Authority of India Limited to let it set up a steel plant. But, SAIL showed its high-handedness and demanded several concessions.

## Other sectors

Therefore, the Telangana government was contemplating a role for SCCL in iron ore mining. The govern-



State government exploring diversification of Singareni Collieries Company Limited. • FILE PHOTO

ment wanted participation of SCCL in not only iron ore extraction but also across sectors where the company could put its technical know-how to use, Mr. Rao added.

Coming down heavily on the CPI and the Congress whose trade unions have teamed up to contest polls in SCCL jointly, Mr. Rao blamed them for the head count in the company going down from 1.10 lakh to 50,000 till the TRS-affiliated

TBGS won the elections last time. The TRS will sweep the polls with a bigger majority this time as the workers were happy with the creation of 7,000 jobs since the party assumed power.

## Compassionate grounds

The State government will enact a legislation to give employment to dependants of workers on compassionate grounds. The circular on

dependant employment was struck down by court earlier for other reasons which will be overcome by the legislation. "No court had barred compassionate appointments," the CM explained.

Mr. Rao, however, ruled out re-employment of medically invalidated workers and said the government was committed to extending largesse to the workers as they worked in most unhygienic and hazardous conditions.

## Centre's stake

Asked about the request of the State government to the Centre that the latter divest its 49 % stake in the company, Mr. Rao said the proposal was still pending with the Centre.

He denied higher cost of power generation due to non-availability of high quality coal in the SCCL mines and said the thermal power plants followed a dynamic process of production and imports to check the generation cost.

# SCCL registers 13% growth in production during September

Company CMD exhorts miners to meet their targets

SPECIAL CORRESPONDENT  
HYDERABAD

The Singareni Collieries Company Limited has registered 13 % growth in coal production during September.

The company recorded coal production of 45.44 lakh tonne during the month as against 40.24 lakh tonne during the corresponding period previous fiscal. The company achieved 14.5 % growth in coal transport from 41.05 lakh tonne during September last year to 46.99 lakh tonne during the same month current fiscal. The SCCL achieved impressive growth in coal transport during the first half of the current fiscal. The company transported 299.46 lakh tonne during the first half of the current fiscal, registering 12.7 % growth over 265.77 lakh tonne of the same period of the previous fiscal.

Of the 11 mining areas, the SCCL had recorded produc-



Five mining areas achieved 100% production targets. • FILE PHOTO

tion of 100 % or more in five areas - Manuguru, Ramagundam-1, Ramagundam-2, Bhupalpally and Belampally - and SCCL chairman N. Sridhar has exhorted miners in the other areas too to work for achieving the monthly and daily targets set for them.

Meanwhile, the SCCL thermal power plant located

at Jaipur mandal in Mancherial district has generated 810.76 million units of power of which 762.92 million units was synchronised to the grid. The company achieved plant load factor of 93.84 % in the process. The company achieved station PLF of 87.53 % during the first half of the current financial year, according to an official release.

# US dumping heat on steel

OUR SPECIAL CORRESPONDENT

**New Delhi, Oct. 1:** The US will pursue its dumping investigations into Indian and Chinese stainless steel flanges.

Usually small and medium-sized Indian units export these steel flanges, and the US action could hit these firms hard, analysts said.

The US International Trade Commission has voted in favour of continuing the probe into the dumping and subsidy of the flanges. The US department of commerce had last month announced preliminary phase investigations into anti-dumping and countervailing duty on these products.

Last year, the US imported stainless steel flanges from India worth around \$32.1 million. Imports from China were valued at an estimated \$16.3 million.

The US commerce department's probe was triggered by petitions by two firms - Core Pipe Products Inc of Illinois and Maass Flange Corp of Texas.

## PROBE ON

- US to probe dumping and subsidy charges on stainless steel flanges
- Indian SMEs main producers. Exported more than \$30m to US
- Indian firms charged of price discount in the region of 78% to 145%
- If proved true, Indian face penalty
- Dumping probes increased in the US with Trump coming to power



They alleged dumping margins, or the discount to fair value, on products from China were in the range of 99.23-257.11 per cent and from India, 78.4-145.25 per cent. Besides, products from both these countries were subsidised at undetermined rates.

Analysts said one of the key determinant of subsidy was the duty drawback

received by exporters.

"The WTO in a report released earlier this year has said that India's per capita income has crossed the \$1,000 mark and, hence, export measures which India could take earlier can no longer be legal. This makes our duty drawback scheme illegal and, hence, could pose a problem for our manufacturers," said Rakesh Singh, an independent metals trade analyst.

## Trump policy

If the US commerce department finds the cheap flanges to be a case of dumping and unfair government subsidy, it can impose a punitive duty on those imports.

The Trump administration has been encouraging policies to promote exports and discourage imports that hurt local producers, including penalties on imports.

The US has initiated 62 anti-dumping and countervailing duty investigations from January 20, 2017, to September 6, an increase of 41 per cent.

### Hurdles in setting up spot gold exchange

Regulatory framework is a big hurdle in setting up India's first spot gold exchange, the World Gold Council said in a report on Thursday.

"For that (spot exchange) to work, there are certain critical success factors like who is going to oversee this, SEBI (Securities and Exchange Board of India) or RBI (Reserve Bank of India) or state governments," P Somasundaram, Managing Director (India) of the World Gold Council, said. "There has to be an operating model, who is the settlement bank, what is the settlement cycle, what is the membership, what are the delivery locations and what are the location swaps," he said.

Spot exchange may materialise in 12-18 months, probably sooner if the architecture is in place, he added.

A gold spot exchange in India will bring about transparency in the gold ecosystem in the country, help in price discovery and encourage government's investment products such as the gold monetisation scheme, the report said.

Various industry bodies such as the India and Bullion Jewellers Association and BSE Ltd have expressed their intent to launch the exchange.

#### Metals (\$/tonne)

Aluminium	2080	-2.6	-0.2	25.3	2165	1612
Copper	6432	0.3	-5.0	33.3	6906	4620
Iron Ore	64	-8.7	-18.0	11.8	95	54
Lead	2492	0.2	5.9	20.7	2519	1964
Zinc	3205	4.2	3.3	36.2	3217	2087
Tin	20845	0.5	1.6	3.5	21945	18750
Nickel	10416	0.7	-10.6	0.2	12146	8710

### NAVBHARAT (MAHANAGAR)

DATE: 3/10/2017 P.N.7

### माइनिंग पर आज सम्मेलन

व्यापार प्रतिनिधि

नागपुर. इंडियन जियोलॉजिकल कांग्रेस की ओर से 3 अक्टूबर को सुबह 9.30 बजे से चिटणखीस सेंटर में 'मेक इन इंडिया: माइनिंग एवं ऊर्जा स्रोतों के क्षेत्र में चुनौती एवं संभावनाओं' विषय पर सम्मेलन का आयोजन किया गया है. केंद्रीय माइनिंग सचिव अरुण कुमार सत्र का शुभारंभ करेंगे. जीआईसी के डायरेक्टर जनरल एन. कुटुंबा राव विशेष अतिथि के रूप में उपस्थित रहेंगे. आईजीसी के अध्यक्ष गोपाल धवन, कार्यकारी अध्यक्ष ओ.पी. वर्मा, वी.के.एस. दवे ने उपस्थित रहने की अपील की है.



Uzbekistan, the 7th biggest uranium exporter in the world, is set to be a key player in India's plan to procure the nuclear fuel to create a strategic reserve



Uzbekistan Prez. Shavkat Mirziyoyev with PM Narendra Modi in Astana in June 2017 Getty Images

## Uranium Supply to Power Uzbek-India Growing Ties

Dipanjana Roy Chaudhury  
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**Tashkent:** Landlocked but resources-rich Uzbekistan is seeking to deepen its strategic partnership with India, as it is planning to export uranium to power an increasing number of nuclear plants in South Asia's biggest country.

Uzbekistan's neighbour Kazakhstan has been a supplier of uranium to India since the end of the last decade. By planning to export precious item like uranium to India now, Tashkent is signalling that it desires to expand the list of its strategic partners, a local official told ET, speaking on the condition of anonymity.

Uzbekistan, the seventh biggest uranium exporter in the world, is set to be a key player in India's plan to procure the nuclear fuel to create a strategic reserve. New Delhi is working to have a stockpile of nuclear fuel that can sustain the country's reactors for five years and ensure that they do not stop functioning in the absence of fuel. In the past, India's nuclear reactors had underperformed due to fuel shortages. India is in talks with Uzbekistan to source uranium, a senior Indian government official

### Delhi Flights to 2 More Afghan Cities



**TASHKENT, UZBEKISTAN:** India is overcoming its physical hurdle

to connect Afghanistan by connecting two more cities in the landlocked country by flight. This week two more cities will be connected by direct flights to Delhi. Mazar-e Sharif in North and Herat in the West Afghanistan are the two other major cities which are now going to have direct flights to Delhi.-OPB

indicated to ET. A delegation from this Central Asian country had visited India in August to discuss the issue in detail and work out the modalities of supply.

The delegation visited India within two months of a meeting between Prime Minister Narendra Modi and Uzbek President Shavkat Mirziyoyev on the sidelines of the SCO Summit in Astana this

June. While India's entry into the SCO and Modi's meeting with the Chinese President dominated headlines from Astana, little focus was devoted to the Indo-Uzbek meet. "It is in this meeting that the Uzbek President decided to elevate ties to the next level and indicated that sky is limit when it comes of Indo-Uzbek ties. In many ways, the Astana meeting was a watershed in bilateral ties and a new chapter has opened wherein Uzbekistan wants India to invest in a big way here and is offering several incentives," said a person familiar with the evolution of Indo-Uzbek ties. "The Uzbek President in many ways is similar to the Indian PM—decisive and a go-getter. Uranium is a strategic mineral and when a country decides to export it to a foreign partner, it signals confidence in each other." Central Asia is in the cusp of a great game with China pushing with its One Belt One Road strategy. But not to be left behind, India has given momentum to its Central Asia policy and is trying to overcome its lack of direct physical connectivity to the region via Chabahar Port in Iran and International North South Transportation Corridor.

(The writer is in Tashkent at the invitation of Uzbek government)



# Yellow Metal Loses Festive Shine

Fear of scrutiny post new KYC norms halves gold sales during Navratri and Dussehra

**Sutanuka Ghosal**  
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**Kolkata:** Gold sales in the auspicious days of Navratri and Dussehra halved this year as fear of the taxman's scrutiny of prosperous customers cast a shadow on the festive spirit, leaving jewellers sombre in the peak period of their business.

High-value customers, who dominate the market at the start of the festive season, kept away this year because the government extended the 'know your customer' (KYC) norms to all purchases above Rs 50,000. Customers who make small purchases usually do so later in the season, bankers and jewellers said.

While sales of cars, televisions and refrigerators

jumped more than 15% this Navratri and Dussehra from last year, suggesting bumper business in the run-up to Diwali, the gold market is gloomy.

"Sales are down 50% though we had expected some good demand this Navratri and Dussehra. As things stand today, we are not sure whether the trade will be able to make good business in the current festive season. The high-value gold sales are not happening," said Nitin Khandelwal, chairman, All India Gems & Jewellery Trade Federation (GJF).

Gold trade is concerned that gold sales would be lacklustre even in Dhanteras, when purchase of the precious metal is considered auspicious. Mehul Choksi, chairman and managing

director, Gitanjali group, said people were buying gold items that are below Rs 50,000. "High-value customers are missing. The new rule will definitely affect Dhanteras sales this year," he said.

Joy Alukkas, chairman of jewellery retail major Joyalukkas, said his firm is now focusing on smaller items to attract customers. "High-value sales is not happening. We are therefore focusing on small pendants, small earrings and other such items. The KYC norms will affect sales during Dhanteras, when Indians splurge on gold." Traders said lower demand at the beginning of the festive season and entry of gold through the unofficial route has made the yellow metal available at a discount

of \$8-10 per troy ounce unlike last year when there was a premium on gold during this time. High import duty of 10% and a 3% GST on gold has reignited the grey market, they said.

Jewellers said demand picks up if gold prices show an upward trend. Gold has climbed by almost 10% this calendar year as international prices increased on account of geo-political tension and reduced chances of a further hike in US interest rate. "Ideally, this should trigger buying among people. But the government's move to crack down on money laundering and the issues related to GST have spoiled demand. The outlook is not very positive for the ongoing festive season," said Khandelwal.

THE HITAVADA DATE: 3/10/2017 P.N.11

## Gems & jewellery export shrinks



NEW DELHI, Oct 2 (PTI)

GEMS and jewellery export contracted 8.12 per cent to USD 13.5

billion during April-August this year, data from the Gems and Jewellery Export Promotion Council (GJEPC) showed.

This compares with USD 14.7 billion in the same period last year. The labour-intensive sector contributes about 14 per cent to the country's overall export. The drop in shipments is mainly due to negative growth in export of gold jewellery, gold medallions and coins and rough diamonds.

Gold jewellery shipments during the period declined about 8 per cent to USD 1.30 billion. Similarly, export of gold medallions and coins and rough diamonds contracted by 18 per cent and 5 per cent, respectively.

However, silver jewellery export went up to USD 2 billion in April-August 2017-18, from USD 1.67 billion a year ago.

Export of cut and polished diamonds reported a growth of just 0.51 per cent.

India's main export destinations are Europe, Japan, China and the United States.

