



# खनिज समाचार

**KHANIJ SAMACHAR**

**VOL 1 NO-14**

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

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# खनिज समाचार

# KHANIJ SAMACHAR



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VOL 1 NO-14, 1<sup>st</sup> – 15<sup>th</sup> NOVEMBER 2017



**ON THE RADAR:** Despite a weak Q2, rise in global demand and cut in Chinese capacity boost outlook; any big fall in stock price could be a buying opportunity

# Tata Steel Outlook Positive Amid a Pick-up in Demand

## Earnings Review

Jwalit.Vyas@timesgroup.com

**ET Intelligence Group:** Tata Steel's performance for the September quarter was below expectations, but analysts have maintained positive stand, citing the one-off drop in the European realisation during the quarter and positive outlook. The company's management expects realisation in the Indian business to rise with moderate recovery in steel demand.

Though operating profit before depreciation (EBITDA) rose by a strong 59% to ₹4,726 crore year-on-year, it fell short of the analysts' expectations of ₹5,200 crore. This was on account of weak performance in the European business. The spread (realisation net of cost) in the region fell to \$45 per tonne from \$81 per tonne a quarter ago as contracts were priced lower than spot prices,

ET

## Hot Metal

Brokerage Recommendations on  
Tata Steel (CMP 703.6)

	Target Price	Rating
Kotak Equities	780	Add
BofA ML	890	Buy
JP Morgan	880	Overweight
CLSA	880	Buy
Axis Cap	795	Buy
IDFC	759	Outperform
HDFC Securities	818	Buy

while the cost of raw material from the old inventories was higher. On the positive side, the volume in the European business rose by 13%, while the share of value added products increased to 38% of the total sales.

The Indian operations, which con-



## Tata Steel September Qtr performance (in ₹ cr)

	Q2 FY18	Q2 FY17*	YoY chg
Sales	32,464	34,480	23%
EBIDTA	4,726	5,200	59%
Adj. PAT	1,020.5	1,621	-

\*expected

tribute over 70% of the total operating profit, showed year-on-year growth of 50%, following a strong 17% volume growth from the year ago. Sequentially, it grew by 12%, faster than the 4% growth in demand. According to the company, realisation may improve in the coming quarters

as the cost of coking coal, a key raw material, is expected to drop further after falling by 11.5% sequentially in the September quarter.

The company's debt increased to ₹80,600 crore from ₹74,000 crore a quarter ago, due to a one-time payment to British Steel Pension Scheme and increase in working capital. Investors should monitor the progress on the joint venture with Thyssenkrupp in Europe as it can pare the debt significantly. Improving earnings will also help.

The outlook remains positive with demand picking up globally and closure of Chinese capacity. Demand is forecast to grow by 3.6% in Europe and 3.9% in Asia for the calendar year 2017 compared with below 3% growth in the previous year.

On Tuesday, shares of Tata Steel fell 2% to ₹703.6. Its enterprise value was 6.6 times FY19 expected EBIDTA. Given the growth prospects, any major fall in the stock price may provide a buying opportunity for investors.

## CMPDIL, Nagpur achieves 25% growth rate in drilling

■ Business Bureau

THE Ministry of Coal (MoC) has directed Central Mine Planning and Design Institute Limited (CMPDIL) to expedite regional and detailed exploration of coal as it is the major source of energy in the country to counter balance the whooping demand of power and steel sectors.

A scheme of exploration is under formulation with consultation of Geological Survey of India (GSI) in collaboration of CMPDIL to identify new areas for exploration by adopting the best practices for coal exploration in the near future.

The Ministry has also directed the CMPDIL for intensive application of the modern technologies such as 2D and 3D seismic survey, electrical resistivity and

similar geophysical tools used in coal exploration in order to delineate the sub surface coal strata and to reduce the drilling process and cost.

CMPDIL, a Mini Ratna subsidiary of Coal India Limited (CIL) is in process of having such technologies for exploration. CMPDIL has been a premier organisation in the field of coal exploration and rendering consultancy services. CMPDIL, RI-IV, Nagpur is engaged in the exploration and proving of new coal deposits in WCL command area in Maharashtra and Madhya Pradesh. CMPDIL, RI-IV, Nagpur has achieved tremendous growth rate increase of 48 per cent in last five years, 41867m 2012-13 to 61894m in 2016-17. This has ensured an additional proving of resources of 1.39 BT. RI-IV, Nagpur, a consultant to WCL has been

consistently achieving its drilling target since last four years leading to immense contribution for coal production of WCL. This achievement has been possible due to introduction of advanced technologies developed in-house such as indigenously developed PCD-Crab fused bit, application of bentonite mud with admixture of CMC, caustic soda and sulphonated asphalt alongwith mud sludge pit design and with modification of mud pump by clubbing with wheel arrangement unit. One high-tech rig has been added in place of mechanical drill to enhance the departmental drilling capacity. During 2017-18, first half fiscal year (April, 17-Sept 17) an increase of 6140m achieved which is 25 per cent higher than the corresponding period last year drilled meterage 24045m for 2016-17.



## MCX-Zinc can regain strength

GURUMURTHY K  
BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) fell to a low of ₹207.3 a kg on Thursday and has reversed higher from there.

The contract has breached an intermediate resistance at ₹215 and is currently trading at ₹216. The near-term view is positive. A rise to test ₹220 is likely in the coming sessions.

Whether the contract breaks above ₹220 or not will then decide the next move.

Inability to break above ₹220 and a pull-back decline thereafter can take the contract lower to ₹215 initially. Further break below ₹215 will increase the possibility of the contract extending the fall to ₹210 or even ₹207 again.

On the other hand, if the

MCX-Zinc futures contract manages to break above ₹220 decisively in the coming days, it can gain momentum.

Such a break will pave way for a fresh rally targeting ₹230 and ₹235 levels over the medium term. On the charts, the bias is bullish and the possibility is high of the contract breaking above ₹220 in the coming days.

Medium-term perspective traders with a high-risk appetite can go long at current levels.

Accumulate at ₹210. Keep the stop-loss at ₹206 for the target of ₹230. Revise the stop-loss higher to ₹220 as soon as the contract moves up to ₹225.

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

<b>SOLITAIRE PRICE INDEX</b>	
1 <sup>st</sup> November, 2017	1.24% ↓ Over last Month
<b>₹ 3.555*</b> lakhs/ct	5.49% ↓ Over last Year
<b>DIVINE SOLITAIRE</b>	
Nationwide Standard & Transparent Pricing since 2006. Published on the 1st of every month.	
*This is an average of Divine Solitaires Price List Call: 022-66264800   www.divinesolitaires.com	

THE HITAVADA (CITYLINE)

DATE: 1/11/2017 P.N.10

## Cement prices may go up by Rs 8-10/bag

■ Business Bureau

CEMENT prices are expected to go up by Rs 8-10 per bag in the northern region due to the Supreme Court order to ban use of petcoke in the NCR region, India Ratings and Research (Ind-Ra) has said. Cement manufacturers particularly from Rajasthan, where most of the clinker plants are situated, will have to switch to either domestic coal or imported coal and it will increase their power and fuel cost per tonne, per bag by Rs 8 to 10.

Ind-RA said that according to clarification issued by the Environmental Pollution (prevention and control) Authority on October 27, such ban will be applicable only in those districts of Uttar Pradesh, Haryana and

Rajasthan which fall under NCR.

"However if the state governments fail to issue a similar notification, then the ban will automatically be applied to the whole state, impacting all cement manufacturers. Industries using pet coke and furnace oil will have to comply by the norms issued by Central Pollution Control Board latest by 31 December 2017," it added. "There will be intermittent headwinds as cement manufactures could have some inventories of pet coke in place and the court has not clarified on the use of this stock post ban," the rating agency said in a statement. Ind-Ra further said: "Cement producers will pass this increase in costs to the final consumer, leading to an increase in cement prices."

# HC mineral policy rap

OUR CORRESPONDENT

**Ranchi:** Jharkhand High Court expressed "concern" about the government's delay in framing a minor minerals policy, its criticism coming on Tuesday, the second day of a three-day mega mineral conclave being held in the capital to showcase the state's abundant natural resources.

A division bench of Justice Aparesh Kumar Singh and Justice B.B. Mangalmurti, while hearing a PIL initiated suo motu, observed that it seemed there "is some vested interest of the government in not framing the minor minerals policy and allowing it to be squandered".

The court said the state government ought to run its mining programme in a planned manner. "Mining involves accumulation of revenue for the government, but unplanned mining will leave no resources for future generations," the bench noted.

Citing an example, the bench said that Ranchi Hill in the heart of the capital was crumbling, but it wasn't because of mining.

"It will affect religious sentiments of people. Like Ranchi Hill, there are several hills and hillocks all over the state which have either scenic beauty or religious significance and attract tourists and visitors," the bench said.

Earlier, the court had ordered the government to file a report after conducting district-wise surveys. The government could not file the report on Tuesday and its counsel sought an adjournment.

The court asked the government counsel to come prepared on Wednesday when case would be heard again.

At Dhurwa, on the second day of Jharkhand Mining Show technical sessions were held on various opportunities and challenges of the sector.

# MCX Nickel breaches key resistance level

YOGANAND D

BL Research Bureau

The Nickel futures contract on the Multi Commodity Exchange (MCX) encountered a key resistance in the band between ₹780 and ₹800 per kg in early September and late October this year.

The November month futures contract has gained 5 per cent to record an intra-day high of ₹841 on Wednesday. However, witnessing selling pressure at higher levels, the contract slipped from the intra-day giving away its intra-day gains. It currently trades at ₹813 per kg, gaining 13 or 1.7 per cent.

This rally has marginally breached the key resistance level and strengthened the short-term uptrend that has been in place since late September low of ₹665. The daily relative strength index has re-entered in the bullish zone from the neutral region. The medium-term trend is also up for the contract. It can continue



to trend upwards and test resistances at ₹850 and ₹900 in the medium term.

Traders with a medium-term perspective can buy the contract in dips with a fixed stop-loss at ₹775 levels. In the short-term the contract can experience a corrective decline and find supports at ₹800 or ₹780 levels. Next key support is pegged at ₹750. An emphatic fall below this level will mar the short-term uptrend and pull the contract down to ₹730 and ₹710 levels.

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



# Goyal exhorts Coal India Ltd employees to meet targets

KOLKATA, Nov 2 (PTI)

COAL Minister Piyush Goyal made a fervent appeal to the employees of state-owned Coal India Ltd (CIL) to work towards meeting the two crucial production targets of 2018 and 2020.

CIL has set a production target of 600 MT by 2018 and one billion tonnes by 2020.

"This target is not unachievable. Please take this as a challenge and turn this into a possibility," Goyal said at the 43rd foundation day celebration of CIL here last evening. Goyal, who is also the Railway Minister, said the goal would be to make the country self-sufficient in permanent availability of quality coal and at cheap rates. Exhorting the employees to come forward, he said it was the duty of each one of the CIL family to contribute to the fullest extent. There was no room for complacency, he said.

For the current fiscal, the production target of 600 MT was reached by adding an incremen-



tal 46 MT to the last financial year's figure. Goyal also laid the foundation stone of Indian Institute of Earth Sciences under the aegis of Ranchi-based Indian Institute of Coal Management.

Coal secretary Sushil Kumar said CIL was sitting on a cash surplus of Rs 30,000 crore in its balance sheet. "What we need at the moment is increased productivity by the employees," he said.

BUSINESS LINE DATE: 3/11/2017 P.N.11

## Future does not appear to be so bright for Comex gold

GNANASEKART

Comex gold futures edged higher, undeterred by the FOMC policy announcement, which set the stage for an interest rate hike in December as expected. Market participants were hardly surprised by the outcome having all but fully priced it in long before the rate-setting committee issued its statement.

### Fed rates unchanged

The Fed kept interest rates unchanged on Wednesday and pointed to solid US economic growth and a strengthening labour market, while playing down the impact of recent hurricanes, a sign it is on track to lift borrowing costs again in December.

That shifted the focus to who President Trump will choose to lead the Fed after Chair Janet Yellen's term expires in February. Rumours hinting that the post will go

to Governor Jerome Powell drove the yellow metal higher on bets that this is a relatively more dovish choice than Stanford economist John Taylor. Gold may extend higher if Powell gets the nod as expected, though follow-through may prove to be relatively limited.

Comex gold futures are moving as per expectations so far, but the road ahead does not look friendly. As mentioned in the previous update, price action still indicates a possible intermediate bottom at \$1,260 levels. But any unexpected fall below \$1,260 could easily drag prices sharply lower to \$1,245-50 levels.

Prices are expected to consolidate and inch higher towards \$1,300-05 levels now. Failure to follow-through higher from there could once again dent the confidence of the bull camp. Strong initial resistances are around \$1,287-



87 levels. A close above \$1,300 could open the upside again to \$1,330-35 levels. Unexpected decline below \$1,260, on the other hand, could revive bearish expectations and longs to be abandoned strictly. Such a fall could see prices heading towards our potential bearish near-term targets around

\$1,240-45 levels 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 in the very short-term, but it could

find the going tougher above \$1,300 and failure to follow-through higher, could lead to a sell-off again.

### Wave counts

We will take a look at the wave counts now and understand the possible scenarios that can unfold going forward. It is most likely that the fall from the all-time highs at \$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-BC 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 levels.

If the current decline as a whole from \$1,920 can be considered as a fourth wave, then

the fifth wave could begin and cross \$1,700 in the long-term. But failure to follow-through above \$1,355 has dashed hopes of an impulsive up move; prices have broken certain important supports and shows weakness targeting \$1,100 levels. 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 are 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.

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



# Coal-rake shortage hits Vedanta, Hindalco aluminium production

**Balco also affected; fuel supply shortfall pushes costs up**

**SURESH P IYENGAR**

Mumbai, November 2

A shortage in the supply of coal — due to a paucity of rail rakes — has pushed up costs and hit the production of aluminium makers Vedanta and Balco.

The two companies use coal as a fuel for their captive power plants, and had obtained coal supply linkages through auctions conducted by Coal India (CIL).

In the first six months of the fiscal year, Vedanta Aluminium received only 6.3 lakh tonnes of coal against a contracted quantity of 14.8 lakh tonnes (mt) — a shortfall of 57 per cent.