## Gems and jewellery export shrinks 8.12% in Apr-Aug

Gems and jewellery export contracted 8.12% to \$13.5 bn during April-August this year, data from the Gems and Jewellery Export Promotion Council showed

**\$14.7 bn:** Value of exports in the same period last year

0.51% growth in export of cut and polished diamonds

**14%** the sector's contribution to the overall export. The drop in shipments is due to negative growth in export of gold jewellery, gold medallions and coins and rough diamonds

**8%** decline in gold jewellery shipments during the period declined to \$1.30 bn. Similarly, export of gold medallions and coins and rough diamonds contracted by 18% and 5%, respectively



India's main export destinations are Europe, Japan, China and the US

### GST ISSUES

The sector is facing issues related to compliance of the Goods and Services tax (GST). It had demanded exemption from Integrated GST (IGST) on procurement of precious metals from nominated agencies for the purpose of manufacturing and export of jewellery

**8.84%** rise in import of rough diamonds in April-August | **38.5%** slide in import of gold bars to \$1.26 bn

**\$2 bn**

the value of silver jewellery export in April-August 2017-18, from \$1.67 bn a year ago

## Outlook is unclear for MCX Aluminium

GURUMURTHY K  
BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange (MCX) was stuck in a narrow range between ₹137 and ₹140 per kg in the past week.

This leaves the immediate outlook unclear for the contract. It is currently poised at ₹138/kg. A breakout on either side of ₹137 or ₹140 will determine the next leg of move.

If the contract declines below ₹137, it can fall to ₹135.5 initially. Further break below ₹135.5 can drag the contract lower to ₹131.5 or ₹131 in the near-term.

The region around ₹131 is a key support which is likely to limit the downside.

A bounce from there can take the contract to ₹135 and ₹137 levels again. But if the contract breaks below ₹131 decisively, the downmove can extend to ₹129

and ₹128 over the short-term.

On the other hand, if the MCX Aluminium futures contract manages to sustain above ₹137 in the coming days and breaks the range above ₹140, the downside pressure may ease.

Such a break can take the contract higher to ₹142. The level of ₹142 is a crucial long-term trend resistance. Inability to break above this hurdle can trigger a pull-back move to

₹140 or even ₹137 per kg again. But if the contract manages to surpass the hurdle at ₹142 decisively, it can move up to ₹144 initially.

Further break above ₹144 will increase the likelihood of the rally extending to ₹150 levels over the medium-term.

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



## 'Accelerate pace of mineral exploration to meet growing demand'

■ Business Bureau

ARUN Kumar, Secretary to the Government of India, Ministry of Mines, on Tuesday expressed that despite the fact that the country is blessed with heavy deposits of minerals, its exploration could not be done in a desired manner for some other reasons.

Speaking at the inaugural session of the 20th Biennial Convention of Indian Geological Congress (IGC) being held at Chitwan Centre Civil Lines here in the city, he said that the country will have to accelerate the pace of mineral exploration to meet the growing needs.

The theme of the flagship programme of IGC was 'Make in India - Challenges & Opportunities for Mineral, Mining & Energy Resources.'

Arun Kumar was the chief guest on the occasion while N Katanbha Rao, Director General of Geological Survey of India was guest of honour. Dr Gopal Dhaswan, CMD of NIEL, N R



Arun Kumar, Secretary to Government of India, Ministry of Mines, speaking at the inaugural function of IGC on Tuesday while other dignitaries look on. (Pic by Anil Fulane)

Mishra, CMD of WCL, L K Nanda, Director, AMD, M P Chaudhari, CMD of MOIL, Dr Anupam Agnihotri, Director of NARDC, Ranjan Sahai, Controller General of IBM and Prof. O P Varma, Executive President of Indian Geological Congress were also present.

Arun Kumar called upon the geo-scientists and other concerned authorities to achieve much more than what they have achieved in the past. "For survival in the today's competitive world, we need to identify mineral

deposits," he observed.

Praising contribution of some of the state governments in the field of mineral exploration, Arun Kumar said, private agencies should also be encouraged in the sector.

Apart from this, Arun Kumar

said that the Government's move of auctioning mining blocks is paying rich dividends to the nation. "Though auctioning of mining blocks is not practised in many countries, we in India are generating huge revenue through it. We are expecting revenue realisation of more than Rs 1,60 lakh crore from auctioning of identified mineral blocks in the current fiscal, which will benefit to the Central and state governments," he said.

The senior IAS officer further said that coal production in India has risen significantly in recent past which enabled the consumers to maintain sufficient stocks of the black gold.

Earlier in his keynote remarks, Gopal Dhaswan said, the mining sector is witnessing a revolutionary change with Government of India introducing various new parameters. However, he also stressed on the need for improvement in infrastructure facilities and modern technology in mining sector. "There is need of high-tech laboratories and information

technology to take exploration to a next level," he said.

Dhaswan offered his incisive insights about the reforms being adopted in the mining and mineral sector and shared his thoughts for further improvements and capacity building that is needed for an overall holistic growth of the sector.

Sharing his views, Katanbha Rao highlighted the collaboration of Geological Survey of India, with its counterpart in Australia, in the field of deep sea exploration.

O P Varma said, the event is an effective platform for geologists and Geo-scientists to share their views and contribute to nation building.

Dr Ranjeet Rath -- Deputy General Manager - Engineers India Ltd (EIL) conducted the proceedings of the event while Ashu Mathur - Organising Secretary, IGC proposed a formal vote of thanks. The convention witnessed several technical paper presentations deliberating the mining-related topics.

## Nalco, GMDC drop plan for smelter project in Kutch

Detailed project report finds the plan not viable

■ BYJAM VORA  
Specialist Correspondent

It is what has come as a major setback for the Gujarat government's ₹15,000-crore aluminium park in Kutch. National Aluminium Company Limited (Nalco) has asked the state-run Gujarat Mineral Development Corporation Ltd (GMDC) to drop the proposed 0.5 million tonnes per annum (TPA) aluminium smelter plant.

### Detailed project report

GMDC, in its 34th annual report for 2016-17, released after the company's annual general meeting on September 29, stated that based on a detailed project report for the alumina refinery and smelter plant in Kutch, GMDC and Nalco "manu-

ally decided not to proceed with the project." GMDC was likely to get 26 per cent equity partnership in the joint venture.

"Land required for the project has been allocated by State government and part possession has been taken. The process for obtaining possession of the remaining portion of land also is under progress. DPR for the 0.5 million TPA plant got prepared by Nalco and is not viable. Hence, they have requested GMDC to drop the project and the same is under the approval of the government of Gujarat," the annual report said.

According to sources, about 100 out of the required 300 hectares of land was already acquired for the purpose. Nalco had also made an upfront payment of ₹50 crore for setting up the alumina refinery and smelter plant in the Kutch region.



In 2011, GMDC's board of directors had considered Nalco as a potential partner. Later, Nalco raised concerns about the extensive power consumption in smelter for converting alumina into aluminium.

"Accordingly, based on facts and circumstances on the transition date, the same was disclosed as non-current non-

financial liability. However, subsequently, based on the detailed project report, both the companies mutually decided

not to proceed with the project. The company (GMDC) has initiated the process for repayment of the amount to Nalco without interest, subject to approval of the government of Gujarat. Accordingly, the amount has been classified as a current financial liability," GMDC said in the annual report.

### Nalco's concerns

About six years ago in 2011, GMDC's board of directors had considered Nalco as a potential partner to form a joint venture for the alumina project, which was targeted to produce five lakh tonnes of smelter and 10 lakh tonnes of refined alumina per annum.

Later, in 2013, Nalco raised concerns about the extensive power consumption in smelter for converting alumina into aluminium. Nalco had asked GMDC to arrange electricity at a rate of up to ₹2.2 per unit to

make the smelter project viable. Aluminium smelting is a process of extracting aluminium from alumina, while alumina is extracted from the bauxite ore, mined by GMDC at its existing mines in Kutch. The extraction process of bauxite to alumina takes place at the alumina refinery.

Earlier, the State government had signed an MoU with Ashapura Minechem, a bauxite miner and exporter but did not execute it, and fresh expressions of interest were invited in 2016.

Before Nalco emerged as the sole qualified bidder, other companies like Hindalco, JMW Aluminium and Adani Group were among those in the fray for partnership with GMDC. The move was aimed at utilising the natural resource available in the State after the government restricted the export of plant-grade bauxite outside Gujarat from 2000.

# Core sector growth climbs to five-month high at 4.9% in Aug.

Low base, robust performance by coal, electricity sectors help boost growth

SPECIAL CORRESPONDENT  
NEW DELHI

Core sector registered a year-on-year growth of 4.9% in August – the highest since the 5.2% reading in March this year – thanks to a low base and good performance by coal and electricity, according to data released on Tuesday by the commerce and industry ministry.

## Core industries

The performance of eight core industries – which comprise 40.27 % of the weight of items included in the Index of Industrial Production (IIP) – in August 2017, was higher than 3.1% in August 2016 and 2.6% in July 2017. Its cumulative growth during April to August, 2017-18 was 3%. According to rating



**Volatile alloy:** Steel production registered 3% growth in August, sharply slower than 16.7% in August 2016. •REUTERS

agency ICRA, "Given the favourable base effect and the expected rebuilding of inventories prior to the festive season, we expect the IIP growth to improve in August relative to the initial estimate

of 1.2% for July 2017."

Coal production recorded 15.3% in August 2017, up from a low base of (-) 9.7% contraction in growth in August 2016. Electricity output grew by 10.3% in August

from a low base of 2.2% growth in August 2016.

Steel production registered a 3% growth in August, down from 16.7% in August 2016, while cement sector growth fell to (-)1.3% in August from 3.1% growth in August 2016. Fertilizer output also contracted by (-) 0.7% in August as against 2.5% growth in the same month a year ago. Natural gas registered a 4.2% growth in August this year from a low base of (-) 5.9% fall in August 2016, while refinery products output stayed almost at the same level with 2.4% growth this August as against 2.5% growth in August last year. Crude oil production shrunk by (-)1.6% in August from negative growth of (-)3.9% in 2016.



## MCX Zinc: Traders can stay away from the market



**GURUMURTHY K**  
III. Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) has rallied to ₹214 a kg in the past week as expected. The contract has been surging consistently over the last three weeks.

However, key resistances are poised near current levels and in the range between ₹217 and ₹218. Though these resistances can be tested in the coming days, whether the contract breaks above it or not will determine the next move. Traders can stay out of the market.

Inability to break above ₹218 and a subsequent downward reversal from there can drag the contract lower to ₹210 or even ₹205 thereafter on the back of profit booking.

The level of ₹205 is a strong

support which is likely to halt the corrective fall.

On the other hand, if the contract manages to break above ₹218 decisively, it can gain further momentum. Such a break can take the contract higher to ₹220 initially.

Further break above ₹220 will increase the likelihood of the contract extending its rally to ₹230 and ₹235 levels thereafter.

Since the contract has been surging higher consistently, the possibility is high of it reversing lower in the coming days. The bias is to see a corrective fall to ₹210 or ₹205 before the uptrend resumes to target higher levels.

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

## MCX Copper in corrective fall

GURUMURTHY K

BL Research Bureau

Copper prices have been on a corrective fall over the last few weeks. The copper futures contract on Comex made a peak of \$3.16 per pound in the first week of September and has come off sharply from there.

However, it made a low of \$2.90 and has recovered from there to trade at \$2.96 per pound.

On the domestic front, the copper futures contract on the Multi Commodity Exchange (MCX) made a high of ₹451.35 per kg last month and has come off from there.

But, the contract has bounced after making a low of ₹417.3 and is currently trading at ₹430. Charts indicate that copper might either consolidate sideways or dip further before resuming its overall uptrend.

### Outlook

The Comex-Copper contract has a key resistance at \$3. A strong break above this hurdle is needed for it to gain momentum. Such a break will increase the likelihood of the contract targeting \$3.20.

But, as long as it trades below \$3 a fall to test the key short-term support at \$2.88 cannot be ruled out.

A bounce from there can keep

the contract range-bound between \$2.88 and \$3 for some time. But if the contract declines decisively below \$2.88, it can fall to \$2.77 over the medium term. The level of \$2.77 is a key long-term support level and is also the neckline of the inverted head and shoulders pattern. As such, a break below \$2.77 is unlikely.

A strong bounce from this support will signal the resumption of the overall uptrend in the contract that has been in place since October 2016.

On the domestic front, the MCX Copper futures contract has a resistance near ₹435-437 region.

As long as it trades below this resistance, a fall to ₹412 or ₹410 cannot be ruled out. The region at around ₹410 is a strong long-term support and a break below it is unlikely.

An eventual upward reversal from ₹410 will indicate that the uptrend since October 2016 is intact and also signal the beginning of a fresh leg of upmove. A fresh rally to revisit ₹450 levels is possible thereafter.

A strong break above ₹450 will pave way for the next targets of ₹470 and ₹475.

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





## WCL ने उत्पादन और प्रेषण में रिकार्ड वृद्धि दर्ज की

व्यापार प्रतिनिधि

नागपुर. 'मिनी रत्न' अनुबंधी कम्पनी वेस्टर्न कोलफील्ड्स लिमिटेड (वेकोलि) ने वर्तमान वित्तीय वर्ष 2017-18 की प्रथम छमाही में अब तक का सर्वाधिक कोयला उत्पादन एवं प्रेषण दर्ज किया है. कंपनी ने सितम्बर 2017 के दौरान सभी संचालन क्षेत्रों में अब तक की सर्वाधिक वृद्धि दर्ज कर रिकार्ड कायम किया है. 2017-18 के दौरान सितम्बर तक पिछले वर्ष की इसी अवधि की तुलना में कम्पनी ने कोयला उत्पादन में 8.4 फीसदी तथा भू-अधिभार हटाने (ओबीआर) में 37 फीसदी की वृद्धि दर्ज की. कोयला प्रेषण में भी अब तक की सर्वाधिक 33.10 फीसदी की वृद्धि दर्ज की गई है.

### ईट, रेती कारोबार को प्रतिसाद

कोयला-खनन के पारम्परिक कार्य से इतर, नयी सोच और अनुद्री पहल के आलोक में, कम्पनी ने ओबी से रेत निकालना, ईट बनाना, ईको माइन टूरिज्म, खदान से निकले पानी का कृषि-सिंचाई हेतु सदुपयोग, खदान के पानी को पीने योग्य बना कर, 'कोल नौर' के रूप में बोतल में उपलब्ध करवाना तथा कौशल विकास की अवधारणा को मूर्त स्वरूप दे कर 'मील के कई पत्थर' स्थापित करने में अभूतपूर्व सफलता पायी है. ओबी से रेत, ईट निर्माण की हमारी नई पहल उपभोक्ताओं को आकर्षित कर रही है. उत्साहित कोयला कंपनी व्यावसायिक उपभोक्ताओं के लिए भी और रेत निकालने तथा ईट बनाने की तैयारी में है.

**50**  
मिलियन  
टन की  
ओर अग्रसर

सितम्बर में वेकोलि ने कोयला उत्पादन तथा प्रेषण में क्रमशः 18 फीसदी तथा 45 फीसदी की वृद्धि दर्ज का नया रिकार्ड बनाया. कंपनी का कोयला उत्पादन का वार्षिक लक्ष्य 48.5 मिलियन टन है. वेकोलि इस निर्धारित लक्ष्य से कहीं आगे 50 मिलियन टन कोयला उत्पादन कर नया रिकार्ड बनाने की ओर अग्रसर है, जो 2009-10 के दौरान अब तक का सर्वाधिक कोयला उत्पादन 45.73 मिलियन टन की तुलना में काफी अधिक है.

# Coal-fired projections

The draft energy policy fails to consider several critical issues involved in the ongoing energy transition

ARMIN ROSENCRANZ, MITAKSHARA GOYAL  
& RAJNISH WADEHRA

The NITI Aayog's Draft National Energy Policy (DNEP) predicts that between now and 2040, there will be a quantum leap in the uptake of renewable energy together with a drastic reduction in fossil fuel energy intensity. Because of economic and population growth, India's annual per-capita electricity consumption is expected to triple, from 1075 kWh in 2015-16 to over 2900 kWh in 2040. The DNEP assumes 100% electrification throughout India in the near term – Prime Minister Narendra Modi recently announced that the government will invest \$2.5 billion to provide electricity connections to every home in India by the end of 2018 – and steadily improving energy efficiency. But the DNEP fails to consider several critical issues involved in the ongoing energy transition.

## Based on coal

Despite the fact that existing coal plants are running at low efficiencies, the DNEP relies on coal power to sustain the nation's base load requirement to meet rising energy demand. It proposes that coal will fuel 67% of India's power generation in 2022.

The first anomaly is that while India claims it will make a big push for renewables, it will continue to rely on coal for its base-load generation. While renewables grow, coal power grows too. This duality is possible because India did not commit to any actual reductions in its greenhouse gas emissions at the Paris climate meeting in 2015.

The second anomaly is that even with this target, India will need only 741 million tonnes of coal in 2022 and 876 million tonnes in 2027. But the Ministry of Coal continues to push its ambitious targets to raise coal production to 1.5 billion tonnes by 2020, of which 500 million tonnes is expected to be produced by private coal mines and about 1 billion tonne by the public sector.

The DNEP does not say what would be the fate of new allottees of coal mines which have bid aggressively and won rights to mine coal for captive power generation. What would they do with their coal if they can't generate power with it? Generation of power is licence free under the Electricity Act of 2003, so private miners do not need any licence to set up generating plants. All they need is a connection to the grid. Since the grid is State-owned, the Central government has adequate leverage to defer or delay connections.

In the past three years, with slow industrial growth, independent coal producers have been faced with reduced demand for

their power. Power plants, both public and private, have been running at merely 60% plant load capacity utilisation. Coal producers await respite and look to the ministries of coal and power for support. Such support may not be forthcoming. The conventional power industry already suffers a high level of bank loan defaults, insolvency and other legal proceedings. It is not surprising that new energy investors are crowding the nascent solar space.

## An electric future

The DNEP fails to highlight the gradual substitution of internal combustion engines with electric vehicles. This transformation in the automobile sector could be accompanied by grid- and consumer-level electricity storage at homes, offices and factories. While storage and electric vehicles are cursorily mentioned, the DNEP does not focus on these crucial subjects.

The DNEP acknowledges that India's oil consumption has grown 63% from 2005 to 2016 whereas refining capacity has grown only 15%. Gas consumption has increased 38% while production has actually fallen since 2012. India's energy security does require a large strategic storage of oil to take care of any vagaries in its international supply chain. India has been building up its stored reserves while international oil prices have dropped in the past couple of years. But the strategic storage of oil does not tackle the systemic causes of this high dependence on oil.

The peaking of India's oil demand could have been envisaged but has not been identified in the DNEP. On the one hand, the draft policy recognises that by 2040, India's oil import dependence may reach 55% from the current level of 33%. On the other hand, it offers nothing to curtail such dependence. All that the DNEP offers is to promote use of public transportation and railways to reduce oil consumption. Unless electric transport is carefully planned, India's dependence on imported oil is likely to continue.

The drafting committees need to examine the paradigm shifts occurring in storage and electric vehicles to promote new technologies in renewable energy. Why has India missed the revolutions in these technologies? New institutions, organisations and funding mechanisms for promoting renewable technologies need to be created not later than this year's end.

Armin Rosencranz is a professor of law at Jindal Global University, where Mitakshara Goyal is a fourth-year law student and Rajnish Wadehra is a master's candidate in public policy.





# 'Mineral-rich Nagpur has great potential for geological mining'

■ Prof O P Verma, Executive President, Indian Geological Congress was in city to attend 20th Convention of IGC at Chitnavis Centre in Civil Lines that will conclude on Thursday

■ By Kaushik Bhattacharya

"NAGPUR offers a great opportunity for geological mining and geotechnology as it is situated in the heart of the country. The mineral rich region can be explored more with joint efforts of the Government and other institutions that are into exploration," said Prof O P Verma, Executive President, Indian Geological Congress (IGC).

Prof Verma was talking to 'The Hitavada' on Wednesday. He was in the city to attend 20th Convention of IGC at Chitnavis Centre in Civil Lines. The convention will conclude on Thursday. Institutions like Geological Survey of India (GSI) and Mineral Exploration

Corporation Limited (MECL) should adopt modern technologies to explore hidden resources that are in a huge quantity in Central India, he said.

Naxal-affected Gadchiroli district in Vidarbha region of Central India is a hot belt for mineral deposits. In 2016, a mining company started exploration in the district but the mining activity got affected due to protests by local people. Asked about this, Prof Verma said, "Awareness and training about mining activity is needed among local people in tribal or remote areas. NGOs and social organisations should come forward to provide training and awareness to local people."

Prof Verma, who did his Ph.D and DIC in Mining Geology from London University in 1958, is known for having introduced for the first time in India a full-fledged curricula for M.Tech (Mineral



Prof O P Verma

Exploration) course since the beginning of 1976-77 session.

According to Prof Verma, "India has a good potential as far as exploring mineral deposits in ocean beds are concerned. Geologists are working hard to explore ocean beds, but we need more work and new technologies to match

the requirements." He suggested that geologists should increase their field work to gain more experience. It will also help in exploring more deposits in Central India.

Asked about education part, Prof Verma said, "Training and education of geological mining in India is very limited and the situation is very poor in Central India. Courses in mining engineering and other courses based on mining and geoscience are available at a limited number of places. IIT Kharagpur, IIT Roorkee, and IIT Mumbai are the institutions that offer good courses on mining."

# Face-off over steel plant at Bayyaram

Even as Industries Minister tries to push the cause, Centre maintains that it is unviable

PRASHANTH CHINTALA,  
N. RAHUL  
HYDERABAD

Establishment of an integrated steel plant at Bayyaram in erstwhile Khammam district of Telangana has become a bone of contention between the State and Central governments.

The State refuses to buy the Centre's contention that it is unviable to set up a steel plant at Bayyaram where the iron ore deposits are insufficient and also of low grade. "Let me remind you a bit of history here. Vizag steel plant was set up in a location where there is no iron ore whatsoever, low grade or high grade. Today, the steel plant gets its iron ore from Bailadila in Chhattisgarh, which is 500 km away. Bayyaram, on the other hand, has low grade iron ore and is located hardly 180 km from Bailadila," Industries Minister

## BONE OF CONTENTION

- Bayyaram not suited for location of steel plant as iron ore deposits are insufficient and also of low grade: Centre
- State reminds that Vizag steel plant was set up in a location where there is no iron ore low grade or high grade
- Today, the Vizag Steel Plant gets its iron ore from Bailadila in Chhattisgarh, which is 500 km away
- Bayyaram, on the other hand, has low grade iron ore and is located deposits 180 km from Bailadila
- Proposed steel plant will create employment for 10,000-15,000 people in the erstwhile Warangal and Khammam districts



ter K. T. Rama Rao told *The Hindu*. Stating that the proposed steel plant will give a

big fillip to the erstwhile Warangal and Khammam districts as it will create em-

ployment to 10,000-15,000 people, the Minister said, "We have even gone to the extent of suggesting to the Centre to lay a slurry pipeline in this 180 km from Bailadila to Bayyaram, no track is required. Telangana will also contribute to laying the pipeline. But unfortunately the Centre has not moved an inch. I hope that at least now they wake up and announce the project." Recalling his effort for establishment of the steel plant, Mr. Rama Rao said that "when the Union Steel Minister said that the Steel Authority of India (SAIL) is in a bad shape (to take up the project), I requested him to talk to NMDC, which is in a better shape, for taking it up".

Meanwhile, Chief Minister K. Chandrasekhar Rao said the other day that as SAIL was bragging on setting up the steel plant, the State-

owned Singareni Collieries Company Limited (SCCL) might be considered for the job. Referring to an assurance in Schedule I3 of AP Reorganisation Act about the coming up of a steel plant of SAIL in Bayyaram, a top official told *The Hindu* that the legislation was carefully worded as it said "Centre will explore possibility of...It did not say Centre shall set up the plant".

The SCCL had taken up investigative drilling for iron ore in 17 boreholes to a depth of 1,140 metres two years ago and found that the ore was not economical for setting up the plant. A senior company official said exploration of iron ore was not a concern, but how the company will handle the ore after mining was to be further examined in the light of the Chief Minister's statement.



# एंटी डंपिंग शुल्क पर मंशा भांपने में सरकार फेल



**बेतहाशा  
बढ़ी कीमतें**

## स्टील कम्पनियां कर गई खेल

एजेंसियां

दिल्ली, घरेलू अर्थव्यवस्था में तेजी की सबसे बड़ी उम्मीद वित्त वर्ष 2017-18 में मोदी सरकार के मेगा इंफ्रास्ट्रक्चरल प्रोजेक्ट्स से है. सबके लिए घर स्कीम, हाईवे, पोर्ट और एयरपोर्ट समेत 100 स्मार्ट सिटी को तेजी से आगे बढ़ाने का समय आ गया है. लेकिन सरकार के इस मेगा प्लान को जनता का क्या फायदा मिलेगा, फायदा मिलेगा भी या नहीं ये तो समय बताएगा. लेकिन घरेलू स्टील कंपनियों ने इसके जरिए जमकर चांदी काट ली है क्योंकि बीते 5 महीनों से लगातार घरेलू बाजार में स्टील की कीमतों में इजाफा देखने को मिल रहा है. खास बात ये है कि इन कंपनियों को फायदा पहुंचाने में सरकार का भी बड़ा रोल रहा. अब ऐसा जानबूझकर किया गया या स्टील कंपनियों ने सरकार को गुमराह किया, ये अलग सवाल है.

घरेलू स्टील कंपनियां बीते तीन साल से चीन, कोरिया, ब्राजील, जापान और रूस द्वारा भारत में स्टील डंप किए जाने का खतरा दिखा रही थीं. कंपनियों का दावा था कि ये देश भारत में स्टील डंप कर घरेलू स्टील की कीमत गिर जाएगी. लिहाजा घरेलू स्टील कंपनियों के इस अलर्ट को देखते हुए वित्त मंत्रालय ने मई 2017 में विदेशी कंपनियों द्वारा स्टील इंपोर्ट (47 तरह के स्टील प्रोडक्ट डंपिंग करने पर) पर एंटी-डंपिंग ड्यूटी लगा दी. यह ड्यूटी अगस्त 2016 से शुरू कर 5 साल के लिए लगाई गई. इसके बाद घरेलू बाजार में स्टील की कीमत बेतहाशा भागने लगी और एंटी डंपिंग का प्रावधान पूरी तरह से विफल हो गया. एंटी डंपिंग ड्यूटी जब से लागू हुई.