Similarly, supply to Hindalco fell short by 78 per cent as it got only 2 lakh tonnes against the 8.90 lakh tonnes it had secured in the linkage auction.

Balco received 14 lakh tonnes of linkage coal against an assured supply of 17.7 lakh tonnes.

Interestingly, as per the terms of the auction and the fuel supply agreement (FSA),

Coal India is committed to supply 75 per cent of the annual contracted quantity. A penalty is triggered if there is a shortfall.

## Supply restriction

Adding to the companies' woes, South Eastern Coalfields (SECL) and Mahanadi Coalfields have restricted supply to 80 per cent of the quantity won in the linkage auction since August, according to a communication between the Aluminium Association of India and the Prime Minister's Office.

**Aluminium smelting requires uninterrupted power, which can be met only through captive power plants. An outage for more than 4 hours freezes the aluminium pots, leading to a plant shutdown for nearly six months.**

The shortage of rakes to transport coal for captive power producers is a matter of concern as the government has prioritised coal supply to

power plants connected to the grid, said the CEO of an aluminium company.

Vedanta Aluminium and Hindalco operate captive power plants with capacity of 3,015 MW and 3,070 MW, respectively, while Balco operates a 1,140 MW plant.

## Criticality of power

Aluminium smelting requires uninterrupted power supply, which can be met only through in-house and dedicated captive power plants.

A power outage for more than four hours freezes the alu-

minium pots, leading to a shutdown of the plant for nearly six months.

The Centre needs to take immediate corrective measures to prevent the aluminium companies from going the steel way and add to the NPAs of banks, the CEO added. Aluminium companies have invested ₹1.2 lakh crore and hold ₹75,000 crore of debt.

Apart from operational issues, aluminium companies are fighting large-scale cheap imports and have urged the Centre to impose anti-dumping duty, as with steel.

THE TELEGRAPH DATE: 3/11/2017 P.N.9

# Vedanta profits from commodity price rise

**OUR BUREAU**

**New Delhi:** Metals and mining conglomerate Vedanta Ltd's consolidated net profit has jumped 43 per cent to Rs 2,036 crore for the July-September quarter, helped by strong commodity prices and higher zinc and copper output.

The company had posted a consolidated net profit (after taxes, non controlling interests and share in profit of jointly controlled entities and associates but before exceptional items) of Rs 1,424 crore in the same quarter last year, Vedanta Ltd said in a filing to the BSE.

Total income during the quarter increased to Rs 22,466 crore over Rs 18,154 crore in the year-ago period.

Vedanta CEO Kuldeep Kaura said the "PAT for the quarter was up... on the back of solid operational performance in our zinc and copper businesses, supported by strong commodity prices".

Key contracts on its announced oil and gas projects are at advanced stages of being



## STRONG SHOW

awarded, Kaura said adding that the company expects the second half of the ongoing fiscal to be most robust with continuing production ramp-up.

"We continue to maintain a strong balance sheet and remain focused on creating long-term shareholder value," the CEO added.

Its revenue in the second quarter was higher 37 per cent year-on-year (Y-o-Y) on higher volume at Copper India, Zinc India, Zinc International, ramp-up at aluminium business and higher commodity

prices partially offset by currency appreciation, lower volumes at oil and gas.

"Depreciation at Rs 1,426 crore was lower on Y-o-Y basis by Rs 131 crore driven by lower depreciation at oil and gas business...", the company said in a statement.

The finance cost during the quarter was Rs 1,384 crore, lower by Rs 67 crore on Y-o-Y basis due to lower debt level on account of de-leveraging during the first half of the fiscal.

## Cash flow

The financial position remains strong with cash and liquid investments of Rs 40,206 crore, the company said.

"As on September 30, 2017, gross debt was at Rs 55,798 crore, including temporary short-term borrowings of Rs 593 crore at Zinc India and preference shares of Rs 3,010 crore issued pursuant to the Cairn merger," it added.

Its net debt as on September 30, 2017 was at Rs 15,592 crore on account of improved operating performance resulting in higher free cash flows.

**THE HINDU**

DATE: 3/11/2017 P.N.16

# Vedanta net rises 43% on strong prices

**PRESS TRUST OF INDIA  
NEW DELHI**

Metals and mining conglomerate Vedanta Ltd's consolidated net profit jumped 43% to ₹2,036 crore for the July-September quarter, helped by strong commodity prices and higher zinc and copper output.

The company had posted a consolidated net profit of ₹1,424 crore in the same quarter last year, Vedanta Ltd. said in a filing with the BSE. Total income in the quarter increased to ₹22,466 crore, from ₹18,154 crore in the year-earlier period.

Vedanta CEO Kuldeep Kaura said the "PAT for the quarter was up... on the back of solid operational performance in our zinc and copper businesses, supported by strong commodity prices."



## MECL signs MoU to boost mineral exploration

MINERAL Exploration Corporation Limited (MECL) recently signed a memorandum of understanding (MoU) with the state of Jharkhand during Jharkhand Mining Show-2017 (JMS-2017) at Ranchi for undertaking mineral exploration to identify prospective mineral blocks.

The three years agreement was signed by Dr Gopal Dhawan, CMD, MECL, Kumari Anjali, Director (Geology), Department of Industries, Mining and Geology (DIMG) of Jharkhand, in the presence of Arun Kumar, Secretary to Government of India, Ministry of Mines and Raj Bala Verma, Chief Secretary, Government of Jharkhand.

The MoU will give an enhanced boost to mineral exploration activity of Jharkhand state, as expressed by all the dignitaries present at the valedictory session of the JMS-2017. Secretary (Mines) praised the Jharkhand Govt for its proactive approach in transforming its rich mineral wealth into a source of economic growth. Dr Dhawan also applauded the Jharkhand Government for its resolve to make it the ultimate destination for investors in mining-related activities.

## MCX-Lead faces key resistance ahead

GURUMURTHY K

BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) has been volatile in the past week. It fell sharply in the initial part of the week, breaking below the key support level of ₹160 per kg.

However, after making an intra-week low of ₹154.8 per kg on Monday, the contract reversed higher recovering the loss made during the week. The contract made a high of ₹161.4 on Wednesday and has come-off slightly from there. It is currently trading at ₹159.5 per kg.

The 21-day moving average at ₹162.5, which is likely to be tested in the near-term, is the key resistance to watch. Whether the contract manages to break above this hurdle or not will determine the next leg of move.

Inability to break above

₹162.5 can pull the contract lower to ₹160 or ₹159 initially. A further break below ₹159 will increase the likelihood of the fall extending to ₹157 or ₹155 again. This will keep intact the downtrend that has been in place since the October high of ₹171.1.

In such a scenario, the possibility of the contract falling to ₹152 or even ₹150 over the medium-term will remain high.

On the other hand, if the MCX-Lead futures contract manages to breach above ₹162.5 decisively, it can gain fresh momentum. Such a break will ease the downside pressure and take the contract higher to ₹165 initially. A further break above ₹165 will then pave way for the next target of ₹170.

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

## Vedanta Q2 net profit climbs 43% to Rs 2,036 crore

NEW DELHI, Nov 2 (PTI)

METALS and mining conglomerate Vedanta Ltd's consolidated net profit jumped 43 per cent to Rs 2,036 crore for the July-September quarter, helped by strong commodity prices and higher zinc and copper output. The company had posted a consolidated net profit (after taxes, non controlling interests and share in profit of jointly controlled entities and associates but before exceptional items) of Rs 1,424 crore in the same quarter last year, Vedanta Ltd said in a filing to the BSE. Total income during the quarter increased to Rs 22,466 crore, over Rs 18,154 crore in the year-ago period.



## MECL का झारखंड राज्य के साथ अनुबंध

व्यापार संवाददाता

नागपुर. मिनरल एक्सप्लोरेशन कॉर्पोरेशन लिमिटेड (एमईसीएल) ने संचालित खनिज ब्लॉकों की पहचान के लिए खनिज गवेषण कार्य करने रांची में आयोजित झारखंड माइनिंग शो-2017 के दौरान झारखंड राज्य के साथ एक अनुबंध पर हस्ताक्षर किये हैं. भारत सरकार, खान मंत्रालय के सचिव अरुण कुमार व झारखंड सरकार की मुख्य सचिव राज बाला वर्मा की उपस्थिति में 3 वर्षीय समझौते पर एमईसीएल के सीएमडी डा. गोपाल धवन और कुमारी अंजलि,

निदेशक (भूविज्ञान), उद्योग विभाग, झारखंड खनन और भूविज्ञान (डीआईएमजी) द्वारा हस्ताक्षर किये गये. यह अनुबंध झारखंड राज्य में खनिज गवेषण गतिविधि को और बढ़ावा प्रदान करेगा तथा खनन हेतु नये ब्लॉक पता लगाने के लिए लाभकारी रहेगा. सचिव (खान) ने उच्च आर्थिक वृद्धि, रोजगार उत्पत्ति और समाज की खुशहाली के स्रोत के रूप में समृद्ध खनिज संपदा का उपयोग करने के प्रति अपने सकारात्मक दृष्टिकोण से झारखंड सरकार की सराहना की.

THE TELEGRAPH DATE: 4/11/2017 P.N.7

# Hindalco profit falls

OUR BUREAU

**Mumbai:** Hindalco Industries, an Aditya Birla Group company, today posted an 11 per cent drop in standalone profit at Rs 392.8 crore for the quarter ended September 30, 2017. The aluminium maker had posted a profit of Rs 439.7 crore in the corresponding quarter of previous fiscal.

"Net profit for quarter before exceptional items was at Rs 461 crore. Exceptional items (post tax adjustment) were Rs 68 crore. Reported net profit after adjustment for exceptional items (is) Rs 393 crore," Hindalco Industries said in a statement.

The standalone revenue from operations during the quarter increased to Rs 10,308.2 crore from Rs 9,561.9

## REPORT CARD

Quarter ended September

(in Rs crore)	2016	2017
Revenue	9,562	10308
Expenses	9351	9,782
Net profit	440	393



crore in the corresponding quarter of the previous fiscal. Total expenses increased to Rs 9,782.3 crore over Rs 9,351.4 crore in the July-September period of 2016-17.

"Hindalco attained revenues...higher as compared with Q2 FY2017 (second quarter of 2016-17), led by aluminium

um volumes and improved realisation across both the segments," the statement said.

The standalone aluminium revenue for the second quarter of the ongoing fiscal was up year-on-year at Rs 5,213 crore, led by higher sales of aluminium metal and increased realisation.

Driven by higher realisation, the revenue from the copper segment rose year-on-year to Rs 5,097 crore.

For the July-September quarter, aluminium metal production stood at 326 kilo tonne and alumina at 712 kilo tonne.

Novelis, the company's American subsidiary, has reported a net income of \$307 million during the quarter against a net loss of \$89 million a year ago.

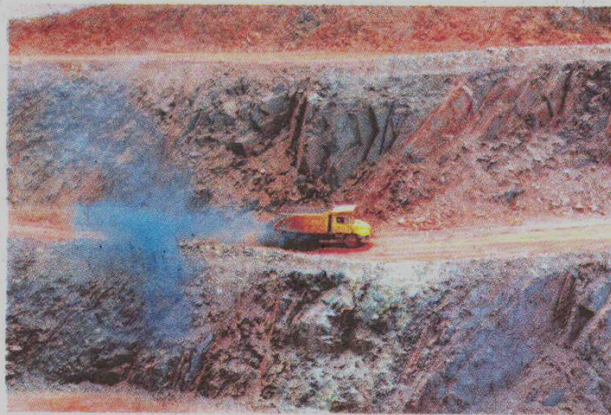


# Illegal mining: panel favours handing over CBI cases to SIT

Karnataka Cabinet sub-committee set to make recommendation soon

SPECIAL CORRESPONDENT  
BENGALURU

With the Central Bureau of Investigation (CBI) opting out of the probe into some of the illegal iron ore export cases from Karnataka, the Cabinet sub-committee (CSC) on implementation of the Lokayukta report on illegal mining is now all set to recommend handing over the same cases to the Special Investigation Team (SIT) of the Karnataka Lokayukta police. This comes in the backdrop of criticism that Chief Minister Siddaramaiah, who made the Lokayukta report an issue in the 2013 Assembly polls, has done little to implement it.



The Lokayukta report on illegal mining named 130 companies for illegally exporting 3.65 lakh tonnes of iron ore.

The move also comes a day after BJP national president Amit Shah flagged off the Parivarthana Yatra, where he dubbed the Congress-led government “the

most corrupt in the country”. The cases pertain, for a large part, to the years when the BJP was in power in Karnataka.

The CBI, probing cases of alleged illegal export of iron ore of more than 50,000 tonnes, had recently written to the government saying it was closing preliminary enquiries into the cases, as it “did not find *prima facie* case made out to set the law in motion.”

The Lokayukta report on illegal mining named 130 companies – 54 in Mangaluru and 76 in Belekeri – for illegally exporting 3.65 lakh tonnes of iron ore.

## Bhushan Steel, Essar Steel Production Up

**Bhushan Steel and Essar Steel** have shown a significant improvement in steel production after being taken to the bankruptcy courts. ▶▶ 4

**TURNAROUND** Bhushan Steel and Essar Steel show a significant improvement in production

# Debt-hit Steel Cos Post Good Show

**Vastala Gaur**  
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**Mumbai:** Steel companies battling insolvency resolution pressure have seen a jump in production after being taken over by resolution experts, several people related to the companies said.

Two major steelmakers – Bhushan Steel and Essar Steel – have shown a significant improvement in steel production after being taken to the bankruptcy courts. Debt-laden Bhushan Steel saw production spike by almost 45% between the end of July and end of August and by close to 30% between July and September end, typically considered a lax season for steel.

Since August, when the company was under court-appointed resolution practitioners after the board was suspended, saw some turnaround in terms of production levels that reflected in better cash flows.

Essar Steel, which has had acquisition interest from marquee steel companies like Tata Steel, ArcelorMittal as well as the company's own promoters, has also seen a significant improvement in production, two people in the know told ET.

Higher production levels, accompanied by favourable steel prices and cost reduction, has pushed cash flow upwards by 50% at Essar, these persons told ET.