## खान सचिव ने किया IBM की खनिज प्रसंस्करण प्रयोगशाला का दौरा

व्यापार प्रतिनिधि नागपुर. खान मंत्रालय के सचिव अरुण कुमार ने एमआईटीसी हिमना स्थित भारतीय खान ब्यूरो के खनिज प्रसंस्करण प्रयोगशाला एवं



प्रायोगिक संयंत्र का दौरा किया। महानियंत्रक रंजन सहाय भी उपस्थित थे। कुमार ने देश के निम्न श्रेणी अयस्कों और खनिजों के विशिष्टीकरण व सञ्जीकरण हेतु उपलब्ध सुविधाओं का जायजा लिया। उन्होंने प्रभाग के वैज्ञानिकों और अधिकारियों के साथ विचार-विमर्श किया। काम्प्लेक्स एवं निम्न श्रेणी अयस्कों के उन्नयन हेतु वैज्ञानिकों द्वारा किए जा रहे अनुसंधान एवं विकास कार्य की सफाई की। उन्होंने प्रयोगशाला तथा प्रायोगिक संयंत्र में ताप अयस्क, लौह अयस्क, स्वर्ण अयस्क, ग्लोकोनाइट, चूना पत्थर, मैंगनीज, ग्रेफाइट के सञ्जीकरण के पश्चात उत्पन्न विभिन्न इन्स्ट्रुमेंटल तकनीक एवं प्रक्रमित उत्पादों के उपयोग एवं कार्य का प्रेक्षण किया। निदेशक इंदिरा रविंद्रन ने प्रभाग के कार्यकलापों की जानकारी दी। कुमार को लौह, अलौह, औद्योगिक, उर्वरक एवं बहुमूल्य खनिजों के विस्तृत स्पेक्ट्रम पर किए जा रहे अध्ययन में आईबीएम की विशेषज्ञता तथा निजी उद्योग, गवेषण एजेंसियों एवं शैक्षणिक संस्थानों को दी जा रही सेवाओं की भी जानकारी दी गई। मुख्य सतर्कता अधिकारी मनीष भिमटे, मुख्य अयस्क प्रसाधन अधिकारी डा. संजया लाल, डा. दिलीप आर. कानूनगो उपस्थित थे। सचिव ने निदेशक कलमकर, डी.जी.एम., महाराष्ट्र एवं भारतीय खान ब्यूरो के वरिष्ठ अधिकारियों के साथ नीलामी एवं अन्य संबंधित मुद्दों पर विचार-विमर्श किया।

BUSINESS LINE DATE: 5/10/2017 P.N.2

## Karnataka told to refund fee collected from private miners

High Court rules forests law is unconstitutional

KRISHNAPRASAD

Bengaluru, October 4

In a blow to the State Government, the Karnataka High Court on Wednesday declared as unconstitutional the Karnataka Forests (Amendment) Act, 2016 and directed the government to refund hundreds of crores of rupees collected as the Forest Development Fee (FDF) from private mining leaseholders.

A Division Bench comprising Chief Justice Subhro Kamal Mukherjee and Justice PS

Dinesh Kumar delivered the verdict while allowing a batch of petitions filed by BR Rudragowda and other individual miners, and private mining companies like Vedanta Ltd and others. The State had amended the Act in 2016 to empower the Government to collect FDF of 12 per cent, with retrospective effect from 2008, on the sale price of minerals sold by private mining companies.

However, the petitioners had contended that the amendment was enacted "only for the purpose of circumventing the Karnataka High Court's December 3, 2015 judgment with the object of avoiding the liability to refund the amount wrong-

fully and illegally collected from the miners under the erstwhile name — Forest Development Tax (FDT). The High Court, in its December 2015 verdict, had held that private mining or quarrying leaseholders in forest areas are not liable to pay the FDT when they dispose of iron ore and other minerals.

The Bench, in its order, said the incidence, namely the extraction of mineral upon which royalty is imposed remaining constant, imposition of levy by changing the name from 'tax' to 'fee' is impermissible. Thus, the mode in which the State has brought in the amendment is contrary to well established position of law, the Bench held.



## Near-term prospects bullish for MCX Nickel

GURUMURTHY K

BI Research Bureau

The downtrend in the Nickel futures contract on the Multi Commodity Exchange (MCX), which was in place since the first week of September, had halted in the past week.

The contract touched a low of ₹665.5 per kg on September 27 and has reversed higher from there. It has surged about 6 per cent from this low and is currently trading at ₹704.

The bounce-back in the past week signals that the corrective fall that had begun from the high of ₹786 in the first week of September has come to an end. Support is in the ₹693-₹690 zone, which is likely to limit the downside in the near-term.

As long as the contract trades above this zone, the outlook will remain positive. An upward move to test the immediate resistance at ₹711 is likely in the near-term. A strong break above this



level will pave the way for the next targets of ₹723 and ₹726. Short-term traders with a big risk appetite can go long on dips at ₹695.

A stop-loss can be placed at ₹685 for the target of ₹720. Revise the stop-loss to ₹703 as soon as the contract moves up to ₹710. The bullish outlook will get negated only if the contract declines below ₹690.

In such a scenario, the possibility of the contract falling to ₹665 or even lower will increase.

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

## 'Declining coal imports a concern for port sector'



NEW DELHI, Oct 4 (PTI)

CONTINUING decline in coal imports is a concern over the long term for the port sector as several terminals are considerably dependent on dry fuel shipments, credit rating firm ICRA said on Wednesday. "The continuing decline in coal volumes, at a more rapid rate, as compared to the previous periods, is a concern over the long term for the port sector," ICRA Senior Vice-President and Group Head (Corporate Ratings) K Ravichandran said in

a statement. The prolonged drop in coal imports can affect returns of such players, the agency said.

In the April-August period of FY2018, the volume growth at major ports was low as coal volumes recorded 12 per cent decline during the said period.

Cargo throughput at Indian ports saw a growth of 5.7 per cent at 1,133 million tonnes (MT) during the last fiscal as against 1,072 MT in FY2015-16. The port sector will continue to experience healthy growth in cargo in the near term, it said.

### NMDC slashes iron ore prices

New Delhi, October 4

The country's largest iron ore miner NMDC has slashed prices of higher grade iron (lumps) by ₹100 to ₹2,300 per tonne for the current month. The state-run firm has also cut the prices for iron ore fines, which are inferior grade ore, by ₹100 to ₹2,060 per tonne for the month of October. "The prices of iron ore w.e.f October 5, 2017 have been fixed at lump ore @ ₹2,300 per tonne and fines @ ₹2,060/- per tonne," the company said. The revised prices exclude royalty, DMF (District Mineral Fund), NMET (National Mineral Exploration Trust), cess, forest permit fee and other taxes. PTI

## Buy Comex gold if it dips to \$1,267-70/ounce

GNANASEKART

Comex gold futures inched higher, as the slide from last month's peak had mostly run its course with markets waiting for more clues on whether interest rates would be hiked in the United States. Several Fed officials are due to speak later on Thursday as markets await US non-farm payroll data on Friday. Global stocks at peak levels could prompt investors to move into the safety of bullion too.

Comex gold futures are moving in line with our expectations. Prices came close to our targets near \$1,267 an ounce.

As mentioned in the previous update, a close below \$1,287 could open the downside to \$1,273 followed by the \$1,260 in the near-term.

It needs to be seen if there is any possibility of a strong re-

bound from those levels. So far, the price action has not indicated any possibility of an intermediate bottom yet.

But, while the \$1,267 an ounce holds, there is a good chance of the retracement continuing towards \$1,287-95. The momentum is still strong on the downside and any upticks could be short-lived.

Prices could head towards our potential bearish near-term targets around \$1,240-45, while upside attempts get capped around \$1,287-90 resistance levels initially followed by \$1,310-15 in the near-term. The \$1,240-45 level is a strong medium-term support and therefore, we can expect a rebound or a retracement from those levels in the coming weeks.

Only a direct rise and close above \$1,297 could hint at further bullishness ahead.

The favoured view expects prices to edge higher towards resistances mentioned above and failure to follow through higher could lead to sell-off again.

On the other hand, a close above \$1,297 could see bearish bets being unwound.

### Wave counts

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

this decline. Subsequently, a corrective wave B could unfold with targets near \$1,375 or even higher.

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

But, failure to follow through above \$1,350 has dashed any hopes of any impulsive up move.

As prices

have broken certain important supports and shown weakness targeting \$975 levels, we are tilted towards looking at this as a corrective wave C in progress.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD have gone below the zero line of the indicator again, indicating a bearish reversal.

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

Therefore, buy Comex gold on dips to \$1,267-70 with a stop-loss placed at \$1,259 and targets at \$1,295 followed by \$1,315. Supports are at \$1,267, 1,255 and 1,240. Resistances are at \$1,295, 1,315 and 1,327.

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



## MCX Lead may see corrective fall

YOGANAND D  
Rt. Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) has been in a medium-term uptrend since taking support at around ₹132 a kg in early June 2017.

Following a corrective decline, the contract got support at ₹143 in early September and resumed its uptrend.

While trending up, the contract had emphatically breached its moving average compression (21-, 50- and 200-day moving average) at around ₹147 in September. The short-term trend is also up for the contract.

On Tuesday, the contract gained 3.3 per cent with the above average volume breaking a key resistance of ₹164. However, the contract re-



treated 2.5 per cent in the next trading session, encountering a key resistance at ₹170. It is currently trading at ₹167, up 0.66 per cent.

Corrective declines can find support either at ₹164 or ₹160 in the near-term. An upward reversal from these supports can take the con-

tract higher to ₹170. The short-term uptrend will be in place as long as the contract trades above ₹155. Traders with a short-term horizon should tread with caution and buy the contract in declines with a fixed stop-loss at ₹159.

An upward reversal can take the contract higher to ₹170 once again.

An emphatic break above the key resistance level of ₹170 will reinforce the bullish momentum and take the contract higher to ₹175 in the short-term.

Key supports below ₹155 are at the ₹150 and ₹147 levels.

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



# PAN Out, Jewellery Sector may Get its Mojo Back this Festive Season

**Govt reverses rule requiring PAN for purchases exceeding ₹50,000**

**Our Bureau**

**New Delhi:** Jewellery purchases exceeding Rs 50,000 won't require the income tax permanent account number (PAN) to be provided after the government reversed an earlier notification on Friday, providing a big festive cheer for the sector and potential customers.

Jewellers will also not be required to inform authorities about

jewellery purchases of over Rs 50,000 after the government rescinded a notification issued on August 23. Dealers in precious metals, precious stones and other high-value goods had been notified as persons carrying on designated business and professions under the Prevention of Money-Laundering Act, (PMLA) 2002, requiring them to intimate government about transactions above certain limits. Earlier, like other sectors, the threshold for KYC was for transaction of Rs 2 lakh or more. This got lowered to Rs 50,000 after the jewellery sector was brought under PMLA.

"The withdrawal of the Rs 50,000 limit for KYC (know your customer) under PMLA is great news, as the imposition had im-

pacted sentiment and sales to some extent," said Sandeep Kulkarni, senior vice-president, retail and marketing, Tanishq.

Industry expects growth to recover after the relaxation provided by the government.

"The 30% year-on-year growth that our company and the organised sector witnessed in the fiscal quarter ended June was impacted slightly, down around 5% in the second quarter, by the extension of PMLA to the gems and jewellery trade on August 23," said Balram Garg, managing director, PC Jewellers.

"With the festive season still under way, the withdrawal of the notification has raised prospects of sales recovering in the third quarter," said Surendra Mehta, national secretary, India

Bullion and Jewellers Association.

The government said the notification had been rescinded because certain incongruities had been brought to its notice.

"After considering various aspects of the issue, the government has decided to rescind the said notification. A separate notification after due consideration of points raised and wider stakeholder consultation in this regard, shall be issued separately," it said in a statement.

Dealers in precious metals, precious stones and other high-value goods having a turnover of over Rs 2 crore in a financial year are notified as persons carrying on designated business or profession, bringing them under the PMLA.

## Tata Steel shares jump 5%; mcap up Rs 3,031 crore

NEW DELHI, Oct 6 (PTI)

SHARES of Tata Steel on Friday rose by nearly 5 per cent after the company said its saleable steel production in the country rose 18 per cent to 5.98 million tonnes (MT) in April-September this year. The stock gained 4.73 per cent to settle at Rs 691.40 on BSE. During the day, it jumped 5.10 per cent to Rs 693.90. The scrip was the top performer among 30-share index. At NSE, shares of the company soared 4.60 per cent to end at Rs 691.45. The company's market valuation rose by Rs 3,030.87 crore to Rs 67,149.87 crore. In terms of equity volume, 6.30 lakh shares of the company were traded on BSE and over 94 lakh shares changed hands at NSE during the day.