"The cash flow for the company has increased by 50% as the company benefited from higher steel prices and more volumes sold," the so-



urce said. Not only the production was higher on monthly basis since the resolution began, the performance has also shown improvement on a year on year basis," said one of those quoted above.

To be sure, external factors were not so favourable during the same period last year. Producers of flat steel have raised the price by almost ₹3,000 per tonne from August 1 this year as demand improved and international steel prices firmed up. Also, winter capacity closures expected to take place in China that dominates the world steel market assures stability in prices in the near term.

Bhushan Steel, eyed by JSW Steel, Tata Steel and ArcelorMittal apart from a clutch of private equity funds, saw production rise after the monsoon season, typically considered a lax season for steel, has since pulled production down a little.

Bhushan Steel produced 225,000 mt of steel when the resolution practitioner took over the company on July 26. The company saw production rise to 325,000 tonnes in July to August before scaling back to 285,000 by end of September.



# Supply deficit keeps lead hot

Global demand for refined lead will exceed supply by 1.25 lakh tonnes in 2017

PARVATHA VARDHINI C

As with many other metals, lead prices also headed northwards in 2017. From around \$2,000 a tonne in the beginning of 2017, prices on the London Metal Exchange have moved up by over 20 per cent to around \$2,400 a tonne now.

In fact, lead prices have shown an increasing trend since early 2016 itself, where they hovered around \$1,600 per tonne, a multi-year low.

In India, MCX spot prices have mirrored international trends, with prices presently ruling around ₹160 a kg compared with ₹135 a kg in the beginning of the year. This trend of firming up of prices is here to stay, as global demand is forecast to exceed supply in both 2017 and 2018.

## Why prices heated up

One of the reasons for the price rise is the higher-than-expected increase in demand for lead so far in 2017 (over 2016). Data from the International Lead and Zinc Study Group (ILZSG) indicates that

the global demand for refined lead metal exceeded supply by 1.19 lakh tonnes during the first eight months of 2017.

Global supply-demand equations have turned unfavourable primarily due to the strong demand from China. China is the biggest consumer of lead in the world and accounts for about 40 per cent of the global lead usage.

In end-2016, Chinese lead usage was forecast to grow by only 1.1 per cent in 2017 (over 2016); it was revised to a higher 4.3 per cent in early 2017. As per the latest report of the ILZSG, Chinese demand has grown by 12.4 per cent so far in 2017.

China's focus on infrastructure projects has pushed up the demand for several industrial metals, including lead, since last year. China is spending over \$720 billion from 2016 to 2018 on projects in the transport sector.

Besides, the growing popularity of three-wheeled e-trikes in China (which use lead-acid batteries) has



NATHAPOL HP5/SHUTTERSTOCK.COM

brought back demand for lead, according to the ILZSG.

Other countries across the globe too have witnessed strong growth in demand so far in 2017. After increasing by a robust 9.8 per cent in 2016, usage of lead metal in Europe was expected to remain flat in 2017. But usage in Europe has grown at a faster 3.5 per cent so far this year. Usage in the US has moved up by 3.1 per cent, as against the forecast 1.9 per cent increase.

Had global refined lead production dropped in 2017, the demand-supply gap could have been wider and the rise in prices, much sharper. However, while Australia saw a

sharp decline in lead mine production, higher output in China, India and Kazakhstan has helped global mine production rise by 6.8 per cent so far in 2017; consequently global refined lead metal output has moved up by 4.1 per cent. This has somewhat helped meet the higher demand, though not entirely.

## Outlook

In the months to come, the trends seen so far are expected to continue. According to the ILZSG, lead mine supply is expected to rise by 5.6 per cent to 5.06 million tonnes in 2017 and 1.1 per cent to 5.11 million tonnes in 2018.

The rise in 2017 will be mainly due to higher output in China, India, Kazakhstan and Canada. In 2018, mine production will benefit from the impending start-up of a mine in Cuba, the recent commissioning of Eldorado Gold's Olympias mine in Greece and increased output in Mexico.

The mine output of refined lead metal is forecast to rise 3.7 per cent to 11.58 million tonnes and 1.6 per cent to 11.77 million tonnes in 2017 and 2018, respectively.

On the other hand, the ILZSG forecasts global demand to exceed supply in both these years, thanks to strong demand from China.

China's imports of refined lead metal in 2017 are expected to exceed exports for the first time since 2012 with the extent of the difference at a sizeable 95,000 tonnes.

Thus, global demand for refined lead metal will exceed supply by 1.25 lakh tonnes in 2017.

Again, in 2018, a deficit of 45,000 tonnes is expected. Hence, lead prices cannot be expected to cool off in the near to medium term.



## China factor

Besides the new infra projects, the growing popularity of three-wheeled e-trikes in the country, which use lead-acid batteries, has increased demand for lead

GLOBAL	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	2166	0.7	2.4	25.4	2188	1692
Copper	6865	0.9	6.1	38.8	7122	4915
Iron Ore	60	-1.2	-5.2	-6.0	95	54
Lead	2458	1.9	-4.9	18.3	2585	1984
Zinc	3251	0.7	-1.9	31.4	3370	2087
Tin	19682	-1.6	-6.1	-7.5	21945	18750
Nickel	12682	9.8	20.4	21.5	12694	8710

# Gold likely to dip before reversing higher

GURUMURTHY K

Gold continued to remain range-bound and volatile for the second consecutive week. The yellow metal is stuck between \$1,260 per ounce and \$1,285 per ounce over the last two weeks. Within this range, it rose to the high of \$1,284 on Thursday but fell back on the final trading day of the week to close at \$1,270 per ounce, down 0.3 per cent for the week.

Silver reversed lower after marking a high of \$17.24 to close the week 0.1 per cent lower at \$16.84.

The gold and silver futures contract on the Multi Commodity Exchange (MCX) moved in tandem with global spot prices but fell more than them. A strong rupee kept the domestic futures contract under pressure by capping the upside.

The MCX-Gold futures has closed at ₹29,088 per 10 gm and was down 0.8 per cent for the week. The MCX-Silver futures contract, on the other

Strong dollar might keep the yellow metal under pressure and cap upside in the short term

TALA/SHUTTERSTOCK.COM

hand, was down 0.3 per cent for the week and has closed at ₹39,048 per kg.

## No impact

The outcome of the US Federal Reserve meeting on Wednesday and the US President naming Jerome Powell as the next Federal Reserve Chairman on Thursday made no impact on the market as both the events were in line with market expectations.

However, there was some volatility in the greenback on Friday after the jobs data was released.

The US added just 2,61,000 jobs in October as against the market expectation for an increase of 3,10,000. The revisions made for the previous two months (August and

September) overshadowed the negative impact of the current data.

Though the dollar index fell initially after the jobs

data release, it managed to claw back and closed on a positive note for the week.

## Strong dollar

The dollar index (94.94) is stuck in between 94.4 and 95 over the last one week.

However, the price action on the chart suggests that the index is getting strong support around 94.4.

This keeps the bullish outlook intact. It also increases the possibility of the index breaking above 95 in the coming days.

Such a break will take the index higher to 95.5 initially. A further break above 95.5 can then target 96.3 and 96.5. Bullish outlook for the dollar may continue to cap the upside in gold and keep it pressured on the downside.

The near-term view will turn negative if the index declines below 94.4. In such a

scenario, an intermediate dip to 94 or 93.85 is possible. However, the region between 94 and 93.85 is a strong support zone which is likely to limit the downside in the short term.

## Gold outlook

The global spot gold (\$1,270 per ounce) has been range-bound between \$1,260 and \$1,285 over the last couple of weeks. A breakout on either side of this range will decide the next move. If gold manages to break above \$1,285, it can move up to \$1,300 or \$1,310.

But the bullish outlook for the dollar leaves the immediate bias bearish for gold. This leaves the possibility high of the yellow metal breaking below \$1,260 in the coming days. Such a break can take gold lower to \$1,251. However, a strong trend-line support is poised around \$1,250 which is likely to halt the fall.

A strong upward reversal thereafter may have the potential to take the yellow metal back to \$1,300 or even higher levels over the medium term.

MCX-Gold (₹29,088 per 10 gm) is hovering around some crucial supports poised in the ₹29,000-₹28,950 region and then at ₹28,860. A test of these supports in the near term can-

not be ruled out. If the contract manages to reverse higher from any of these supports, a bounce to ₹29,250 can be seen. A strong breach above ₹29,250 is needed for the downside pressure to ease. Such a break will pave the way for a revisit of ₹30,000 levels.

On the other hand, if the contract declines below ₹28,860 in the coming days, it will increase the downside pressure and drag it to ₹28,700 and ₹28,300 thereafter.

## Silver outlook

The global spot silver (\$16.84 per ounce) has come off after testing the 200-day moving average resistance at \$17.24 in the past week.

Support is at \$16.45, which is likely to be tested. If it manages to bounce from this support, an upmove to \$17.20 is possible again.

On the domestic front, the MCX-Silver (₹39,048 per kg) futures contract has key supports near current levels at ₹39,000 and at ₹38,680. A break below ₹38,680 can drag the contract lower to ₹38,400.

On the other hand, if the MCX-Silver manages to bounce from ₹38,680 in the coming days, it can move up to ₹39,700 or even ₹40,000 in the short term.



## MCX Gold

**Supports**  
₹28,860 / ₹28,700  
**Resistances**  
₹29,250 / ₹29,525

## MCX Silver

**Supports**  
₹38,680 / ₹38,400  
**Resistances**  
₹40,000 / ₹40,700



## MCX Aluminium stuck in sideways range, still

GURUMURTHY K

BL Research Bureau

Aluminium futures contract on the Multi Commodity Exchange (MCX) has been stuck in a sideways range between ₹135 and ₹143 a kg for more than six weeks now.

At ₹141, the contract is currently trading near the upper end of the range.

A breakout on either side of ₹135 or ₹143 will determine the next leg of the move.

As reiterated last week, traders can stay out of the market. They can wait for the range breakout to get a clear cue on the next trend and also a confirmed trade signal.

A test of ₹143 is likely in the near-term. Inability to break above this hurdle will keep the sideways range in-

tact. In such a scenario, the contract can fall back to ₹137.

But if the contract manages to break above ₹143, it can test ₹145 initially.

Further break above ₹145 will boost the momentum and increase the possibility of the upmove extending to ₹150 or even higher thereafter.

On the other hand, if the contract breaks the current range below ₹135, it can come under renewed pressure.

It will turn the outlook negative and drag the contract lower to ₹132 or ₹130.

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

## खदानों की नीलामी में नरम पड़ने लगी बोलियां



एजेंसियां

दिल्ली. खनिजों के खदानों के लिए चल रही बोली शुरुआत में आक्रामक रहने के बाद अब नरम पड़ने लगी है. खनन सचिव अरण कुमार ने ऊंची बोलियों के बावत पूछे गये एक सवाल के जवाब में कहा हर चीजों के बारे में एक उत्साह का समय होता है और फिर यथार्थ का भी समय आता है. अब यथार्थ उभरकर सामने आ गया है. बोलियां अब नरम पड़ने लगी हैं. उद्योग एवं वाणिज्य संगठन भारतीय उद्योग

**परिसंघ द्वारा आयोजित खनन सम्मेलन 2017**

के दौरान उन्होंने कहा यदि बोली लगाने वालों ने स्थानीय आवश्यकताओं तथा स्थानीय व्यवस्था को ध्यान में रखा होता तो संभवतः शुरुआती बोलियां भी काम करने योग्य होतीं. जब भी कुछ शुरु होता है, उसके बारे में उत्साह रहता है और फिर यथार्थ सामने आने लगता है. खनन क्षेत्र में जारी बोली में राजस्व साझेदारी का प्रतिशत कम होने लगा है. चूनापत्थर के मामले में यह करीब 25-30 प्रश हो गया है जो राज्य के लिए उचित हिस्सा है. खनन मंत्रालय चालू वित्त वर्ष में पहले ही 12 खनिज खंडों की नीलामी कर चुका है. उन्होंने कहा इस साल हम अब तक 12 खनिज खंडों की सफलतापूर्वक नीलामी कर चुके हैं. नीलामी के नियमों में नवंबर के दौरान या नवंबर के अंत तक संशोधन के बाद हमें 12 से अधिक खदानों की नीलामी की उम्मीद है. राष्ट्रीय खनन नीति के बारे में पूछे जाने पर उन्होंने कहा समिति एक रिपोर्ट सौंपेगी.



# Rising Prices, Expansion Plans Spark Investor Interest in Hindustan Copper

Jwalit.Vyas@timesgroup.com

**ET Intelligence Group:** Expansion plans amid rising copper prices have led to renewed investor interest in the government-owned Hindustan Copper (HCL), the only copper mining company in the country. With Monday's gain of 20%, the stock has risen by 63% in a month.

Copper price on the London Metal Exchange increased by 30% in the past six months, the benefit of which will be visible from the September quarter onwards. Being the only company with copper mines, it will be in a better position than rivals such as Vedanta and Hindalco. Also, by the virtue of being fully integrated, the entire benefit of rise in the copper prices will flow to the bottom-line.

In the June quarter, the company's revenue rose by 78% year-on-year to

## Good Show June quarter financials

	Q1 FY18	YoY chg (%)
Net Sales	367.07	78.2
EBIDTA	33	320
Interest	3.21	1,237.5
Depreciation	34.35	35.8
Adj. PAT	10.21	454.5

₹ 367 crore. It reported net profit of ₹10 crore compared with the loss of ₹3 crore a year ago.

According to the FY17 annual report, the company plans to quadruple its capacity to 12.4 million tonnes by FY19. In FY17, HCL produced 3.85 million tonnes copper. Currently the company is mainly into open cast mining while gradually in-

creasing underground mining operations. However, few analysts remain sceptical on whether the company will be able to achieve what it is saying given its past records. The company has over 100 times reserves (based on 2010 estimates) than its annual production.

The company's chairman Santosh Sharma recently said that the ₹5,000 crore capacity expansion will be a part of debt and equity. It has a net debt of ₹407 crore and market cap of ₹9,608 crore. The management's comments have sparked hopes that privatisation may be on the cards.