## ...तो देश को निर्भर रहना पड़ेगा खनिज आयात पर

नागपुर. इंडियन जियोलाजिकल कांग्रेस के 20वें सम्मेलन के तीसरे और अंतिम दिन का समापन जोशपूर्ण विदाई समारोह के साथ हुआ. समारोह में मुख्य अतिथि के रूप में उपस्थित इंडियन ब्यूरो आफ माइन्स के कंट्रोलर जनरल रंजन सहाय ने कहा कि आने वाले समय में बाक्साइट के लिए पोटिंगी, ओडिशा तथा लोह के लिए राघाट, छत्तीसगढ़ खदानें शीघ्र ही विकसित की जाएंगी. एमईसीएल के सीएमडी डा. गोपाल धवन ने देश में खनिज गवेषण और ब्लॉकों के विकास का कार्य तेजी से बढ़ाने पर जोर दिया और कहा कि आज यदि हम यह नहीं कर पाये, तो देश को खनिज आयात पर निर्भर रहना पड़ेगा. इस अवसर पर जीएसआई के पूर्व डायरेक्टर जनरल डा. एस.के. चव्हावन सहित अन्य उपस्थित थे. सम्मेलन के प्रथम दिन देश के दो प्रमुख भूविज्ञानियों द्वारा दिए गए असाधारण योगदान को मान्यता देते हुए सचिव (खान मंत्रालय) ने डब्ल्यूसीएल के सीएमडी राजीव रंजन मिश्र और धवन का सत्कार किया.



# Punjab Minister called up mines chief before auction: Probe report

MAN AMAN SINGH CHHINA  
CHANDIGARH, OCTOBER 6

PUNJAB MINISTER for Irrigation and Power, Rana Gurjit Singh, called up the state's Director of Mines before an e-auction of sand mines in May to inquire about the "procedure and process".

This has been revealed in the Justice JS Narang Commission of Inquiry's report into the auction,

which was made public Friday by Leader of Opposition and AAP MLA, Sukhpal Khaira, who accessed it through the Right to Information (RTI) Act.

According to the report, Amit Dhaka, Director of Mines, told the commission: "When the auction pursuant to e-auction notice dated May 3, 2013 was scheduled to be held on May 19/20, I received a number of calls from various persons regarding the procedure of auc-

tion. This included some of the politicians as well."

The report states that when asked about two mines at Saidpur Khurd and Mehadipur in Nawanshahar district, Dhaka replied that no influence was exerted on him by the minister. But he stated: "However, he did call me up on my telephone and asked for the procedure and process finalised and prescribed for holding the auction."

CONTINUED ON PAGE 2

## Punjab Minister

According to the report, Rana Gurjit told the commission that he had called up Dhaka to understand the procedure being adopted for holding of e-auction "as some of his persons had inquired from him".

The one-member commission has stated in its report that any interference by the minister in the auction was not possible as the procedure was controlled and conducted by a computer programme. However, it found that the two successful bidders for the Saidpur Khurd and Mehadipur mines, Amit Bahadur and Kulvinder Paul Singh, both allegedly former employees of firms owned by the Rana family, had violated auction rules.

It found that the two had not deposited the pre-auction amount — processing fee, earnest money and 50 per cent of the bid money — either directly or through their bank accounts as mandatory under rules. It found that the money was deposited on their behalf by two others, Sahil Singla and Sanjit Randhawa — all four were partners in a firm, Rajbir Enterprises.

According to the report, the commission concluded that Bahadur and Kulvinder were "front men" of Singla and Randhawa.

At the auction, Bahadur submitted the highest bid of Rs 26.52 crore for Saidpur Khurd and Kulvinder topped with Rs 9.21 crore for Mehadipur. However, while deposing before the commission, Kulvinder stated that he did not have any experience of sand

and gravel mines while Bahadur could not produce any certificate in support of his claim that he had worked in sand mines.

Also, both could not initially tell the commission how many acres comprised one hectare and later said that it was 2.50 acres, the report states. Bahadur said that he did not know how much sand he was entitled to extract from the mine, according to the report.

AAP leader Khaira claimed Friday that Randhawa is the son of a former election agent of Rana Gurjit, and Singla is linked to a firm of Chartered Accountants that deals with the Rana Group of companies.

The Indian Express had reported on May 29 that four days before the e-auction, the government changed the rules to keep the names of the bidders secret.

## Mines secretary visits IBM, takes stock of facilities

**A**run Kumar, secretary to the union ministry of mines, paid a visit to mineral processing laboratory and pilot plant of Indian Bureau of Mines at MIDC, Hingna Road, recently. **Ranjan**



**Sahai**, controller general, IBM, accompanied him. He inspected the facilities available for **characterization and beneficiation of low grade ores** and minerals and interacted with scientists and officers. Also, he appreciated the **R&D work** being carried out by scientists for upgradation of complex and low grade ores. He keenly observed working and application of various instrumental techniques and processed products generated after beneficiation. **Indira Ravindran**, director of mineral processing division, gave a presentation on its activities and way forward. **Manish Bhimte**, chief vigilance officer, **Sandhya Lal** and **Dilip Kanungo** accompanied them to mineralogy section's chemical laboratory and pilot plant. After the visit, the secretary held a meeting with **Kalamkar**, director, DGM, Maharashtra, and **senior officers** of IBM.

THE TELEGRAPH DATE: 9/10/2017 P.N.6

# Protests in Australia to 'stop Adani'

**Melbourne, Oct. 8 (PTI):** Protesters rallied across Australia yesterday against Indian mining giant Adani's planned Carmichael coal mine project in Queensland, hitting the streets in a bid to stop the 10.5-billion-dollar venture that has been delayed for years over environmental and financing issues.

Thousands joined rallies in Sydney, Brisbane, Melbourne, the Gold Coast and Port Douglas in North Queensland as part of a National Day of Action, according to media reports.

"If this mine does go ahead it drives us into a dirty future and Australia is a country that's smarter than that," Simon Fosterling, a Bondi surf lifesaver at the Sydney protest, that attracted around 2,000 people, was quoted as saying by ABC news.

"I have a two-year-old daughter and I don't want to have a conversation with her in 10 years' time (when) she says to me, 'Dad, why didn't you do something?'"



Protesters at Sydney's Bondi Beach in Australia on Saturday. (Reuters)

Protesters spelled out "STOP ADANI" by standing in formation on the sand.

Sydney "Stop Adani" campaigner Isaac Astill called the construction of the mine an international issue. "It's going to be the biggest coal mine in the southern hemisphere at a time our climate is crumbling," Astill said. "It's an international issue and that's why we're seeing people around the world and in Australia coming out in thousands to say no to Adani."

Reports said around 2,000 people rallied in Melbourne's Princes Park carrying placards reading "Coal=CO2!!!"

and "Protect Our Future". Australian Conservation Foundation CEO Kelly O'Shanassy said she hoped the "big day of action" would send a strong message that taxpayers did not want their money subsidising the project.

"It will affect every single living thing on Earth, that's why people in Melbourne and Sydney and Canberra and Adelaide and Cairns all care about this mine not going ahead," O'Shanassy said.

Over 200 people turned out at Perth's Cottesloe Beach and more than 250 rallied in Hobart, where speakers included former Greens leader Bob Brown.

Adani Australia CEO Jeyakumar Janakiraj said the company was committed to creating jobs in Australia and there was "large support" for the project in regional Australia. "We are focused... the project is needed in the community and we have their whole support," he said, "Adani is very focused to get jobs started in the next few weeks."

Janakiraj conceded there was a loud minority voice against the project but said the anti-mine protests did not reflect the correct picture of how the project was being received regionally by the local community.

He also confirmed that the early works would start in the next few weeks.

Janakiraj said an Adani India festival last night in Townsville, Queensland, had attracted 20,000 people, which was an indication that the local community supported the project.

Speaking at the festival, minister Coralie O'Rourke welcomed the company's commitment and also praised Adani for adhering to and working with the government to deliver a job-creating project.

Adani and the Queensland government have highlighted that the mine will prove beneficial for the region. The company this week announced it would hire more than 1,000 fly-in, fly-out workers in both Townsville and Rockhampton.

Environment activists are, however, concerned about the potential impact on the Great Barrier Reef as the coal would be shipped through areas close to the national icon.

There are also concerns that the coal burned would contribute to climate change, the biggest threat to the reef.

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# Govt to notify new limit for reporting gold transactions

NEW DELHI, Oct 8 (PTI)

THE Government will soon notify a new threshold for reporting to authorities about transactions in gold and other precious metals and stones with a view to curb parking of black money in bullion, Revenue Secretary Hasmukh Adhia said.

The Government had on Friday reversed its August order of bringing gems and jewellery dealers under the purview of the reporting requirement of the Prevention of Money Laundering Act (PMLA).

In an interview to PTI, Adhia said that the August 23 order had to be rescinded because it created "confusion and a lot of negative sentiment" because no threshold for transactions to be reported was set.

## Gold sales likely to revive during Diwali as KYC norms eased

NEW DELHI, Oct 8 (PTI)

GOLD sales are likely to revive during the ensuing Diwali festival with the Government revoking an order that mandated PAN and Aadhaar cards for purchases above Rs 50,000, an industry body said. Higher sales are expected on Dhanteras to be celebrated on October 17 this year. Dhanteras is considered to be an auspicious day for buying gold, silver and other valuables and is largely celebrated in north and west India.

Gold prices were ruling firm

at Rs 30,555 per 10 grams and silver at Rs 40,600 per kg in the national capital as of Saturday.

"This is a big relief and there could not have been a better Diwali gift than this for both jewellers and consumers," All India Gems and Jewellery Federation Chairman Nitin Kandelwal told PTI. "We are expecting sales to revive after a lull in preceding months. We will be more than happy if sales remain normal during Diwali," he said. However, there is a need to create more awareness about the development among consumers, he said.

"For the first time in India, we had notified that jewellers will be reporting entity (under PMLA) but what report they will submit to us that was not clear," he said.

This led to jewellers implementing the August 23 order on the line of banks where cash transactions of Rs 50,000 and above are to be reported. "And that affected sentiments. So, now we have to sit down and decide about it," he said.

The decision to rescind the August 23 order was assumed to mean that the requirement of quoting the Income Tax Permanent Account Number (PAN) for jewellery purchases exceeding Rs 50,000 is no longer applicable, and this provided a big festive cheer for the sector and customers.

BUSINESS LINE DATE: 9/10/2017 P.N.16

## SAIL to use POSCO's tech services at Burnpur plant

OUR BUREAU

New Delhi, October 8

Steel Authority of India Limited has signed a strategic agreement with POSCO for technical services at SAIL's IISCO Steel Plant at Burnpur.

Under the agreement, POSCO will provide technical supervising service, including its know-how relating to operation and maintenance of coke-making, iron and steelmaking, con-

tinuous casting process, cold dust injection (CDI) operations and wire-rod mills.

This agreement is the result of an earlier MoU on technical collaboration for operational improvement and human resource development which SAIL and POSCO entered into in November, 2016.

A SAIL statement said that this will assist in realising benefits from its new plant.

BUSINESS LINE DATE: 9/10/2017 P.N.8

GLOBAL	Change in %			52-Week	
	Price	Weekly	Monthly	Yearly	High Low
<b>Metals (\$/tonne)</b>					
Aluminium	2131	2.4	2.4	27.6	2165 1612
Copper	8617	2.9	-3.8	39.7	6906 4670
Iron Ore	64	-8.7	-18.0	11.8	95 54
Lead	2517	1.0	8.9	23.1	2585 1964
Zinc	3298	2.9	6.7	42.6	3370 2087
Tin	20660	-0.9	-1.2	2.4	21945 18750
Nickel	10515	1.0	-13.1	3.0	12144 8710

# Posco prop for Burnpur

OUR BUREAU

New Delhi, Oct. 8: Steel Authority of India Ltd, the country's top state-owned steel producer, on Sunday said it has deepened strategic technical ties with South Korean steel-maker Posco for its plant in eastern India.

Loss-making SAIL has been chasing tie-ups with foreign majors such as Arcelor-Mittal and Posco — known for their cutting-edge technology — as most of its plants were built almost half a century ago and need new technology and equipment.

The pact is expected to help SAIL produce wire rods in special grades to meet local and international requirements from its Burnpur plant in West Bengal, SAIL said in a statement.

SAIL and Posco last year signed a preliminary pact and the sharing of technology would be an extension of the existing tie up, the statement said.

The PSU giant is also close to a deal with Arcelor-Mittal for a joint venture in automobile steel. The two need to settle some "commercial issues", SAIL chairman P.K. Singh had said in an interview with **The Telegraph**.

Having posted losses in the last two fiscals, SAIL has drawn up a turnaround plan that focuses on value addition and higher exports from the

## PACT WITH SAIL: The importance of Burnpur

- SAIL has suffered heavy loss in last two fiscals. Its turnaround focusses on value addition
- SAIL invested more than Rs 15,000cr in Burnpur modernisation
- Burnpur is focus of SAIL's value addition drive as it is the lowest cost producer of structural steel

Burnpur facility.

"What is making a difference is not just cost cutting but the fact that the Burnpur plant has come on stream. It is the latest, has the most efficient equipment with the lowest energy consumption, hence is also the lowest cost producer of high quality structural.

"We have increased its capacity utilisation to 75 per cent, this has helped cut cost per tone down by Rs 2,500," Singh had said in the interview. IISCO, Burnpur, a 1922 vintage plant, was scrapped and replaced by a 2.5-million-tonne unit, which has become SAIL's focal point of the PSU's modernisation drive.

SAIL has now decided to export most of its structural steel products out of Burnpur. "The quality and cost ensures that this will be the steel of choice for our exports," the SAIL chairman said.