At Monday's closing price of ₹103.9 on the BSE, the stock appears expensive at 48 times trailing earnings, but that may not be the case with future earnings. Analysts are finding it challenging to forecast HCL's earnings given the uncertainty over the execution of the expansion plans.

THE TELEGRAPH DATE: 7/11/2017 P.N.7

# Odisha headache for CIL

## OUR BUREAU

**Calcutta:** Mahanadi Coalfields Ltd, a Coal India subsidiary, will examine the showcase notices carrying penalty worth Rs 20,169 crore issued by the Odisha government for violating mining plans, environmental norms and other regulations.

The respective deputy directors of the mines in the Talcher, Rourkela and Sambalpur circles have issued 24 notices on October 31, 2017, to the project officers of different mining projects of Mahanadi Coalfields Ltd. The subsidiary received these notices on November 1, 2017.

"The showcase notices have been issued for a total amount of Rs 20,169 crore towards compensation under section 21(5) of the Mines & Mineral Development Regulations (MMDR) Act, 1957, for production in violation of mining plan, Envi-



## CLOSE WATCH

ronmental Protection Act 1986, Water (Prevention and Control of Pollution) Act, 1974, and Air (Prevention and Control of Pollution) Act, 1981...." Coal India today said in a communication to the BSE. The company will send its formal response within 30 days of the date of the issue of the notices.

"Mahanadi Coalfields is examining

the showcase notices and taking all the required actions, including collection of records and seeking expert opinion. Reply of showcase notices will be submitted within the stipulated time," the filing said.

The showcase notices follow the Supreme Court's judgment on August 2, 2017, on unlawful mining of manganese and iron ore in Odisha.

Although coal mining was not part of the judgment, the two judges — Justice Madan B. Lokur and Justice Deepak Gupta — had taken a broader view of illegal mining and the consequence, including penalty under the MMDR Act.

"Illegal mining takes within its fold excess extraction of a mineral over the permissible limit even within the lease area held under lawful authority, if that excess extraction is contrary to the mining plan, the mining lease or a statutory requirement," the judgment said.



# Metalworking Units Still Struggling

**MORADABAD**

**Madhvi Sally**

Their clients are among the biggest names in global retail but some of the small metalworking units of Moradabad are still struggling.

"Business is not recovering," said Mahesh Chandra Agarwal of Omsons Overseas Tradelinks whose clients include Walmart, TJ Maxx and others. "If demonetisation had not happened last year we could have clocked a turnover of ₹42 crore. But I think we will only be able to do ₹35 crore turnover this year. The annual growth of 10-15% we don't see happening this year."

**He's not added to his workforce of 10** permanent staff and 10 artisans on daily wages due to the uncertainty.

The Uttar Pradesh town reputed for its brassware has about 2,500 exporters working in tandem with 25,000 manufacturing units employing about 200,000 people. Annual exports amount to ₹7,000 crore while local sales add up to ₹4,000 crore, according industry estimates.

Raghav Gupta of CL Gupta Exports, which supplies brassware products to Ikea, said the impact of demonetisation had passed but the implementation of the goods and

service tax (GST) has been challenging.

Third-generation brass craftsman Mohammad Imran, 25, said, "Business started picking up by February this year, but is still not close to last year's level. Many artisans have started driving autos or become security guards. We used to have 20 people with us but now we are only seven."

The workers still prefer cash. "For buying raw material and sales we have always gone for digital trans-

**Demonetisation's impact has passed but the implementation of the GST has been challenging**

action, but artisans only want cash. It's difficult to make them understand," said Agarwal.

Delays due to demonetisation meant penalties, said Gaurav Ohri of Images Inc. "I had to pay ₹12 lakh to the buyers as deliveries got late last year. Out of the 35 people I had to ask to leave after demonetisation, only 10 have come who agreed to open bank accounts." Still, he added, "now things are normal."

# Crude steel output jumps to 8.65 MT

NEW DELHI, Nov 7 (PTI)

DOMESTIC crude steel production rose by 5.5 per cent to 8.65 million tonnes (MT) in October 2017 compared to 8.19 MT in the same month last year, according to the official data. "During April-October 2017, crude steel production was 58.416 MT, a growth of 4.7 per cent over the same period of the last year," the Joint Plant Committee (JPC) under the Ministry of Steel said in a report.

"SAIL, RINL, TSL, Essar, JSWL and JSPL together produced 33.515 MT," the report said, adding that the rest 24.901 MT came from other producers. The country had produced 55.805 MT

crude steel during the first seven months of the preceding fiscal. In October, the overall production of total finished steel was at 9.354 MT, up by 6.9 per cent over October 2016.

"Production of total finished steel for sale was at 61.375 MT during April-October 2017, a growth of 5.1 per cent over same period of last year," the report said. In April-October, hot metal output stood at 38.129 MT, registering a growth of 1.1 per cent over the same period last year, the JPC said in its report, adding,

"Overall hot metal production in Oct 2017 (5.744 MT) was up by 3 pc over Sept 2017 but was up by 2.3 pc over October 2016."

## National level meet at JNARDDC on 9th

■ Staff Reporter

TECHNOLOGY Information Forecasting and Assessment Council (TIFAC), New Delhi, Department of Science and Technology (DST), New Delhi and Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur are jointly organising a National level meeting to discuss collected information on bauxite on November 9 at JNARDDC premises, Amravati Road.

As per the information, TIFAC has prepared a preliminary report on bauxite highlighting the potential for further value addition within the country and exporting the same. DST has prepared a draft report and further advancement, modification, changes will be discussed and a broad road map will be chalked out for further actions towards value addition. It will be a technical meeting and representatives from Indian Bureau of Mines (IBM), Nagpur, Indian Refractory Makers Association (IRMA), Aluminium Association of India (AAI) and CSIR-Central Glass & Ceramic Research Institute (CSIR-CGCRI), Kolkata will also attend the meeting. Dr Anupam Agnihotri, Director, JNARDDC and his team working hard to make the meeting a success.



## MMTC Surges to 52-wk High on Reports of STC Merger

Our Bureau

**Mumbai:** Shares of state-owned metals trading company MMTC surged 10.2% to a 52-week high of ₹101.60 on Tuesday on news that the government is going ahead with the merger of the company with State Trading Corporation (STC).

State Trading Corporation rose 2.97% to close at ₹280.70 on Tuesday.

**Govt will bear the expenses for the voluntary retirement scheme for about 700 STC staff**

said reports.

"It makes sense merging MMTC and STC as both are into the same business and have history of reporting inconsistent revenues and profit growth" said G Chokkalingam, CEO, Equinomics Research and Advisory.

MMTC imports and exports non-ferrous metals and fertilisers, while STC imports essential items of mass consumption such as wheat, pulses, sugar and edible oils.

For the year ended March 31, 2017, MMTC has reported a net loss of ₹30 crore on a turnover of ₹11,827 crore. On the other hand, STC posted a loss of ₹728 crore for FY17.

MMTC was the first Indian stock to touch ₹50,000 mark by gaining over 1000% between August-November of 2007. MMTC shares have declined 88% in the last five years.

## MECL, IBM में सतर्कता सप्ताह का समापन

नागपुर. मिनरल एक्सप्लोरेशन कॉर्पोरेशन लि. (एमईसीएल) और इंडियन ब्यूरो आफ माइंस (आईबीएम) की ओर से संयुक्त रूप से सतर्कता सप्ताह का समापन कार्यक्रम आयोजित किया गया. एमईसीएल के सीएमडी गोपाल धवन, आईबीएम के महानियंत्रक रंजन सहाय, मनीष भिमटे मुख्य रूप से उपस्थित थे. इस अवसर पर अमूल्य योगदान के लिए धवन का सत्कार भी किया गया. भिमटे ने कहा कि दोनों ही संस्थानों का माइनिंग एवं मिनरल के क्षेत्र में महत्वपूर्ण योगदान है. दोनों ही संस्थानों में पारदर्शिता के तहत कार्य हो रहा है. इससे देश को लाभ है. इस दौरान विभिन्न स्कूल एवं कॉलेजों में कार्यक्रम का आयोजन किया गया और बच्चों को भी



अभियान के साथ जोड़ने का प्रयास किया गया. धवन ने कहा कि देश काफी आगे निकल चुका है और हर स्तर पर पारदर्शिता को महत्व दिया जाने लगा है. सहाय ने कहा कि अब इस क्षेत्र में सेटेलाइट की मदद बड़े पैमाने पर लिया जा रहा है, जिससे पारदर्शिता बढ़ी है. इस अवसर पर डी.डब्लू. परसोडकर, टी. अंजनेयुलु, डी.के. स्वामी, मुजिब सिद्दीकी मुख्य रूप से उपस्थित थे.

## Copper PSU to outsource two mines

SPECIAL CORRESPONDENT  
KOLKATA

Hindustan Copper Ltd., the country's lone copper mining company, will shortly float global tenders for two mines in Jharkhand with a total ore capacity of 3 million tonnes, said its CMD Santosh Sharma.

Located in eastern India's Singhbhum copper belt, this includes the brownfield Rakha mine and the greenfield Chapri-Siddeshwar mine. These underground mines would be outsourced and it would take about four years for them to develop and come into full-fledged production. Rakha was closed in 1999 due to unviable operations. Technology advancements since then have improved viability.

HCL's five copper mining leases are located in Jharkhand, Rajasthan and Madhya Pradesh.

# Hind Copper keen to develop Jharkhand mines

Process on for preparing tenders for appointing mining development operator

## OUR BUREAU

Kolkata, November 7

State-owned Hindustan Copper is looking to develop its Chapri-Siddeshwar mines in Jharkhand.

According to Santosh Sharma, CMD, the company is in the process of coming out with a tender for the selection of Mining Development Operator (MDO) for developing the mines. This apart, the company is also looking to reopen the Rakha mine.

"We are in the process of pre-

paring tenders for appointing MDO for reopening of the Rakha mine and developing the new Chapri-Siddeshwar mines. Between these mines, we can extract close to three million tonnes of ore per annum," Sharma said at a press conference here on Tuesday.

The company plans to invest close to ₹5,000 crore in the next three-four years to scale up its capacities in mining and manufacturing. HCL has an installed



Santosh Sharma, Chairman and Managing Director, Hind Copper

copper production capacity of 68,500 tonnes per annum.

Post expansion, its mining capacity is expected at 13 million tonnes per annum from the present capacity of 3.4 mtpa.

Metal production, which currently stands at 35,000 tonnes will go up to 1,20,000 tonnes by 2022, he said.

It plans to set up a plant of 1 lakh tonnes per annum capacity to manufacture copper cathode through cost-effective hydrometallurgy technology at an estimated investment of ₹3,025 crore.

In a notice to the stock exchange on Tuesday, HCL informed that its board, which is set to meet on November 10, will consider the proposal to increase the borrowing limits from consortium banks.



## Oct gold imports down on higher stocks

**BLOOMBERG**

November 7

Gold imports by India, the world's biggest consumer after China, dropped 31 per cent last month from a year earlier, according to a person familiar with the information.

Inbound shipments fell to 66.8 tonnes in October, from 96.7 tonnes, said the person, who requested anonymity.

The figure would leave imports for the first 10 months at 777.1 tonnes, still 91 per cent higher on the



year, according to data compiled by Bloomberg. Shipments had surged this year on purchases ahead of the new GST regime, and as some buyers looked to bene-

fit from bilateral duty-free trade agreements with nations like South Korea and Indonesia.

The subsequent build-up in inventories, coupled with slow domestic demand, has led to an easing off in overseas purchases.

Saurabh Gadgil, Chairman of PN Gadgil Jewellers Pvt. Ltd., said while October was a good month, we need to see for a couple of months more as to how things shape up as demand has been average post-Diwali, he said.

## MCX zinc futures lack the zing

**GURUMURTHY K**

BL Research Bureau

The Zinc futures contract on the Multi Commodity Exchange (MCX) has reversed lower in the past week after reaching a high of ₹216.5/kg on November 1. The contract hit a low of ₹208.5 on Friday and is trying to bounce back from there.

Lack of momentum has left it hovering around ₹210 the last couple of trading days. It is currently trading around ₹211. A key intermediate resistance

is at ₹214. As long as the contract trades below this resistance, the possibility of it falling to ₹207 or ₹206 cannot be ruled out in the coming days. Cluster of supports are poised in between ₹207 and ₹205 and are likely to limit the downside in the short-term.

An upward reversal from this support region will have the potential to take the contract higher to ₹214. A strong break above ₹214 will then pave the way for the next target of ₹220.

Medium-term traders with high risk appetite who have accumulated around ₹210 in the past week can continue holding it.

Retain the stop-loss at ₹206 and revise it higher to ₹210 as soon as the contract moves up to ₹215. The target is ₹230.

On the other hand, the outlook will turn bearish if the contract breaks below ₹205 decisively. Such a break can drag the contract to ₹199 initially. Further break below ₹199 can drag it to ₹195.

# Trying to cement a sustainable future

PREETI MEHRA

The Indian cement industry takes pride in being a key contributor to the country's circular economy. Mahendra Singhi, Group CEO, Dalmia Cement Bharat Limited and co-chair of the Cement Sustainability Initiative (CSI) in India, tells *BusinessLine* that the domestic industry uses around 40-50 million tonne fly ash and 15 million tonne blastfurnace slag annually to produce blended cements. This would otherwise require coal based thermal power plants to allocate 18,720 hectare additional land for fly ash disposal alone. Excerpts:

## What are the measures being taken in India to make cement a more sustainable product?

Indian cement industry has proven to be the most proactive on matters related to resource efficiency, energy and environment. A testament to this is the ever growing CSI membership in India for promotion of sustainable operations. Compared to just 25 per cent in the world, more than 65

per cent installed cement capacity in the country is member of CSI.

We are global leaders in energy efficiency improvements as we have one of the most energy efficient cement plants located in India.

Considering the global average electricity consumption per tonne of cement (kWh/tonne of cement), Indian cement industry's average is 23 per cent less and our best performing plants are operating near 64kWh/tonne of cement, which is about 38 per cent less than the

global average. Similarly, our specific thermal energy consumption (kCal/kg of clinker) is about 12-15 per cent less compared to the global average.

The detailed breakdown of the energy savings achieved during the perform, achieve and trade (PAT) cycle highlights cement sector delivered 16.6 per cent in energy savings despite having only 9.1 per cent share in the total primary energy consumption in industrial sectors covered under the PAT cycle 1.

Also, in order to avoid a futur-

istic competing water use scenario, progressive cement companies here have taken targets to become water positive.

## Substituting aggregates used in concrete with fly ash is happening for many years. Have you been able to go beyond this?

Yes, our cement industry has been proactive in use of fly ash in blended cement production. The environment friendly disposal of fly ash has helped in creating value for both thermal power plants (waste generator) and the cement industry (waste disposer). In the last five years (FY 2011-12 to FY 2015-16), Portland Pozzolana Cement (PPC) production in India has helped avoidance of about 212 million tonne CO<sub>2</sub>. This is equivalent to creating about ₹1,564 billion natural capital value within a five year period on Greenhouse gas (GHG) emission avoidance alone.

Even though cement industry is the largest utiliser of fly ash, the annual fly ash utilisation ranges

only 58 to 61 per cent. However, recent trends highlight that utilisation of fly ash in cement is showing stagnancy rather than growth.

## What are the barriers the industry faces?

Geographical barriers being faced in further utilisation of fly ash is the location of coal based thermal power plants and cement plants... Hence, introducing freight subsidy can bridge the situation by allowing transportation of fly ash from surplus areas to cement clusters where its availability is limited.

Other barriers include reluctance in using fly ash based cement in government projects, which is improving but not reached its true potential. Additionally, the Bureau of Indian Standards (BIS) specification of PPC only limits fly ash blending up to 35 per cent at present.

## How far has India been able to embrace the concept of recycling concrete and using

## waste as a potential recovery opportunity?

Recycling of concrete is well-established in developed countries. However, it is a major challenge in India due to multi-stakeholder involvement in solid waste management. As long as dumping of construction and demolition (C&D) waste remains a cheaper option then its recycling, progress in this regard may remain slow. At the same time, some C&D plants are successfully working in Delhi and other major cities.

## What are the challenges that CSI and Indian companies face in their effort towards manufacturing more sustainable cement?

CSI in India and more particularly progressive cement companies have been successful in India to produce cement with very low carbon and energy footprints compared to global cement industry average. However, the potential of cement industry has been utilised successfully in disposal of wastes containing calor-

ific value. In Europe, on an average 30-40 per cent of kiln heat comes from burning of waste materials (alternative fuels). In India this value has only reached 4 per cent despite enormous potential. In my opinion, we require to shake our solid waste management system at every level.

We have been demanding implementation of policies on 'Polluter to pay' and introducing 'landfill tax'.

## Organisations such as GIZ and Development Alternatives have been researching new and sustainable building materials. Is CSI following and supporting these developments?

Yes, GIZ and Development Alternatives (DA) have been providing research towards sustainable building materials and the cement industry is allowing them an opportunity to interact with our top leadership. We invited DA to our CSI India CEO meeting in September to learn more on their R&D efforts to develop Limestone Calcined Clay Cement (LC3).

**Mahendra Singhi**  
GROUP CEO, DALMIA CEMENT BHARAT LIMITED  
AND CO-CHAIR OF CSI, INDIA



# Coal-for-sale mining on way

A STAFF REPORTER

**Calcutta:** The coal ministry is hopeful of initiating the process of commercial coal mining by the end of the ongoing financial year 2017-18.

Coal secretary Susheel Kumar said the Union cabinet is expected to take a call on commercial mining this month, following which the modalities of the auction along with the details of the blocks will be worked out.

"The decision of the cabinet will be this month and thereafter the process will begin. I am hoping in this financial it (auction) should happen," Kumar said on the sidelines of a seminar organised by the Mining, Geological and Metallurgical Institute.

The coal ministry earlier this year had sought comments on a discussion paper containing the eligibility condition and methodology of commercial mining.

Once the cabinet gives the nod, the ministry will announce the blocks, he said.



**COMING UP:** Susheel Kumar in Calcutta on Wednesday. A Telegraph picture

The enabling provisions have already been made under the Coal Mines (Special Provisions) Act, 2015. The act allows the Centre to grant a mining lease through an auction to government companies or corporations or their joint ventures.

The rules also cover any company or joint venture incorporated in India for coal mining for own consumption or sale.

He said coal supply to power plants has improved, but the problem of shortage of stock for power is not just of supply.

"Problem is with insufficient stockings. The CEA (Central Electricity Authority) has guidelines, which say they should have a stock of 22 days of coal," said Kumar.

The current stock level is 6 days, according to data from the CEA.

## Diversification and penalty

Coal India chairman Gopal Singh said the modalities for diversification into new mineral mining was expected to be ready in the coming months.

"We have just decided on diversification and are still working on the modalities. We hope to ready the modalities in the next few months," Singh said.

He said Coal India would legally examine the showcause notices and penalty of Rs 20,169 crore imposed by the Odisha government on its subsidiary Mahanadi Coalfields for flouting environment norms.

# JSW Steel chief talks tough

**New Delhi:** After seeking a ban on trading in shares of listed companies referred to the National Company Law Tribunal, JSW Steel chairman Sajjan Jindal on Wednesday said dubious promoters should not be allowed to submit a rehabilitation plan under the insolvency law.

The JSW chief's comment comes a day after the Insolvency and Bankruptcy Board of India (IBBI) put in place strict norms for resolution plan approval under the insolvency law, wherein an applicant's antecedents and credit worthiness will be checked.

"Dubious promoters should not be allowed to submit the rehabilitation plan to prevent misuse of the IBC," Jindal said in a tweet. "Also the bidding criteria should be spelt out explicitly prior to inviting the bids. This will avoid likely litigation..." the JSW Steel chief said.

The IBBI announcement of amend-



**STRONG VIEWS:** Sajjan Jindal

ments related to the corporate persons resolution process has been made amid a rising number of cases being filed under the insolvency law and concerns in certain quarters on whether the promoter of a company under the insolvency process can submit a resolution plan.

"Now prior to the approval of a resolution plan, the resolution applicants, including promoters, will be put to a stringent test with respect to their credit worthiness and credibility," the IBBI said in an official release on Tuesday.

It is now clear that even promoters can submit a resolution plan provided they are subject to strict disclosure requirements under the revised norms.

Last week, Jindal had said that trading in shares of the listed companies referred to the NCLT should be suspended to avoid market speculations.

"Listed company shares in the event of reference to NCLT should be suspended as per global practice to avoid speculation in the market," Jindal had tweeted. Jindal further tweeted that "suspension of shares helps in cleaner takeovers and doesn't make the deal expensive for the prospective investor. PTI



# Check imports: Copper bigwigs

## IMPORT of Copper Ores and Concentrates



PTI GRAPHICS Source: Ministry of Commerce and Industry  
NEW DELHI, Nov 8 (PTI)

DOMESTIC copper sector was being adversely impacted by imports from Japan and ASEAN region, industry majors Birla Copper and Sterlite Copper said on Wednesday while requesting the Government for an intervention.

Speaking at the India Copper Forum here, J C Laddha, CEO, Birla Copper said that import was a big deterrent and a huge challenge for the domestic players.

The copper industry was being impacted by two free trade agreements (FTAs), one was with ASEAN and the other one was with Japan, he

said. In 2016-17, the total import of wire was 89,000 tonne out of which 98 per cent had come under FTA from ASEAN region and that is creating problem for local manufacturers.

The commodity has a bright future in India as the per capita consumption of copper will double by 2025 to 1 kg. In China, per capita consumption is about 9 kg and in India it is 0.5 kg. The demand for copper will grow in sectors like power, auto and e-vehicles, construction, railways, consumer durable and renewables, he said adding "we have to create a structure within the Government that facilitates policy and decision making related to copper". These are the sectors having steady growth, he said.

He also requested the Government to check the imports, and called the local industry to be globally cost competitive for which creating a level playing field for the domestic players is very important.

He urged the Government to encourage growth and ensure adequate safeguard against import by various means such as non tariff barriers. Further, he suggested the Government to reconsider FTAs that lower barriers for exports, raise custom duty for downstream products to the extent that it does not hurt downstream industry.

## Many copper mines to see auction in 3 years: Secy

New Delhi: A large number of copper blocks will come up for auctions in next three years, mines secretary Arun Kumar said on Wednesday.

Speaking at the India Copper Forum here, Kumar said, "... we have good indications in the K3 (Khetri) belt (that) we have large resources as and when those blocks come up for auction..."

"So two-three years down the line, there would be a large number of blocks coming up for auctions. So that is the opportunity people should look at...", he added. He added the mines ministry has also launched aeromagnetic surveys on a large basis. It is going to cover 8.2 lakh square kilometres in 3 years. During aeromagnetic surveys, magnetic measurements are made from low-flying airplanes. PTI



# Let down by Asia, gold looks at \$, Fed moves

## COMMENTARY

G CHANDRASHEKHAR

It is clear that gold is struggling to stay afloat and trade close to the psychological \$1,300 an ounce level in the world market, but has not succeeded. Belief is now gaining ground that the precious metal is perhaps over-valued at the moment and investors may exit, sooner rather than later.

Most indicators and traditional supportive factors — especially geopolitical risks, dollar dynamics and demand — point to an imminent downward correction in the coming weeks. Indeed, the process has already begun.

Despite the US non-farm payrolls number coming below expectation recently, there is a strong indication that the Federal Reserve is on its way to hike interest rate in December, signalling that economic growth indicators are turning increasingly positive, which, in turn, should boost the equity market.

There is also expectation that the Fed will announce rate

hikes three or four times in 2018. That should send out a clear signal where the dollar would go in the months ahead and its implication for gold.

In the last one year, gold prices moved higher — gaining well over \$150/oz — triggered by a host of supportive factors including an initial dovish expectation of Fed tightening, and, of course, the geopolitical tensions. Indeed, the precious metal withstood two rate hikes by the Fed this year, demonstrating its resilience and haven appeal.

Now that the support factors are decisively weakening, the yellow metal is likely to move down to anywhere between \$1,250 and \$1,230/oz over the next few weeks and even lower towards \$1,200/oz by the end of this year.

### Slack demand

It is the slowdown on the demand side that has actually un-

nerved the market. Two of the world's largest markets — India and China — have exhibited weakening demand for gold.

The Indian market faced the after-effects of demonetisation, strict rules of identification for buyers, and introduction of the Goods and Services Tax.

Prior to Diwali, the government removed gold out of the purview of the Prevention of Money Laundering Act and reduced the rigour of customer identification.

No explanation or justification was given for the volte-face. So, the recent media reports of large-scale cash sales of gold should ring alarm bells.

It is unclear if it is the result of re-monetisation or the start of another round of unaccounted cash generation. The bullion sector needs close monitoring and regulation to ensure transparency and quality, if we are serious about moving to-

wards a less-cash economy.

### Import tax, duties

Meanwhile, desperate efforts are afoot to lobby the government for a reduction in the import duty of 10 per cent on gold.

Whether a reduction in the customs duty on an admittedly de-merit commodity is justified, especially from a revenue perspective, is a question policymakers have to grapple with. There is no guarantee the consumer would stand to benefit.

The UAE's introduction of a five per cent import tax on jewellery early this year has surely unnerved the Indian jewellery export trade as its price attractiveness pales. The situation could exacerbate when the proposed 5 per cent VAT on gold and diamond jewellery is implemented.

The arbitrage between UAE and Indian prices would narrow further. It would be less-attractive for Indian tourists to purchase gold in Dubai, for instance.

*The author is a commodities market specialist. Views are personal*



# Mining regulator worried over silicosis

DGMS says mining companies must take responsibility for safety

## OUR BUREAU

Kolkata, November 8

Prevalence of silicosis, a especially in the stone mines, is a "concern", said PK Sarkar, Director-General of the Directorate General Mine Safety (DGMS), a key regulatory body for mining in India, on Wednesday.

He was in the city to attend the 7th Asian Mining Congress.

Mandated by the Supreme Court, the regulator is conducting a study in mining regions of the country. So far 9,000 samples in five or six States have been tested including the BJP-ruled Rajasthan, Jharkhand and Gujarat.

Sarkar refused to categorise the precedence of silicosis (as high or very high) in these States. But he said that a substantial number of people are affected by the disease. According to media reports, the

DGMS told the apex court that 323 people died of silicosis in Rajasthan alone.

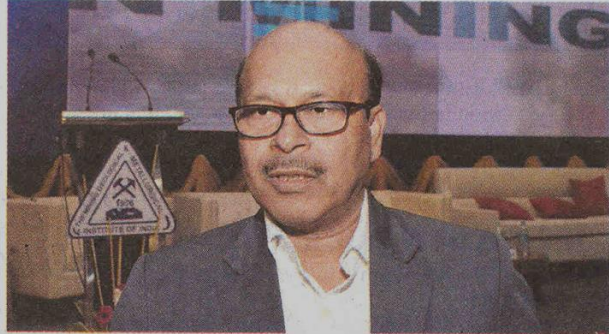
According to Wikipedia, Silicosis, previously-referred as miner's asthma, is a form of occupational lung disease caused by inhalation of crystalline silica dust, and is marked by inflammation and scarring in the form of nodular lesions in the upper lobes of the lungs.

## Regulatory reforms

Earlier addressing the mining congress, Sarkar highlighted the significant reduction in the fatality rate. There were eight mining disasters in last 15 years claiming 168 lives, he said.

According to the DGMS, 77 per cent of the mine accidents take place either due to collapse of the benches or dump.

Calling for a shift in the regulatory environment from the



PK Sarkar, Director-General of the Directorate General Mine Safety

current enforcement based regime to more self-regulatory framework; he reminded that in Australia mining contracts are not merely awarded to the least cost operator but to the company with the best safety records.

"We need a framework where in the regulator would make least interventions but the company CEO would be responsible for the failure to take due safety precautions and resulting fatalities," he said.