DAINIK BHASKAR (MAHANAGAR)

DATE: 9/10/2017 P.N.17

## खनन मंत्रालय सचिव अरुण कुमार ने किया दौरा

नगर संवाददाता | नागपुर. खान मंत्रालय के सचिव अरुण कुमार ने हिंगना एमआईडीसी स्थित भारतीय खान ब्यूरो के खनिज प्रसंस्करण प्रयोगशाला एवं प्रायोगिक संयंत्र का दौरा किया। इस दौरान भारतीय खान ब्यूरो के महानियंत्रक रंजन सहाय प्रमुखता से उपस्थित थे। इस दौरान अरुण कुमार ने प्रयोगशाला में देश के निम्न श्रेणी अयस्क और खनिजों के विशिष्टीकरण और सञ्जीकरण के लिए उपलब्ध सुविधाओं का जायजा लिया तथा प्रभाग के वैज्ञानिकों और अधिकारियों के साथ विचार-विमर्श किया। उन्होंने वैज्ञानिकों के प्रयासों की सराहना की।

निजी उद्योगों की दी गई जानकारी प्रयोगशाला के साथ प्रायोगिक संयंत्र के ताम्र अयस्क, लौह अयस्क, स्वर्ण अयस्क, ग्लोकोनाइट, चूना पत्थर, मैंगनीज, ग्रेफाइट इत्यादि के सञ्जीकरण के बाद उत्पन्न विभिन्न इंस्ट्रुमेंटल तकनीक का निरीक्षण किया। विभाग के अयस्क प्रधान शाखा की निदेशक इंदिरा रवौदन ने कार्यकलापों का प्रस्तुतिकरण दिया। लोह, अलुमिना, औद्योगिक, उर्वरक एवं बहुमूल्य खनिजों के विस्तृत स्पेक्ट्रम पर किए जा रहे अध्ययन में भारतीय खान ब्यूरो की विशेषज्ञता तथा निजी उद्योगों की भी जानकारी दी गई।



# 'GST will boost sales for organised gold trade'

Panel at Bullion Conclave sees jewellers getting a leg-up from exemption from PMLA provision

V SAJEED KUMAR

Thiruvananthapuram, October 8

As a pleasant coincidence, on the day the MCX-BusinessLine Bullion Conclave was scheduled in Thiruvananthapuram, the Centre raised the ceiling up to which consumers can buy gold without producing their PAN card from ₹50,000 to ₹2 lakh.

The liberalisation of rules follows concerns raised by jewellers, and the increase in value is expected to boost gold sales and overall sentiments in the trade, said speakers at a panel discussion on the Changing Dynamics of Bullion Markets in India - Outlook, Risks and Opportunities.

Hailing the government's decision, B Girirajan, patron, All Kerala Gold and Silver Merchants Association, said the government's move to exempt jewellers dealers from the purview of reporting provisions under

the PMLA (Prevention of Money Laundering Act) will also be a "positive factor" for the industry.

GST, according to him, will enable the gold industry receive the 3 per cent input credit for gold bars. Coupled with the increase in the per-gram price of gold in the grey market by ₹50-70, this will help organised play

ers sing in more sales, he added.

However, PM Thomas, President, Thiruvananthapuram District Gold and Silver Merchants Association, pointed out that the restrictions on payments after

demonstrations had resulted in sluggish sales, impacting both medium and small traders. There has been a major shift of consumers to malls and leading jewellery outlets. Besides, consumer interest in gold exchange has diminished due to higher prices of the yellow metal, he said.



Panel members (from left) G Chandrasekhar, commodities market specialist, Shivanush Mehta, Head, Bullion, MCX; Nisha Menon, Director, Tax, PwC India; Rajalakshmi Nirmal, Deputy Editor, BusinessLine; B Girirajan, patron, All Kerala Gold and Silver Merchants Association; Varghese Alukka, MD, Jos Alukkas Jewellers; and PM Thomas, President, Thiruvananthapuram District Gold and Silver Merchants Association, at the Bullion Conclave organised by MCX, in association with BusinessLine, in Thiruvananthapuram

Varghese Alukka, Managing Director, Jos Alukkas Jewellers, was of the view that the company's marketing strategy of launching 916 purity gold and buy-back guarantee had good

traction among consumers, and facilitated its expansion in other South Indian markets.

Highlighting the dynamics of the gold market, G Chandrasekhar, commodities

market specialist, said economic growth, the geo-political situation, monetary policy, currency and flow of speculative capital were major determinants of the price of gold.

Gold is a safe haven asset and a hedge against inflation. The global gold market has been more volatile since 2014, and this calls for adoption of hedging strategies by actual users, such as jewellers, he said.

## Increased credit availability

According to Nisha Menon, Director, Tax, PwC India, the biggest advantage of GST for jewellers is their ability to utilise credit on various procurements, such as rentals of showrooms, sponsorships, security services, etc. The benefit of the increased availability of credit is expected to be passed on to the consumer.

Shivanush Mehta, Head, Bullion, MCX, said the exchange is planning to organise campaigns across the country to educate and create awareness on the benefits of options trading in gold.

Rajalakshmi Nirmal, Deputy Editor, BusinessLine, was the moderator at the panel discussion.

It was pointed out by many speakers that Thiruvananthapuram is the gold capital of the country. Out of the 1,050 kg of gold sold in Kerala, 70 per cent of ornaments are made by artisans and decades old family-run businesses in Thiruvananthapuram.

BUSINESS LINE DATE: 9/10/2017 P.N.8

# Gold gets relief from geo-political tensions

But strong dollar may cap the upside in the short term

GURUMURTHY K

Gold remained under pressure, as expected, almost all through last week. But the geo-political tensions that was reignited on Friday, helped the yellow metal recover from the week's low. Gold fell to a low of \$1,260.7 per ounce on Friday and recovered from there to close at \$1,276.7, down 0.2 per cent for the week. Reports on North Korea planning to test a long-range missile that could reach the west coast of the US, aided gold to regain safe-haven status.

Silver, on the other hand, has managed to close slightly higher for the week. It made a low of \$16.33 per ounce and recovered from there to close at \$16.84, up 1.1 per cent for the week.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) has reversed higher after testing the crucial support level of ₹29,260 per 10 gm last week. The contract made a low of ₹29,260 per 10 gm on Wednesday and

bounced back from there to close at ₹29,573, up 0.1 per cent for the week. The MCX-Silver futures contract made a low of ₹38,710 per kg and bounced back from there to close 0.4 per cent higher for the week at ₹39,596 per kg.

## Mixed reaction

The US jobs data on Friday received a mixed reaction from the market. The non-farm payroll fell by 33,000 impacted by the hurricanes that hit the US. However, employee wages, a key indicator, picked up strongly. The average hourly wages of employees increased 2.9 per cent (year-on-year) in September. The employee wages have been moving higher over the last three consecutive months and reinforces the chances of a rate hike in December.

The US dollar index was not im-

acted much by the weak job numbers. It made a high of 94.27 and fell back to close the week at 93.8. The key resistance at 94.3 is holding well as of now. If the index manages to sustain above the immediate support at 93.65 and reverses higher again, it can break above 94.3 in the coming days. Such a break can take the index to 95 or even higher levels. In such a scenario, the upside in gold could be capped. The dollar index will come under pressure only if it declines below 93.65. The next targets are 93 and 92.85.

## Gold outlook

The global spot gold (\$1,276.7 per ounce) has an im-

mediate resistance at \$1,280. A strong break above it can take it higher to \$1,300 and \$1,315. But, inability to break above it can pull the prices lower to \$1,260 again and keep it range-bound between \$1,260 and \$1,280 for some time. A break below \$1,260 can drag the prices lower to \$1,250 or \$1,243. The level of \$1,243 is a key medium-term support. A break below it is less probable. An eventual reversal from \$1,243 will increase the possibility of gold revisiting \$1,100 levels over the medium term.

The MCX-Gold (₹29,573 per 10 gm) has reversed higher from a key support level of ₹29,280. The outlook is bullish. Immediate resistance is at ₹29,745, which is likely to be tested early this week. A strong break above it can take the contract higher to ₹30,110. Further break above ₹30,110 will increase the pos-

sibility of the rally extending to ₹30,500 and ₹30,675. Medium-term traders who have taken long positions last week at ₹29,350 can hold it. Retain

## Silver outlook

The global spot silver (\$16.84 per ounce) has bounced back from a key Fibonacci retracement support level last week. Immediate resistance is at \$16.9. A strong break above it can target \$17.2 initially. Further break above \$17.2 can take silver higher to \$17.5 and \$17.75. Key supports are at \$16.5 and \$16.35. The outlook will turn negative only if silver declines below \$16.35. Such a break can take it to \$16 initially. Further break below \$16 can drag the prices lower to \$15.5 or even \$15.35.

MCX-Silver (₹39,596 per kg) futures contract failed to sustain its break below the 100-day moving average support last week. The contract fell to a low of ₹38,710 and has bounced back from there. The near-term view will remain positive for a rally to ₹40,100 and ₹40,215 as long as it sustains above ₹39,040. The contract can gain momentum if it manages to break above the 21-day moving average resistance at ₹40,215. Such a break can take the contract higher to ₹40,550 or ₹40,720 initially. Further break above ₹40,720 can target ₹41,000.



## MCX Gold

Supports  
₹29,260 / ₹29,500  
Resistances  
₹29,745 / ₹30,136

## MCX Silver

Supports  
₹39,000 / ₹38,425  
Resistances  
₹40,215 / ₹40,550



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## Bhushan Steel IRP seeks resolution plans

**ENSECONOMIC BUREAU**  
MUMBAI, OCTOBER 9

THE RESOLUTION professional of Bhushan Steel on Monday sought resolution plans from prospective lenders and investors, according to an advertisement.

"The prospective lenders, investors, and any other persons (resolution applicant) are hereby invited to put forward resolution plans to the resolution professional...for their consideration as per the Insolvency and Bankruptcy Code 2016..." it said.

In July, the National Company Law Tribunal had appointed Vijaykumar V Iyer as the interim resolution professional (IRP) for Bhushan Steel. The firm was among the 12 companies which the RBI had asked banks to refer

to the bankruptcy court. On June 13, it had asked banks to refer 12 large stressed accounts – with loans close to ₹2.4 lakh crore – to the NCLT.

"The committee of creditors (CoC), pursuant to its meeting held on September 25, is in the process of adopting the eligibility criteria for its appraisal of the resolution applicants..." it added.

Bhushan Steel, which owes banks a whopping ₹44,447 crore is promoted by the Singal family who collectively hold 43.74 per cent in it; the firm reported a net loss of ₹3,501 crore in 2016-17 on revenues of ₹15,027 crore. Meanwhile, NCLT benches have admitted 11 of the 12 companies identified by the RBI, with a combined gross debt of more than ₹2.3 lakh crore – clearing their insolvency proceedings. **FE**

## Coal India cuts down stocks

**A STAFF REPORTER**

**Calcutta, Oct. 9:** Coal India's stocks have come down in September on the back of steps taken by the public sector miner to boost offtake.

Coal India officials said the stock fell to 31.3 million tonnes (mt) at the end of the month from 36.3 million tonnes on September 1 as power generators DVC, Mahagenco, NTPC, Rosa, Lanco have started taking coal from the stocks.

The PSU is following a twin strategy to transport coal. Power plants within a radius of 50-60km of its mines have been asked to use the road, while the railways have been asked to focus on those power plants that are further away.

The steps have helped to improve both production and offtake in September. "September has been a good month for Coal India. The supply to power plants was 35.1mt in September against 29.1 mt



**TAKING STOCK**

previous year. There was a 19 per cent growth in rake loading for the power utilities," a CIL official said. In absolute numbers, Coal India loaded 192.7 rakes daily compared with 162.1 rakes daily during September 2016.

Following a meeting of the coal and power secretaries, it was decided that

Coal India should despatch 215 rakes daily, and the loading has been stepped up to meet the target.

### Good production

Coal India has produced 39 million tonnes in September against 35 mt previous year. Company officials said the production for the month was the highest in four years, though both production and despatch were affected on account of the festive holidays.

Generation by the power plants, however, failed to match coal supply, growing only 6.6 per cent.

One reason for this could be the decline in coal imports. In the recent years, there has been a regular drop in coal imports, and in August there was a decline of 24 per cent, amounting in huge savings of forex. Coal import in August 2017 stood at 14.97mt against 19.75mt in the same month of previous year.



# GST relaxations fail to bring glitter in diamond trade

RUTAM VORA

Ahmedabad, October 9

During his recent visit to Gujarat, Prime Minister Narendra Modi greeted the nation for 'early Diwali' after the latest GST relaxations for businesses. However, Surat's diamond industry has no reasons to cheer.

Even as the volume of exports has improved over the past years, the realisations have declined due to appreciating rupee. This, joined with reduced Christmas export orders, have added to the already adverse business scenario post the roll-out of the Goods and Services Tax (GST).

"We had asked the govern-

ment to relax the GST conditions for B-2-B transactions between the same group company. The nature of our business is such that our manufacturing units are stationed at Surat, while marketing offices are in Mumbai. Diamonds transferred from Surat to Mumbai within same group company attracted 3 per cent GST. This added to the already complex procedures and blocked our funds," said Babubhai Gujarati, President, Surat Diamond Association (SDA).

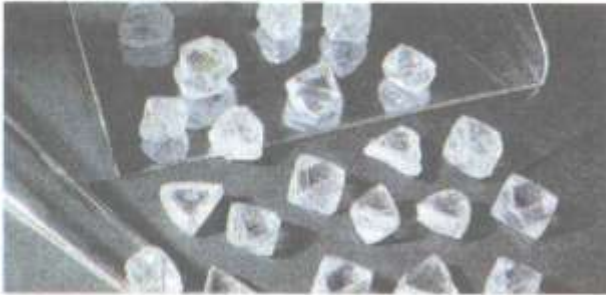
Gujarati, however, added that senior government officials had acknowledged the issue as legitimate demand and

had also assured to resolve. "But after the latest GST council meeting, nothing we have heard on the matter. We are planning to meet the Finance Ministry officials in this regard," he said.

The exports have already remained under currency pressure. For the April-August period, India's cut and polished diamond exports stood at ₹59,493.5 crore — down 3.4 per cent from ₹61,584.5 crore reported in the same period last year. However, the quantity of exports increased from 136.07 lakh carats to 147.80 lakh carats for the period.

"Mostly, we start receiving Christmas orders around Diwali. But this time, the overseas orders are less. Currently, there is a subdued sentiment. We hope things get normal going forward," said Dinesh Navadia, Regional Chairman, GJEPC.

Navadia further added that the key issue currently hurting the industry is the 3 per cent GST on B2B trade. "Nowhere in the other markets such as Belgium or Israel such tax is imposed. There needs a rethink on this tax," he said.



Even as the volume of exports has improved over the past years, the realisations have declined due to appreciating rupee

## MCX Aluminium tests key resistance

GURUMURTHY K  
Bt, Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange (MCX) has reversed higher in the past week within its ₹137-141 sideways range. The contract made a low of ₹137.15/kg and has bounced higher to test ₹141. However, the resistance in the ₹140.5-141 region is restricting the contract from rallying further. It is currently hovering at this resistance zone, at ₹140 per kg.

A strong break above ₹141 is needed for the contract to gain momentum. Such a break can take the aluminium futures contract higher to ₹143. The level of ₹143 is a key long-term trend



resistance. An immediate break above this hurdle is less probable. A pull back from there can drag the contract lower to ₹141 and ₹140 again. Further break below will see the corrective fall extending to ₹139 and ₹137 thereafter.

On the other hand, if the

contract remains below ₹141 in the coming days, it can test ₹139 again. A break below ₹139 can pull the contract further lower to ₹137. In such a scenario, the contract can remain stuck in between the ₹137-141 sideways range for some more time.

The contract will come under renewed pressure if it breaks below ₹137 decisively. Such a break can drag the contract, lower to ₹135 or even ₹132 thereafter. Traders can stay out of the market at the moment and wait for a clear trade signal to emerge.

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

NAVBHARAT DATE: 10/10/2017 P.N.7

**कोयला  
घोटाला**

## धीमी जांच, सुको खफा

नवभारत समाचार सेवा

दिल्ली, कोयला घोटाला मामले की जांच में ढिलाई बरतने को लेकर उच्चतम न्यायालय ने केंद्रीय जांच ब्यूरो और प्रवर्तन निदेशालय को जमकर फटकार लगाते हुए जांच में तेजी लाने का आदेश दिया. सुको ने कहा कि उन्हें इसके लिए कोई प्रक्रिया तय करनी चाहिए. न्यायमूर्ति मदन बी. लोकुर की अगुवाई वाली 3 न्यायाधीशों की पीठ ने कोयला घोटाला मामले में किलम्ब को लेकर नाराजगी जाहिर की.



पीठ ने कहा कि एजेंसियों को कोई व्यवस्था लागू करने की जरूरत है. हम समझते हैं कि कुछ विलम्ब तो होगा लेकिन जांच कई वर्षों तक नहीं खिंची जा सकती. इस पीठ में न्यायमूर्ति कुरियन जोसेफ और न्यायमूर्ति ए. के. सीकरी भी हैं. मामले की अगली सुनवाई दिसम्बर के पहले सप्ताह में नियत की गई. गैर सरकारी संगठन कामन काज की ओर से पेश हुए अधिवक्ता प्रशांत भूषण ने

**जांच  
कई वर्षों तक  
नहीं खिंची  
सकती**

अदालत में कहा कि उच्चतम न्यायालय के आदेश के बावजूद सीबीआई ने कोयला घोटाले के कई मामलों में जांच तेज नहीं की. कोयला घोटाले में जांच को कथित तौर पर प्रभावित करने के लिए पूर्व सीबीआई निदेशक रंजीत सिन्हा द्वारा प्रथम दृष्टया पद का दुरुपयोग किए जाने के आरोपों की जांच करने के लिए उच्चतम न्यायालय ने 23 जनवरी को एक विशेष जांच दल का गठन किया था.



# Vedanta logs record aluminium, copper, silver production in Q2

Iron ore output hit in Goa, Karnataka

OUR BUREAU

Mumbai, October 10

Vedanta, a diversified metal and energy company, has recorded highest ever quarterly production of aluminium, copper and silver in the September quarter, though its iron ore production in Goa and Karnataka suffered.

The company's refined zinc-lead metal production in the September quarter was up 27 per cent at 2.30 lakh tonnes (lt) and refined silver output was up 31 per cent at 140 tonnes, said Vedanta in a statement on Tuesday.

Mined metal production was up 14 per cent at 2.19 lt on account of higher volumes from underground mines though it declined six per cent compared to June quarter due to lower ore treatment.

Integrated zinc and lead metal production were up 29 per cent and 24 per cent at 1.92 lt and 38,000 tonnes, respectively.

Vedanta's subsidiary Hindustan Zinc's Rampura Agucha underground mine development in Rajasthan is progressing well and is on track for commissioning in the December quarter of next fiscal. Shaft project at Sindesar Khurd is also on track for commissioning in Q2 FY-19, it said.

Aluminium production increased 36 per cent to 4.01 lt with the ramp up of produc-

The demand-supply imbalance in domestic coal supplies resulted in higher prices and caused disruptions in availability of coal for the captive power plants during the quarter.

tion at the Jharsuguda and Balco smelters.

The demand-supply imbalance in domestic coal supplies resulted in higher prices and caused disruptions in availability of coal for the captive power plants during the quarter. Alumina production was down 8 per cent at 2.69 lt.

Average gross oil and gas production was down 8 per cent at 180,955 barrels of oil equivalent per day (boepd) on account of natural decline in producing reservoirs.

Drilling of 15 infill wells at the Mangala field has commenced and the first well was brought online at the end of September.

Aishwariya Barmer Hill Phase-I production has commenced during the quarter. Liquid handling upgrade

and the field development plan for 45 additional infill wells at Mangala are under advanced stages of discussion with our JV partner for approval, it said.

In Goa, iron ore production was down at 4 lt due to the monsoon season and sold a lower quantity of ore at 1 lt due to low prices, it said.

In Karnataka, the company is close to achieving its annual mining cap with production of 9 lt. Sales were lower 30 per cent at 6 lt.

The company has inventory of around 3 mt at Goa and 1.2 mt in Karnataka.

Pig iron production decreased 29 per cent to 1.37 lt due to a local contractors' strike.

This strike has been resolved in mid-September and production will pick up in the coming quarters.

# Kobe Steel admits to falsifying product data

Stuns Japanese manufacturers; about 200 companies received suspect products

REUTERS

Tokyo, October 10

Japan's government sought on Tuesday to contain the fallout from the disclosure by the nation's third-biggest steel maker, Kobe Steel, that it had fabricated data on components used in cars, aircraft and

space rockets, sending shock waves through the Japanese manufacturing sector.

Faced with the latest in a series of missteps that have undermined Japan's reputation for high-quality production, the industry ministry instructed Kobe Steel to assess the



safety impact from the scandal. The company said products used by about 200 companies were certified with falsified

data. They included Toyota Motor Corp, Central Japan Railway, Mitsubishi Heavy Industries, Mazda Motor Corp and Subaru Corp, the companies confirmed.

Analysts say the announcement further tarnishes the reputation of Japan's globe-trotting manufacturers, long celebrated for their high-quality products. It could also undermine confidence in Prime

Minister Shinzo Abe's moves to improve corporate governance as part of his programme of Abenomics.

The admission from the steel and aluminium maker follows scandals involving falsified data at household names such as Nissan Motor, Mitsubishi Motors and Takata Corp, which filed for bankruptcy earlier this year. Kobe Steel shares dived 22 per cent to 1,068 yen.

## BUSINESS LINE

DATE: 11/10/2017 P.N.18

## Silver, platinum hit two-week high

London, October 10



Silver rose 1.5 per cent to \$17.19 an ounce, having touched a two-week high of \$17.20. "The gold-silver ratio is trading above the 10-year average, suggesting silver is undervalued," Standard Chartered said in a note. "Silver's supply and demand dynamics are supportive of higher prices in light of stagnating mine output and firming industrial demand." Platinum was up 1.9 per cent at \$929.10 an ounce, having hit its highest in nearly two weeks, while palladium rose 0.4 per cent to \$933.10. Gold touched its highest in nearly two weeks, supported by a softer dollar and geopolitical tensions in Spain and North Korea, though gains were capped by expectations of another US interest rate increase. Spot gold was up 0.6 per cent at \$1,291.90 an ounce by 1154 GMT. US gold futures for December delivery climbed 0.7 per cent to \$1,294.50. REUTERS

## Immediate outlook remains unclear for MCX Zinc

GURUMURTHY K

IL Research Bureau

The uptrend in the zinc futures contract on the Multi Commodity Exchange (MCX) came to a pause last week. The contract made a high of ₹218.8 a kg on October 3 and has moved lower from there. It is currently trading at ₹213. The immediate outlook is not clear.

Resistance is at around ₹218. As long as the contract trades below this hurdle, a fall to ₹210 and then to ₹206 or even ₹204 cannot be ruled out in the short-term. The region between ₹204 and ₹206 is a key support zone which is likely to limit the downside. A break below ₹204 is unlikely. An eventual upward reversal can take the contract higher to ₹215 and ₹220 levels again.

On the other hand, if the con-

tract manages to breach and close decisively above ₹218 in the coming days, it can gain momentum. In such a scenario, a fresh rally to ₹225 or ₹226 is possible. Short-term traders with a high-risk appetite can go long on a strong break above ₹218. The stop-loss can be placed at ₹214 for the target of ₹225. Revise the stop-loss higher to ₹220 as soon as the contract moves up to ₹222.

The region at around ₹226 is a key resistance which is likely to cap the upside if the MCX-Zinc futures contract extends its up-move from current levels itself. A corrective fall to ₹220 or even lower levels cannot be ruled out after testing this hurdle.

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



## 'Role of mineral beneficiation is crucial for devt of Mineral Industry'

■ Arun Kumar visits Mineral Processing Laboratory and Pilot Plant of Indian Bureau of Mines at MIDC

■ Staff Reporter

SECRETARY Ministry of Mines, Government of India, Arun Kumar visited Mineral Processing Laboratory and Pilot Plant of Indian Bureau of Mines at MIDC, Hingna Road Nagpur recently. Ranjan Sahai Controller General, IBM accompanied him. During his visit Kumar saw the facilities available for characterisation and benefaction of low grade ores and minerals of our country and interacted with Scientists and officers of the division. He appreciated the R & D work being carried out by scientist for upgradation of complex and low grade ores. He keenly observed the application and working of various instrumental techniques and processed products generated after beneficiation of Copper ore, Iron Ore,

Gold Ore, Glauconite, Limestone, manganese and Graphite both in lab and Pilot Plant.

Indira Ravindran Director (OD) Mineral processing Division gave a presentation on the activities of the division. She highlighted the achievements of the work done by Mineral processing Division. Manish Bhimte Chief Vigilance Officer, Dr Sanshya Lal,

Chief Ore Desssing Officer, Dr Dilip R Kanungo Superintending Officer (OD) accompanied them to Mineralogy Section, Chemical laboratory and Pilot Plant.

After the visit, the Secretary attended a meeting with Dr Kalamkar, Director DGM Maharashtra and senior officers of IBM and held discussions.



Indira Ravindran Director (OD) showing the processed product to Arun Kumar, Secretary MOM and Ranjan Sahai, CG IBM. Dr Sandhya Lal, CODO and Dr Dr Kanungo, SOOD were also present.

# Gem and jewellery traders hail govt's move to lift anti-money

## COMMENTARY

G. CHANDRASHEKHAR

Ahead of Diwali, there is cheer within the gem and jewellery fraternity over the Indian government's decision to take the sector out of anti-money laundering legislation.

This has been widely welcomed after the trade was hit by a series of unfriendly legislations over the last one year, including demonetisation on November 8 last year, followed by the introduction of Goods and Services Tax on July 1. There has been palpable unease, anxiety and un-

certainty within the industry in recent months.

The application of PMLA (Prevention of Money Laundering Act) was particularly seen as onerous for compliance, as it mandated customer identification and reporting of all cash transactions. Given that the trade has traditionally been run more on cash (with its concomitant implications), the trade was upset. Customers, too, were reluctant to be identified.