The regulator expressed

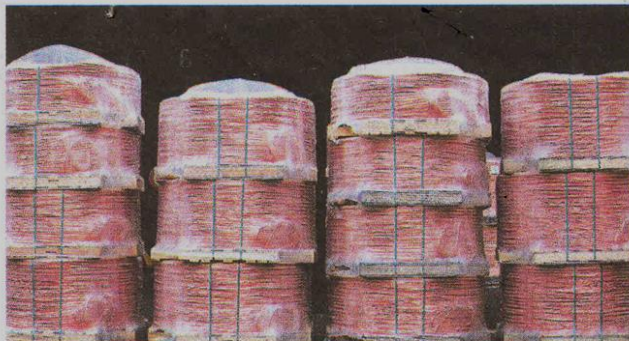
concern over the rising share of contractual workers in Indian mines.

According to him, currently there are 2.5 contractual workers against every permanent staff with 70 per cent of production coming through the contractual route.

"We need a cultural shift where both the regulator and the miners would put their minds in making mining safer," he said pointing out that policing day-to-day affairs would be tough as the mining industry gets bigger.



## *Copper traders wager big that prices will rise in 2018*



**BLOOMBERG**

November 8

The frenzy in the copper market is luring traders to take high-flying bets that prices are headed back towards a record.

Call options wagering on copper climbing above \$10,000 a tonne by December 2018 have started trading during the past two weeks, the London Metal Exchange data show. In total, traders have spent about \$4.5 million on the contracts.

Copper hasn't traded at those levels since 2011, the peak of a commodities boom mainly fuelled by a roaring economy in China, the biggest user. The bulk of the wagers came last week during the mining industry's annual gathering in London and suggests traders are becoming increasingly bullish on demand driven by electric cars.

"It is like a lottery ticket," Leon Westgate, a senior analyst for base metals and bulks at Levmet UK Ltd., said over phone on Tuesday. "But I can understand the rationale, because you can make a pretty strong argument for much higher prices."

Chilean miner Codelco said prices could test record highs above \$10,000 a tonne as the

supply-demand balance shifts to substantial deficits from 2018. Goldman Sachs Group Inc. also predicts the metal will continue to benefit from synchronised global growth.

Copper is up 23 per cent this year at \$6,820 a tonne on the LME, and last month reached a three-year high.

The traders will be rewarded handsomely if the options expire in the money. They bought \$2.5 million of options on Thursday that would pay out about \$10 million if copper reaches \$10,200 by December next year, data compiled by Bloomberg show. The options would be worth \$28.8 million if copper hits \$10,500.

In total, 4,740 options targeting \$10,000 by the end of 2018 were sold since October 23.

"Even if prices don't reach the \$10,000 strike price, holders of the calls could still profit if copper rallies sharply. That's because implied volatility associated with the contracts may rise, making them more valuable," Keith Wildie, head of commodity volatility at Vantage Capital Markets Ltd., said by email.

"If it all goes crazy, you have a very solid position," he said.

## MCX Nickel may remain range-bound

GURUMURTHYK

BL Research Bureau

After breaking above ₹800/kg last week on November 1, the nickel futures contract has been trading in a sideways range. The contract hit a high of ₹841.9 on the same day and come-off from there. It is currently trading at ₹817/kg. A range-bound move between ₹800 and ₹840 is possible for some time. A breakout on either side of ₹800 or ₹840 will then determine the next move for the contract.

On the charts, the bias is bullish. Strong support is seen around ₹800. This leaves the high possibility of the contract sustaining above ₹800 and breaching ₹840 decisively in the coming weeks. Such a break can take the contract higher to ₹860

initially. Further break above ₹860 will then pave the way for the next target of ₹900.

On the other hand, if the contract breaks below ₹800, it can fall to ₹780. The region around ₹780 is a strong medium-term support. Further fall below ₹780 is unlikely. An upward reversal from ₹780 can then take the contract higher to ₹800 and ₹840 levels again.

Traders with a medium-term perspective can go long on dips at ₹810 and then at ₹790 if the contract falls below ₹800. Stop-loss can be set at ₹770 for the target of ₹880. Revise the stop-loss higher to ₹730 as soon as the contract moves up to ₹745.

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

## Diamonds of ₹83 lakh delivered as ICEX completes 1st futures contract

OUR BUREAU

Mumbai, November 8

The Indian Commodity Exchange, anchored by the Anil Dhirubhai Ambani Group, has delivered 26.27 carats of diamonds worth ₹83 lakh as settlement on the expiry of its first diamond contract.

About 1,440 clients participated in the delivery process of the November contract as the exchange fixed ₹3,166 as price for one cent of diamond on due date.

The three-day average of November futures closing price was ₹3,168.33 per one cent, indicating a convergence between spot and futures price, said the exchange

in a statement on Wednesday.

The exchange has about 40 carats of diamonds in its vaults. ICEX had commenced operations on August 28 with the launch of November, December and January diamond futures contracts.

Sanjit Prasad, Managing Director, ICEX, said the alignment of spot and futures prices during the delivery period is one of the important features of derivatives market.

The total traded quantity in November expiry since the launch of the contracts stood at 5,382.08 carats worth ₹173 crore. Percentage of delivery against the total traded quantity was 0.53 per cent.





# Buy gold if it dips to \$1,277/oz

GNANASEKAAR T

Comex gold futures edged higher on Thursday, after marking a near-three-week high in the previous session, as the dollar eased on the back of uncertainty over the tax-cut Bill.

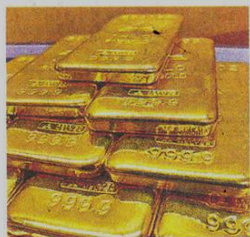
Comex gold futures have been moving in line with our expectations so far, but the road ahead still does not look friendly.

As mentioned in the previous update, prices are expected to consolidate and inch higher towards \$1,300-05 an ounce now. However, failure to follow through higher from there could once again dent the confidence of the bull camp.

The price action so far indicates a possible intermediate bottom at \$1,260. But any unexpected fall below \$1,267 could easily drag prices to \$1,245-50. This should be considered a good level to give up longs. Strong initial resistances are around \$1,287-92.

A close above \$1,300 could suddenly open the upside again to \$1,330-35. Unexpected declines below \$1,260, on the other hand, could revive bearish expectations and longs to be abandoned strictly.

Such a fall could see prices heading towards our potential bearish near-term tar-



gets around \$1,240-45. 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.

The picture is quite mixed presently and the favoured view is for prices to edge higher towards resistances in the very short-term, but they may find the going tougher above \$1,300 and failure to follow-through higher could lead to a sell-off again.

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

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 are 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 \$1,277 with a stop-loss at \$1,267 targeting \$1,297-1,300. Supports are at \$1,270, 1,255 and 1,245. Resistances are at \$1,292, 1,305 and 1,335.

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

## WGC: Gold loses shine in Q2 on GST, anti-money laundering law

OUR BUREAU

Mumbai, November 9

Gold demand dropped 24 per cent in the September quarter to 146 tonnes (193 tonnes) on the back of GST roll-out, increased vigilance under the PMLA (Prevention of Money Laundering Act) and high prices.

The World Gold Council expects gold demand this year to settle close to 674 tonnes logged in 2016. In the last three quarters, gold demand has been up 7.6 per cent at 454 tonnes (422 tonnes).

"The demand for gold this year is expected to be below the five-year average and should settle at the lower range of our expectations of 650-750 tonnes," said Somasundaram, PR, Managing Director (India), World Gold Council.

Jewellery demand was down 25 per cent at 115 tonnes (153 tonnes), while that of investment dipped 23 per cent to 31 tonnes (40 tonnes).

Despite weak demand, gold shipments into India jumped 62 per cent to 161 tonnes (100 tonnes) as importers ordered 30-35 tonnes from Korea with the removal of 12.5 per cent countervailing duty (in the form of central excise duty) on roll-out of GST. To counter duty-free import of gold from Korea, which had signed a free trading agreement with India, the government had imposed CVD equivalent to the import duty.

However, with the roll-out of 3 per cent GST on gold, all other

### Global gold demand (tonnes)

	Q3 2017	Q3 2016	% change
Jewellery	495	479	-3
Investment	241	334	-28
<b>Total *</b>	<b>915</b>	<b>1,001</b>	<b>-9</b>

\*Including demand from central bank, bars & coins, ETF and technology

duties including the CVD got cancelled. Taking advantage of this, importers ordered about 35 tonnes of gold from Korea by paying just 3 per cent GST against import duty of 12.5 per cent. Finally, the government plugged the loophole by excluding the yellow metal from the purview of free trade agreement with Korea.

Somasundaram PR, Managing Director (India), World Gold Council, said gold prices are quoting at a premium of \$2 an ounce in the wholesale markets despite large-scale import and weak demand. This is an indication that jewellers expect the demand to pick up in the December quarter as customers and trade get used to GST.

Gold prices were up 8 per cent at ₹26,414 per 10 grams in the September quarter against ₹28,734 per 10 grams logged in the same period last year.

Somasundaram expects the coming year to be a watershed moment for the bullion industry with the government announcing policy for a spot exchange, hallmarking and bring more transparency to the trade.



BUSINESS LINE

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

## Short-term outlook bullish for MCX Lead

GURUMURTHY K  
BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) broke above the key 21-day moving average resistance at ₹161.3/kg in the past week. The contract has surged about 3 per cent over the last one week and is currently trading at ₹163/kg.

The short-term outlook is bullish. Significant support is seen in the ₹161.5-160 region and this will limit the downside in the near-term. Dips from this support zone might find fresh buying interest in the contract. Immediate resistance is at ₹165. A strong break above it can take the contract higher to ₹167 and ₹170 in the coming days.

Traders with a short-term perspective can go long on dips to ₹162. Stop-loss can be placed at ₹158 for a target of ₹170. Revise the stop-loss higher to ₹165 as

soon as the contract moves up to ₹167.

Key resistance is between ₹170 and ₹171. A strong break and a decisive close above ₹171 will be very bullish from a medium-term perspective. Such a break will pave the way for the next targets of ₹180, ₹185 or even higher over the medium-term.

The contract will come under pressure only if it declines below ₹160 decisively. Such a break will increase the likelihood of the contract revisiting ₹157 and ₹155 levels. However, the price action on the chart suggests that the possibility is less for the contract to decline breaking below the support at ₹160.

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

# Gold Demand Falls 24% in Q3

Press Trust of India

**Mumbai:** India's gold demand in the third quarter fell 24% to 145.9 tonnes as the implementation of goods and services tax and anti-money laundering legislation around jewellery retail transactions kept buyers away, according to a report of the World Gold Council (WGC).

The gold demand in India stood at 193 tonnes during the third quarter of 2016, according to WGC's Global gold demand in the third quarter.

In value terms, the gold demand declined by 30% at ₹38,540 crore, compared to ₹55,390 crore in the same period of 2016.

The total jewellery demand for the third quarter dropped by 25% at 114.9 tonnes compared to 152.7 tonnes in the same period of 2016.

The value of jewellery demand was down by 31% at ₹30,340 crore, from ₹43,880 crore in the same period last year.

The total investment demand for the July-September quarter was down by 23% at 31 tonnes compared to 40.1 tonnes in the same period last year.

In value terms, the gold investment demand was at ₹8,200 crore, down by 29% from ₹11,520 crore in the third quarter of 2016.

The total gold recycled in India in the third quarter of 2017 was 26.7 tonnes from 25.7 tonnes in the same period of 2016.

## Global Demand Declines, Too

**MUMBAI:** Global gold demand during the third quarter of this year dropped by 9% to 915 tonnes as compared to the same period last year, according to a report by the World Gold Council. This decline in demand was mainly driven by significantly lower inflows into exchange-traded funds in the US and softer quarter in the jewellery sector in India. —PTI

nes in the same period of 2016.

"India's gold demand witnessed a decline of 24% in the third quarter of 2017, as the newly introduced GST and AML around jewellery retail transactions deterred gold buyers," WGC's managing director, India, So-masundaram PR said.



# Lower ETF inflows hit global gold demand

GST, tighter anti-money laundering regulations in India deterred buyers: WGC

SPECIAL CORRESPONDENT  
MUMBAI

A combination of factors such as lower inflows into exchange-traded funds (ETFs) and introduction of the Goods and Services Tax (GST) in India led to a fall in the global demand for gold in the third quarter of the current calendar year.

According to the latest Gold Demand Trends report by the World Gold Council (WGC), global jewellery demand was down 3% year-on-year in Q3, "as the newly introduced Goods & Services Tax and tighter anti-money laundering regulations around transactions in India deterred buyers."

## Weak quarter

"A weak quarter in India was the main reason for the year-on-year decline in global demand (for gold jewellery),



**Dragon's appetite:** Demand for gold bars and coins was driven by China as global investment demand rose by 17%. ■ REUTERS

down from 495 tonnes in Q3 2016 to 479 tonnes in Q3 2017. Jewellery volumes continue to languish below longer-term average levels," said the report. Further, global gold demand in Q3 2017, which was pegged at 915 tonnes, witnessed a drop of 9% compared with the

same period in 2016. This decline was led by two key factors: a softer quarter in the jewellery sector and significantly lower inflows into ETFs, as per the report.

As per the findings, while investors continued to favour gold's risk-hedging properties through ETFs, the

greater focus was on buoyant stock markets that impacted the inflows into ETFs.

Meanwhile, the demand for gold bars and coins was driven in large part by China as the global investment demand rose by 17% from relatively weak year-earlier levels. Incidentally, mainland investors in China bought on price dips, clocking up a fourth consecutive quarter of growth, as per the report. The central bank demand of 111 tonnes in Q3 was 25% higher year-on-year as Russia and Turkey together added nearly 95 tonnes of gold to global official reserves. Interestingly, volume of gold used in technology increased for the fourth consecutive quarter. Strong demand for LEDs and continued growth in the use of 3D sensors in new smartphones boosted demand by 2%.

# India's Q3 gold demand drops 24% to 145.9 tonnes: WGC



MUMBAI, Nov 9 (PTI)

INDIA'S gold demand in the third quarter this year fell 24 per cent to 145.9 tonnes as the implementation of GST and anti-money laundering legislation (AML) around jewellery retail transactions kept buyers away, according to a report of the World Gold Council (WGC). The gold demand in India stood at 193 tonnes during the third quarter of 2016, according to WGC's Global gold demand in Q3

2017.

In value terms, the gold demand declined by 30 per cent at Rs 38,540 crore, compared to Rs 55,390 crore in the same period of 2016.

The total jewellery demand for the third quarter dropped by 25 per cent at 114.9 tonnes compared to 152.7 tonnes in the same period of 2016.

The value of jewellery demand was down by 31 per cent at Rs 30,340 crore, from Rs 43,880 crore in the same period last year.

The total investment demand for the July-September quarter was down by 23 per cent at 31 tonnes compared to 40.1 tonnes in the same period last year.

In value terms, the gold investment demand was at Rs 8,200 crore, down by 29 per cent from Rs 11,520 crore in the third quarter of 2016. The total gold recycled in India in the third quarter of 2017 was 26.7 tonnes from 25.7 tonnes in the same period of 2016.

"India's gold demand witnessed a decline of 24 per cent in the third quarter of 2017, as the newly introduced GST and AML around jewellery retail transactions deterred gold buyers," WGC's managing director, India, Somasundaram PR said. He said after three consecutive quarters of growth, the jewellery demand fell by 25 per cent, and that of bars and coins also fell by 23 per cent to 31 tonnes.

"The drop can be attributed partly to some advance buying in the second quarter to pre-empt the introduction of GST in the third quarter," he said.



Curious case of Salgaocar's investment in Swaziland mines

## Appleby records lift veil on rift among stakeholders in Africa mining project

Six years before his death in 2016, mining baron Anil Salgaocar partnered son-in-law Gautam Radia and Malaysian investor Shanmuga Rethenam to enter iron ore sector in Swaziland



SHYAMLAL YADAV  
NEW DELHI, NOVEMBER 9

IN 2010, six years before his death, mining baron Anil Salgaocar partnered son-in-law Gautam Radia and Malaysian investor Shanmuga Rethenam to enter iron ore mining in Swaziland, records of offshore legal firm Appleby show.

For the Swaziland venture, Salgaocar set up Elitina Limited in the British Virgin Islands but it ran up huge losses within two years of its operation. Salgaocar passed away in Singapore in 2016 and the project was expropriated. Currently, there is a legal battle on among stakeholders in courts of Swaziland, Canada, France, Seychelles and Singapore — the records do not contain the current status of the legal wrangle.

Records show Shanmuga Rethenam approached Anil Salgaocar through Gautam Radia in 2010 on the availability of iron ore in Swaziland. Within a year of negotiations, the Southern Africa Resources Ltd (formerly Salgaocar Resources Africa Ltd) was formed with Rethenam as sole shareholder "with a view to transfer 80 per cent of the shares" to Salgaocar Asia Pte Ltd (SAPL), a Singapore-incorporated company which is part of the Salgaocar Group.

SG Iron Ore Mining (Pty) Ltd (formerly Salgaocar Swaziland (Pty) Ltd) was incorporated on September 30, 2010 with Southern Africa Resources Ltd holding 50 per cent of shares in SG Iron Ore Mining (Pty) Ltd. Twenty five per cent shares of SG Iron Ore Mining (Pty) Ltd were held by the King of Swaziland and 25 per cent by the Swaziland government. Under the terms, the King of Swaziland was given an advance loan of USD 10 million.

Records show that in March 2012, Gautam Radia arranged for transfer of 80 per cent of the shares in the Southern Africa Resources Ltd to his name and held them in a trust for Anil Salgaocar — Rethenam now held 20 per cent of the shares.

This Swaziland project was for recycling iron dumps of the Ngenwenya mine left behind by Anglo American, from which iron ore was extracted, and sold to countries that included China.

Salgaocar's affidavit in the High Court of Swaziland stated that to commence the Swaziland project, he injected funds through various channels: SAPL to Southern Africa Resources Ltd USD 800,000 for 80 per cent shareholding in Southern Africa Resources Ltd; SAPL to Southern Africa Resources Ltd — USD 3000,000 loan for setting up and starting operations of the iron-ore mine in the Kingdom of Swaziland; Elitina Limited to SG Iron Ore Mining (Pte) Ltd — USD 10,000,000 as advance payment for iron-ore cargo; and, Elitina to Southern Africa Resources Ltd — USD 9,600,000 as loan.

On April 28, 2011, records show, SG Iron Ore Mining (Pte) Ltd filed an application for a mining licence with the Minerals Management Board (MMB) of the Kingdom of Swaziland. Mining and dispatch of product started on October 21, 2011 to Maputo Port in Mozambique.

In October 2013, Rethenam informed Radia that SARL was in "great financial distress", that the company had an operating bank balance of less than USD 0.5 million, and that SARL did not have sufficient funds to pay its creditors. Radia responded to Rethenam in an email, stating he was surprised that the financial position of SARL had deteriorated to such an extent, as SARL had recently posted

### 2. COMPENSATION

RESOLVED THAT Shanmuga Rethenam, Singapore NRIC: S7536478D would not draw any monthly salary from the company as such the company would reward you with USD20,000,000 (Twenty Million US Dollars) ONLY after you have had secured the mining lease for the Iron Ore Dumps from Kingdom of Swaziland and Export a minimum of 1,500,000MT (One Million and Five Hundred Thousand) after Two (2) Years of commencing operations.

An Appleby document reveals a "reward" for Malaysian investor in Salgaocar project

a profit of over USD 30 million.

Records show Radia also said that Rethenam owed the company at least USD 2.6 million due to funds that Rethenam diverted from SARL for personal use or to third parties. Responding to this, Rethenam said some of the funds diverted from SARL were used for the purpose of refurbishing an aircraft for HMK (King of Swaziland).

Rethenam had appointed Nirmal Rajaram as Chief Financial Officer of SARL. On October 23, 2013, records with Appleby show, Radia sought information on Rajaram's background as part of his role as SARL chairman. Rethenam responded with an email the same day to both Rajaram and Radia wherein he stated that Rajaram should not respond to Radia's request for information and recommended that Rajaram resign as CFO. Rajaram did that subsequently.

As the dispute escalated through 2014, records show that Rethenam attempted to isolate Radia from the business affairs of SARL.

Radia attempted to obtain SARL's financial information from the company's accountant, PricewaterhouseCoopers LLP, Singapore. PWC did not provide him the information, saying its engagement was with the company and it took its direction from the SARL management.

Records show that Salgaocar, too, was not getting along with son-in-law Radia. In an affidavit, filed in the High Court of Swaziland in November 2014, Salgaocar said, "Gautam without my knowledge started taking hostile steps against me. Gautam entered into an agreement on or about March 2014 to sell 80 per cent of the shares held by him in trust for me in the 2nd Defendant (Southern Africa Resources Limited) to Shan (Shanmuga Rethenam) who was financed by Glencore International AG. Shan (Rethenam), in anticipation of Glencore International AG financing the purchase of shares from Gautam, went ahead to apply for change of name of the 1st Defendant to SG Iron Ore Mining (Pty) Ltd (from earlier name Salgaocar Swaziland (Pty) Ltd) in April 2014. This proposed change of name came to my knowledge in June 2014."

But on March 10, 2014, records with Appleby show, Rethenam and Radia reached an agreement to settle their dispute pursuant to which Rethenam would buy out Radia's interest in SARL and the Shareholders Agreement would be terminated. In addition, Radia resigned from SARL's Board of Directors.

At the same time, Rethenam was negotiating a deal with Glencore International to invest in SARL and SG Iron and signed a term sheet with them on March 21, 2014. Rethenam and HMK (King of Swaziland), were banking on this deal to be a life changing event for them, records show. But this deal fell through.

In May 2014, Ajay Singhvi became in-

### RESPONSE

GAUTAM RADIA, Sameer Salgaocar (son of late Anil Salgaocar), Shanmuga Rethenam, Ajay Singhvi and the Government of Swaziland were approached by *The Indian Express* for comments. Only Radia and Singhvi responded.

**Gautam Radia:** "I was a shareholder of Southern Africa Resources Limited, Seychelles (SARL) along with Mr Shanmuga Rethenam ("Mr Rethenam"), a citizen of Singapore. I purchased my shares from Mr Rethenam directly and paid for these using my savings bank account in India. At all times during which I was a shareholder, Mr Rethenam and I were the only two Directors and the only two shareholders of SARL. I was a Non-Executive Director of SARL. Mr Rethenam was Director and President. SARL ceased doing business in Quarter 3 of 2014. I sold all my shares in SARL in December 2014 and remittance from the sale of these SARL shares was received in my Indian bank account.

Seychelles was chosen as the domicile base for the Africa operations because of its proximity to Mozambique and Swaziland... I was not a Director of SG Iron (Proprietary) Limited, Swaziland at any time. I was not a Shareholder of SG Iron (Proprietary) Limited, Swaziland ("SG Iron") at any time. Mr Rethenam was Executive Chairman and President of SG Iron from inception until liquidation... A Liquidator was appointed by the High Court of Swaziland to liquidate SG Iron in October 2014. The company's liquidation was completed in February 2015 by an Order of the High Court of Swaziland. The crash in the prices of iron-ore in the period March 2014 till October 2014 killed the future business prospects of SG Iron. The prices for SG Iron's product crashed about 50% in 5 months which led to SG Iron's liquidation.

I was not a Director of Elitina Limited. I was not a Shareholder of Elitina Limited... I further disclose that I succeeded in overseas legal proceedings against Mr Rethenam in May 2017. The allegations in your query related to my father-in-law have been appropriately dealt with in these legal proceedings, and those allegations do not stand anymore. The final order/award by the legal forum was handed down in May 2017. I am taking steps to enforce the order/award in the necessary court/s overseas."

**Ajay Singhvi:** "I am a friend of Mr Gautam Radia and had met Mr Shanmuga Rethenam a couple of times since 2011. When the two of them had differences and problems had escalated to a point of breaking in SARL, I was parachuted in to try and help manage the company and resolve the differences. I got involved with SARL in June 2014 and was appointed co-CEO and Director of SARL on June 24, 2014... On December 8, 2014 I acquired 80% shareholding in SARL from Mr Radia because there were liquidation proceedings going on in Swaziland and I truly believed that SARL would be able to recover some of the money from the liquidation and that would give me a decent return on my investment... I am in no way related to and/or associated with SAPL and Elitina. Unfortunately, I was not able to salvage the situation and the last shipment of iron ore from Swaziland/Mozambique was in August 2014. In October 2014, the Kingdom of Swaziland appointed a liquidator to liquidate SG Iron and in April 2017, the Financial Services Authority of the Seychelles moved to strike off SARL from the register of companies in Seychelles."

FOR FULL RESPONSE, LOG ON TO  
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involved in the dispute. Described as a mutual friend of both Radia and Rethenam, Singhvi offered to act as an informal mediator. Both Radia and Rethenam agreed. As part of that process, on June 25, 2014, Radia and Rethenam transferred their shares in SARL to AWMPPL or Ace Worldwide Management Pte Ltd, with 80 per cent of the shares to be held in a trust for Radia and 20 per cent in a trust for Rethenam.

AWMPPL was to hold the shares in trust until such time that the dispute could be settled. At the same time, Ajay Singhvi was appointed CEO of SARL to SARL's Board of Directors in June 2014 and Rajaram resigned

as Director. By then, SARL and SG Iron were in financial distress, which strained Rethenam's relationship with HMK (King of Swaziland), records show. Rethenam fell ill and even agreed to sell his house in Singapore and his Bentley car to inject funds into SARL, records show. He did sell the Bentley, not the house.

On August 21, 2014, the Swaziland government issued an order that no more iron ore should be sold. In January 2015, the SARL sent a notice for arbitration before the World Bank's ICSID, requesting compensation of more than USD 141,000,000, plus other damages and interest.

For the Swaziland venture, Salgaocar set up Elitina Limited in the British Virgin Islands but it ran up huge losses within two years of its operation. Salgaocar passed away in Singapore in 2016 and the project was expropriated



# Hind Copper to partner in new venture for strategic minerals

## OUR BUREAU

Kolkata, November 10

State-owned Hindustan Copper Ltd (HCL) is set to enter into a joint venture agreement with Mineral Exploration Corporation Ltd (MECL) and National Aluminium Company Ltd (Nalco) to get into exploration and exploitation of strategic minerals.

According to Santosh Sharma, CMD, HCL, a joint venture company named KABIL — Khanij Bidesh India

Ltd — will be formed to explore and exploit rare metals such as titanium, gallium and rhenium.

These minerals find use in defence equipment, spacecraft and shipbuilding.

"Our board has approved the joint venture proposal, so has the board of MECL.

Once the Nalco board approves the proposal, a company will be formed to deal in the area of strategic minerals," Sharma told newspaper-



Santosh Sharma, CMD, HCL

sons at a press conference here on Friday.

The joint venture company will primarily deal with government-to-government

businesses. The company is also in the process of investing close to ₹200 crore for extracting precious metals such as gold and silver from its copper tailings or the copper left behind after extraction from the ore.

The plant will come up at Malanjkhand in Madhya Pradesh, Sharma said.

## Net profit zooms

"If we process 10,000 tonnes of copper tailings a day we

can get close to 1.1 kg of gold and 11 kg of silver a day," he pointed out.

Meanwhile, riding on the back of a higher volume and value sales, HCL's net profit jumped more than four times to ₹28.55 crore for the quarter ended September 30, 2017, against ₹6.77 crore in the same period last year.

Revenue from operations was up by 187 per cent to ₹519 crore (₹181 crore) during the quarter under review.

## THE INDIAN EXPRESS

DATE: 11/11/2017 P.N.12

# Kobe Steel blames data scandal on focus on profit

**Tokyo:** Kobe Steel Ltd said on Friday a lack of quality controls and a focus on profits was behind the widespread data tampering that has shaken up the supply chains of car and plane makers around the world.

Japanese steelmaker, which has posted losses in the last two business years, promised to automate more of its operations and reorganize its quality control systems to recover from one of the nation's biggest corporate scandals. The 112-year-old company admitted last month that workers had tampered with product specifications, causing global automakers, aircraft manufacturers and other companies to check whether the safety or performance of their products had been compromised. **REUTERS**



# Vedanta Recovery Continues with Robust First-half Profits

Rebound in metal prices helps post 37% rise in net; co to focus on India for growth

Reuters

**Bengaluru | London:** Diversified miner Vedanta Resources said it sees further upside for zinc prices as it announced a 37.4% rise in half-year profit on Friday.

A rebound in metals prices has prompted the miner to expand production of zinc and aluminium, enabling it to continue its recovery after being particularly hard hit by the commodities slump that ended early last year.