While the government's earlier decision to apply PMLA to ensure transparency and audit trail was laudable, it had to rescind the order possibly because of market

pressure. There has been no meaningful explanation for the withdrawal of the earlier order - someone in the government owes an explanation. There is, of course, some hint that after Diwali and wedding season, there will be a new legislation to document jewellery sales/purchases with appropriate value limits.

### Demand scenario

Be that as it may, despite taking gem and jewellery out of PMLA and providing sentimental relief to trade and consumers alike, the demand scenario is most unlikely to undergo any dramatic improvement. For one,



Consumption demand for gold remains a worrisome factor

the agriculture situation is not as robust as expected. Large parts of the country have faced deficient rains, and rural incomes - a key

driver of gold demand - are not expected to rise significantly.

Post-harvest months - October to March - are tradi-

tionally considered as auspicious months for conducting weddings, particularly from mid-January onwards. Demand during the period should be considered as non-speculative and for genuine consumption purposes.

In other words, while gold imports remained strong in the first half of the year, it has slowed in the last couple of months, and the underlying consumer demand has remained rather soft. Discussions with top jewellery brands across the country suggest that consumption demand has been below expectation and weak in the third quarter. Of course, a decent pick up in the fourth

## laundering legislation

quarter is expected because of seasonal factors.

Meanwhile, as argued in these columns earlier, international prices have moved well below \$1300 an ounce. Central bank interventions seem to weigh on gold prices already. The prospect of a further rate hike by the US Federal Reserve in December this year is now widely anticipated. It will pressure gold further down and a breach of \$1250/oz is expected first, followed by a test of \$1200/oz.

### Rate hikes

There is also belief among market observers that along with the US Fed, the ECB may also start to shrink its bal-

ance sheet, while the Bank of England may announce the first rate hike in a decade. Cumulatively, these monetary policy actions together with soft demand, especially in India, do not augur well for gold prices in the coming months.

The negative or below-market expected US employment data for September initially helped the yellow metal, but there is unanimity that jobs data will bounce back in the coming months and allow the Fed to press ahead with a rate hike.

(The author is commodities market specialist. Views are personal)



## MCX-Nickel resumes uptrend

GURUMURTHY K

BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) has extended its rally for the second consecutive week. The contract surged 4.5 per cent to make a high of ₹719.8a kg on Tuesday. But it has slightly come-off from this high and is currently trading at around ₹714.5, up 3.7 per cent for the week. The strong bounce-back move last week has taken the contract well above the psychological resistance level of ₹700. This confirms that the corrective fall has ended and the contract has resumed its overall uptrend that had begun in June. The 21-week moving average has crossed over the 100-week moving average backing the uptrend.

The region between ₹705 and ₹700 is a key support for the contract, which can limit the down-



side. Dips to this support zone may find fresh buyers coming into the market. Resistance is in the range between ₹720 and ₹722. A strong break above ₹722 can take the contract higher to ₹750 or ₹755 in the short-term.

Traders who have taken long positions last week at ₹695 can hold it with a revised stop-loss at ₹703 and for the same target of ₹720. Traders with a short-term perspective can buy on dips at ₹709 and ₹706. Keep the stop-loss at

₹695 for the target of ₹735. Revise the stop-loss higher to ₹710 as soon as the contract moves up to ₹718.

The outlook will turn negative only if the contract breaks below ₹700. The next targets are ₹690 and ₹685.

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

## Punjab Minister took loans from firms that funded mine auction

**MAN AMAN SINGH CHHINA**  
CHANDIGARH, OCTOBER 12

PUNJAB IRRIGATION and Power Minister Rana Gurjit Singh and his wife, Rana Rajbans Kaur, took loans from the same three companies that paid a firm which, in turn, paid 50 per cent of the bid amount for two sand mines allotted to two former employees of the minister.

The three companies are RGS Traders Pvt Ltd, RJ Textfab Pvt Ltd and Jay Aar Builders Pvt Ltd.

RGS Traders Pvt Ltd has given the same office address as Rana Group of Companies, the family-run business of the Minister, in Sector 8 Chandigarh and has mentioned the email ID of the Rana Group as its own email ID. As per documents of the company submitted with the Ministry of Corporate Affairs, the address of the company is SCO 49-50, Sector 8-C Chandigarh, which is also the address of Rana Sugars Ltd, Rana Polycot Ltd and Rana Informatics Ltd. RGS traders has mentioned its email ID as "info@ranagroup.com."

As per Rana Gurjit's affidavit submitted before Election Commission prior to the Punjab Assembly elections earlier this year, he has taken a loan of Rs 407 lakh from RGS Traders Pvt Ltd, Rs 546 lakh from RJ Textfab Ltd and Rs 464 lakh from Jay Aar Builders Pvt Ltd. His wife has taken a loan of Rs 68.32 lakh from RGS Traders, Rs 71.50 lakh from RJ Textfab and Rs 85.50 lakh from Jay Aar Builders.

These three companies paid cash into the account of Rajbir Enterprises which was a sole proprietorship firm of one Sanjit Randhawa who deposited approximately Rs 18 crore on behalf of the two former employees of the minister, Amit Bahadur and Kulvinder Paul Singh, as 50 per cent of the bid amount for two sand mines.

Out of these three companies, RGS traders deposited Rs 35 lakh, Jay Aar Builders Rs 36 lakh and RJ Textfab Rs 4.52 crore.

The names of these companies have been mentioned in the inquiry report into the auction of two sand mines in Saidpur Khurd and Mehandipur in Nawanshahar district by Justice JS Narang but the investigation did not connect these companies to Rana Gurjit.

The report listed 23 firms and individuals who deposited money in Rajbir Enterprises and these three firms are among them.

The Narang Commission re-



Punjab Irrigation and Power Minister Rana Gurjit Singh

port recommended the cancellation of the allotment of these two mines on the grounds that rules regarding payment of money had been flouted as individuals and companies other than the actual bidders had deposited the funds.

"It is also noticeable that by virtue of investment of money of all the aforesaid persons, substantial amount of money has been deposited into the account of Rajbir Enterprises. The same has been done on May 23, 2017 which was the last day for saving the provisional acceptance of the bid," the report states.

But the commission gave a clean chit to the minister stating that there is no evidence that he invested benami money in the auction.

The commission had been set up to inquire if the successful bidders for the two mines had been a front for Rana Gurjit and if he had influenced the auction by virtue of being a minister and financially benefited from it. It was made public by AAP leader and Leader of the Opposition Sukhpal Khaira.

When The Indian Express asked the Minister to explain links with the three companies, he accepted he had taken loans and that he knows the owner of RGS Traders, Sukhjeet Singh Poonia. "People often give address of those whom they know. I know Sukhjeet," he said. When asked about Sukhjeet's relationship with him, the Minister said that "the whole of Punjab is my relative" and then said: "Yes, he is my relative. He is from Bajpur (UP) hometown of Minister). All of Bajpur gets work done from me at one time or another, I help everyone."

Rana Gurjit added that if he had to take part in the auction he would have done it openly. "Has there been a loan to state exchequer? The loans which you mention that I and my wife have taken have been given in cheque and declared in election affidavit. As far as address is concerned, people often give address of those whom they know," he said.

The Minister summoned his Chartered Accountant Triloki Nath Singla to explain the business dealings. Incidentally, Singla, too, has invested approximately Rs 9 crore in Rajbir Enterprises and it was his son, Sahil Singla, who paid the earnest money for the bid of the two mines.

Defending the loans taken by Rana Gurjit from the three firms, his CA said these transaction took place before he became a minister and ever since he has assumed office of a minister he has had no dealing with him. "If they have pumped in independent money then what? The money does not belong to the minister as is being impured. Where is it written that they could not do business just because Rana has taken money from them?" he said.

When asked if the Rana Group had any business dealing with RGS Traders, Singla said, "We may have had business dealing with the firm at some point of time. It trades in sugar and maybe they traded with Rana Sugars," he said. Rana Gurjit added that he has not been taking direct part in his companies for the last 19 years.

"I am the founder of the group but officially I hold no position, but, yes, it belongs to my family," he said.



# Buy Comex gold at \$1,280-85 / ounce

GNANASEKAAR T

Comex gold futures rose to its highest level in two weeks on a softer dollar, with US inflation figures on Friday expected to provide more clues on monetary policy.

Comex gold futures are moving perfectly in line with our expectations so far. As predicted earlier, a direct rise and close above \$1,297 could hint at further bullishness ahead. Prices bounced off from \$1,260 lows and a quick retracement from there resulted in shorts getting trapped. It has hit \$1,297 and looks set to cross the psychological resistance at \$1,300.

As mentioned in the previous update, it needs to be seen if there is possibility of strong rebound from those levels subsequently. Price action has now indicated a possible intermediate bottom at \$1,260. Prices are expected to inch higher towards \$1,310-15 now.

Failure to follow-through higher from there could dent the confidence of the bull camp. Strong resistances are around \$1,310-15. A close above here could open the upside again to \$1,330-35.

## Bearish expectations

Unexpected decline below \$1,278 could revive bearish expectations. Such a fall could see prices heading towards our potential bearish near-term targets around \$1,240-45 again. The \$1,240-45 is a very strong medium-term support and, therefore, we can expect a strong bounce or a retracement from those levels in the coming weeks. Favoured view expects prices to edge higher towards resistances mentioned above, and failure to follow-through higher could lead to sell-off again.

We will take a look at the wave counts now and un-

derstand the possible scenarios that can unfold going forward. It is most likely that the fall from the all-time highs at \$1,925 to the recent low of \$1,088 so far was either a possible corrective wave A, with a possibility to even extend towards \$1,025-30 or a complete correction of A-B-C ending with this decline.

Subsequently, to this decline, a corrective wave B could unfold with targets near \$1,375 or even higher. After that a wave C could begin lower again. Alternatively, we can also expect wave B to extend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. But failure to follow-through above \$1,355 has dashed any hopes of any impulsive up move. As prices have broken certain important supports and

shows weakness targeting \$1,100. But a sustained move above \$1,200 has once again revived bullish hopes and will make the necessary adjustments to the wave counts, as the prices break key resistance above.

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

Therefore, buy Comex gold on dips to \$1280-85, with stop loss at \$1267 targeting \$1315.

Supports are at \$1,285, \$1,267 & \$1,245 and Resistances are at \$1,300, 1,315 & 1,335.

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

**BUSINESS LINE**  
**DATE: 14/10/2017 P.N. 4**

**BUSINESS LINE**  
**DATE: 14/10/2017 P.N.4**

### Coastal mining norms relaxed

New Delhi, October 13

Paving the way to allow mining of atomic minerals in the fragile and ecologically sensitive coastal areas, the Union Environment Ministry has relaxed the norms citing public interest and strategic applications. "It will invite more private miners...since the notification also allows manual mining in the inter-tidal areas of CRZ-I, which is vulnerable and eroding," said Kanchi Kohli, Legal Research Director at the Centre for Policy Research. IANS

### Steel Minister asks MECON to speed up commissioning of Nagarnar plant

OUR BUREAU

New Delhi, October 13

PSU consultancy services provider MECON Ltd has been asked to help speed up the commissioning of NMDC's Nagarnar Steel Plant in Chhattisgarh.

According to a Ministry statement, during the mid-year review meeting with MECON officials, Steel Minister Chaudhary Birender Singh said: "As the key project consultant for NMDC's Nagarnar Steel Plant, MECON must put in all efforts to commission the steel plant at the earliest." NMDC has been working on the 3 mtpa plant since 2008.

According to NMDC, the approved project cost was ₹15,525 crore in 2008. In 2013, the plant was scheduled to be commissioned by September 2015. The deadlines were regularly pushed forward since. The 2,100-acre plant is now due to be commissioned in December 2017.



## Steel plans

■ New Delhi, Oct 14:

The government today announced the proposal to set up scrap-based steel plants in the northern and western parts of the country. "The steel ministry proposes to set up steel plants with scrap as raw material in various parts of north and west India," Chaudhary Birender Singh said here.

## सरकार वसूलेगी ₹ 2,702 करोड़

एजेंसियां

जमशेदपुर. पर्यावरण नियमों की अनदेखी कर 27 लौह अयस्क व मैंगनीज खनन कंपनियों ने सरकार को करीब 2702 करोड़ रुपये का चूना लगाया है. अवैध माइनिंग को लेकर ओडिशा के संदर्भ में सुप्रीम कोर्ट का फैसला आने के बाद सक्रिय हुई झारखंड सरकार ने अब इस राशि को वसूलने के लिए खनन कंपनियों पर शिकंजा कसा है.

खनन  
कंपनियों  
पर शिकंजा



### 31 दिसम्बर तक जमा करें

अवैध खनन के एवज में जिन कंपनियों पर आर्थिक दंड लगाया गया है उनमें स्टील अथॉरिटी ऑफ इंडिया लिमिटेड, टाटा स्टील, रंगटा माइंस, एनकेपीके, शाह ब्रदर्स, देवका भाई चेलजी, पदम कुमार जैन, रामेश्वर जूट मिल, उषा मार्टिन, ओएमएम, श्रीराम मिनरल्स जैसी बड़ी कंपनियां शामिल हैं. ये सभी खनन कंपनियां पश्चिम सिंहभूम के बड़ाजामदा, नोवामुंडी, गुवा व सारंडा क्षेत्र की हैं. पश्चिम सिंहभूम जिला खनन विभाग ने सभी कंपनियों को नोटिस जारी कर 31 दिसंबर तक राशि जमा करने का आदेश दिया है.