The company, which is searching for a new chief executive after the departure of Tom Albanese in August, benefited as zinc prices leapt by more than a third on average in the six months to September 30.

Interim chief executive Kuldip Kaura said in a call with media that he sees further upward pressure on zinc prices as the gap between demand and



supply is expected to continue for "some more".

The company, which mines zinc in India, South Africa and Namibia, said earnings before interest, tax, depreciation and amortization rose to \$1.69 billion in the six months ended September 30, marginally below analysts' estimate of \$1.71 billion.

Operating profit from its zinc business surged nearly 80%, as zinc production mined in India jumped 42.1%, and the company said its mined production for the full year ending in March would be higher than the previous year.

Vedanta says one of its attractions for investors is its exposure to the fast-growing Indian market, where its unit Vedanta owns and operates Hindustan Zinc.

The miner said any growth plans will be focused on India, but it would look at other opportunities as they arose. Kaura dismissed speculation Vedanta could be seeking a tie-up with Anglo American in which Vedanta Chairman Anil Agarwal has bought a nearly 20% stake. Kaura reiterated that was Agarwal's personal investment on behalf of his family trust.

As the mining sector seeks ways to gain exposure to expected demand from electric vehicles, Kaura also said Vedanta should complete research into producing battery-grade cobalt over the next 3-6 months. The car industry's push towards electric vehicles has been creating a burgeoning market for cobalt, which is mostly a byproduct of copper and nickel production.

Vedanta had told Reuters in August it was studying how to produce cobalt suitable for batteries from its Zambian copper mines. The group, which acquired oil and gas assets in India and South Africa by taking over Cairn India earlier this year, said it was investing more to explore its oil and gas assets and has a near-term production target of 275,000-300,000 barrels of oil equivalent per day.

## Hindustan Copper gets nod for JV co with MECL, Nalco

KOLKATA, Nov 11 (PTI)

HINDUSTAN Copper Limited (HCL) has obtained approval from its Board of Directors to form a joint venture company with Mineral Exploration Corporation Ltd (MECL) and Nalco Ltd. The JV would help in the formation of a joint working group, which would be empowered to deal with Government-to-Government (G2G) deals relating to sourcing of rare minerals. "We have got the board nod to form a JV with MECL and Nalco. This JV will help the three of us in sourcing rare minerals from other countries by virtue of formation of an empowered joint working group," CMD of HCL, Santosh Sharma told reporters. The JV would take the shape of a new company, namely Khanij Bidesh India Ltd (KABIL).

## Mineral hunt

A STAFF REPORTER

**Calcutta:** Hindustan Copper plans to form a joint venture with National Aluminum Company (Nalco) and Mineral Exploration Corporation (MECL) to explore strategic minerals abroad.

The joint venture, which awaits the approval of Nalco, will globally explore deposits of metals such as titanium and rhenium, which is used in defence equipment, spacecraft and ship-building.

"The boards of HCL and MECL have approved the joint venture and now we are waiting for the approval from Nalco. The idea behind forming the joint venture is to explore and mine rare metals globally," said Santosh Sharma, chairman and managing director of HCL. He added that the joint venture company would primarily deal in government-to-government business.

On the domestic front, HCL is working on an expansion strategy to quadruple its mining capacity from 3.4 million tonnes per annum to 12.4 million tonnes per annum at a cumulative capital expenditure of \$700 million. The company will also invest close to Rs 200 crore to extract precious metals such as gold and silver from the copper left behind after extraction from the ore.

HCL has reported a net profit of Rs 28.55 crore during the second quarter compared with Rs 6.77 crore a year ago. The total income of the company was Rs 539.57 crore during the quarter compared with Rs 213.72 crore in the year-ago period.

## Rs 5.20 lakh fine recovered in 41 cases of illegal mining, transport

THE district administration has recovered a fine of Rs 5,20,700 in 41 cases of illegal mining and transport of sand and minor minerals.

According to Sachin Kurve, District Collector, a special drive was implemented at tehsil and sub-division levels as part of Anti-Mining Day initiative. During the drive, action was taken against those engaged in illegal mining of sand and transport of minor minerals. So far, in Nagpur district, a fine of Rs 98,30,541 has recovered in 499 cases. Besides, in 28 cases, fine of Rs 4.91 lakh has been imposed. The tehsil-wise amount of fine recovered in cases of illegal mining and transport is as follows: Nagpur (city and Rural) -- Rs 19,400, Hingna -- Rs 97,200, Bhiwapur -- Rs 30,500, Kamptee -- Rs 10,400, Parseoni -- Rs 42,800, Ramtek -- Rs 7,900, Umred -- Rs 34,500, Katol -- Rs 77,700, Narkhed -- Rs 18,700, Kuhi -- Rs 22,800, and Kalmeshwar -- Rs 67,000.



# Supports to limit the downside in gold

Near-term weakness in the dollar can help the yellow metal move higher

GURUMURTHY K

It was a volatile week for gold. The yellow metal began the week on a positive note.

Reports stating that the US tax reforms could be delayed by a year coupled with a weak US dollar pushed the spot gold price to an intra-week high of \$1,288 per ounce on Thursday. But a sudden and sharp downward reversal on Friday eroded most of the gains made during the week and dragged gold lower. The precious metal closed the week at \$1,275 an ounce, up 0.41 per cent for the week.

Silver remained subdued all through the week. Global spot silver made a high of \$17.26 an ounce and fell back to close the week 0.24 per cent higher at \$16.88.

On the domestic front last week, the gold futures contract on the Multi Commodity Exchange snapped its three-week fall by surging 1.4 per cent aided by weak rupee. It closed at ₹29,491 per 10 gm. The MCX-Silver futures contract moved in tandem with the global price. It touched a high of ₹40,100 per kg but reversed to close the week at ₹39,507, up 1.2 per cent.

## Dollar – weak in near term

The dollar index couldn't breach 95, despite several attempts made in the past week. The index came off its high of 95.15 on Tuesday to close the

week at 94.39. Though there is a support near current levels at 94.30, the index looks vulnerable to break below it. The near-term outlook is bearish for the index with resistance at 94.70. A fall to 93.85 or 93.75, looks likely in the coming days. Such a fall can limit the downside in gold and push it back higher in the near term.

However, the downside in the dollar index is likely to be limited. The presence of the neckline support of the inverted head and shoulder formed between July and October and the 100-day moving average in the 93.85-93.75 zone make it a strong support region for the index.

As such, it is likely to reverse higher again from this support zone. Such a reversal may take the index higher to 95 levels again. A strong break and a decisive close above 95 will then pave way for the next targets of 96 and 96.5 over the medium term.

## Gold outlook

Prior to the fall last Friday, the yellow metal was turning

stronger with a rounding pattern. But, with the fall in the last trading session, the momentum has lost some pace. As long as it trades below \$1,280, a dip to \$1,270 or \$1,265 cannot be ruled out.

Cluster of supports in between \$1,265 and \$1,260 can limit the downside. But a break below \$1,260, if seen, can take the yellow metal further lower to \$1,255.

That said, a strong bounce from the \$1,265-\$1,260 support zone may have the potential to break above \$1,280 thereafter. Such a break can boost the momentum and take gold higher to \$1,295 and \$1,300.

On the domestic front, the strong rally in the MCX-gold (₹29,491 per 10 gm) last week is technically significant. It marks the end of the near-term downtrend, in place

since September. The short-term outlook is bullish for the MCX contract.

Immediate support is at ₹29,460 and the next significant supports are at ₹29,250 and at ₹29,100. Dips to these supports may find fresh buyers in the contract.

Additionally, weak outlook for the rupee can support in limiting the downside in the contract. The rupee closed on a weak note, at 65.17 against the dollar last week. It is more likely to weaken towards 66 against the dollar in the short term.

As such, a rally to ₹30,000 looks more likely in the MCX-gold contract in the coming days. A strong break and a decisive close above ₹30,000 will then pave way for the next targets of ₹30,500 and ₹31,000 over the medium term.

Traders with a medium-term perspective can go long at current levels.

Accumulate on dips at ₹29,300 and ₹29,150.

Keep the stop-loss at ₹28,900 for the target of ₹30,700.

Revise the stop-loss higher to ₹29,650 as soon as the contract moves up to ₹29,950.

## Silver outlook

The 200-week moving average at \$17.22 is limiting the upside in global spot silver (\$16.88 per ounce) over the last few weeks.

As long as it trades below \$17, a fall to \$16.5 cannot be ruled out in the near term. A bounce thereafter can take the prices higher to \$17 and \$17.25 again.

Broadly, silver can remain range-bound between \$16.5 and \$17.5. A breakout on either side of this range will then give a clear cue on the next trend.

The MCX-Silver (₹39,507 per kg) futures contract is struggling to breach the psychological ₹40,000 mark. A dip to ₹39,000 is likely in the near term.

A break below it can drag the contract further lower to ₹38,350.

On the other hand, the contract will need to break above ₹40,000 to gain momentum. Such a break can take it higher to ₹40,600.



## MCX Gold

**Supports**  
₹29,460, ₹29,100  
**Resistances**  
₹30,000 / ₹30,500

## MCX Silver

**Supports**  
₹39,000 / ₹38,350  
**Resistances**  
₹40,000 / ₹40,650

Metals (\$/tonne)	Change in %			52-Week		
	Price	Weekly	Yearly	Open Int	High	Low
Aluminium	2085	-3.8	-2.5	17.8	2188	1692
Copper	6754	-1.6	0.7	20.9	7122	5412
Iron Ore	61	1.9	-5.2	-13.0	95	54
Lead	2514	2.3	-1.1	17.4	2585	1984
Zinc	3267	0.5	-2.5	30.1	3370	2087
Tin	19520	-0.8	-6.3	-9.6	21904	18750
Nickel	12056	-4.9	9.8	4.9	12830	8710



# India has mineable Bauxite reserve for next 25 years

- Total Bauxite reserve in India is 3.89 billion tonnes of which 0.656 billion tonnes is mineable
- National level meeting held in the city discusses various related aspects to increase mineable reserve to meet future demand

■ By Kaushik Bhattacharya

TECHNOLOGY Information, Forecasting and Assessment Council (TIFAC), New Delhi has revealed that the total reserves of Bauxite in India are 3.89 billion tonnes of which 0.656 billion tonnes are economically mineable as that will be consumed by industries for next 25 years.

TIFAC shared this data during a National-level meeting held at



File photo

Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC) here a few days ago. The meeting was organised by TIFAC, JNARDDC, and Department of Science and Technology (DST), New Delhi. The meeting holds importance considering that the task of holding it was to prepare a consolidated preliminary report on Bauxite. The report will go a long way in shaping the future of metallurgical

and non-metallurgical use of the mineral.

In the meeting, TIFAC officials informed others that total production of Bauxite was 24 million tonnes in 2016-17 but only 19.6 million tonnes had been utilised by industry in metallurgical and non-metallurgical applications. Hence, the industry may explore the possibility of utilising all the produced Bauxite with its maximum capacity to produce alumina and metals. Therefore, scope of resource available must be explored for economically mineable reserves in the future.

"The task of the meeting was to prepare a consolidated preliminary report on Bauxite highlighting the potential for further scope of value addition within the country and export abroad,"

(Contd on page 2)

## India has mineable Bauxite reserve for next 25 years

Dr Anupam Agnihotri, Director, JNARDDC told 'The Hitavada'.

In the meeting, various aspects relating to Bauxite reserves, utilisation in various areas from non-metallurgical grade to metallurgical grade were discussed. The broader focus will be on research and development, and acquisition related to exploration, beneficiation, value addition and recycling.

Dr Agnihotri said that technical input would definitely help JNARDDC in

incorporation or preparation of final report on Bauxite jointly with TIFAC. He also said that India must utilise resources within the country and derive maximum benefit out of those.

Dr Upendra Singh, Principal Scientist, JNARDDC, said, "Bauxite production in India should grow at 17.7 per cent through 2020, with an estimated 8.2 per cent contribution to

the global output this year alone. However, we have to work on available reserves to get more mineable Bauxite to meet the future requirements."

The issues such as status on production of Bauxite, utilisation of low grade ore, use of Bauxite for value addition in various industries, development of new products, export and import of Bauxite also were discussed.

Dr P G Bhukte, Principal Scientist, conducted the proceedings of the meeting. Sanjay Singh, Advisor

and Scientist, TIFAC, New Delhi; Rahul Kumar, DST, New Delhi; Dr Ajit Sahu, Vedanta; P Sengupta, SKG Refractory; Anil Sutane and P Mishra from Indian Bureau of Mines, Nagpur; Gajanan Thakre, Dr S P Puttewar, M T Nimje, M J Chaddha, Dr M Najar, Dr Suchita Rai, and Nitin Warhadpande were present during the meeting.





# CEOs May be Held Liable For Accidents in Mines

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**Kolkata:** Outsourced mine workers are 2.5 times more susceptible to accidents than their departmental counterparts. In an effort to reduce the number of accidents, the Directorate General of Mines Safety (DGMS) is pushing a proposed legislation that would require chief executives of a company to be made responsible for accidents.

Large groups like Adani, Aditya Birla and Reliance as well as Coal India and NTPC and a host of other mining

service providers are likely to be affected by the change.



**Large cos like Adani, Aditya Birla, CIL and a host of other mining service cos are likely to be affected by the change**

companies that have excellent safety records," said PK Sarkar,

While Adani and Aditya Birla groups offer mining development services, Reliance Power mines its own coal.

"Coal companies as well as other miners should employ outsourcing agencies and mining development companies that have excellent safety records," said PK Sarkar,

director general of mines safety. On the issue of making CEOs of mining companies responsible for accident in mines, Sarkar said that "at present, the law requires appointing a nominee owner for every operational mine who is held responsible in case of mishaps. These executives may be held responsible for accidents but in most cases they do not have the adequate authority to make necessary changes to either avert an accident or improve safety standards." Making CEO of a company responsible is the best solution to tackle the issue, Sarkar said.

THE HINDU DATE: 14/11/2017 P.N. 14

# Tata Steel seeks one year more to start work at Odisha SEZ

Awaiting environment, coastal regulatory zone approvals, says steel major

SPECIAL CORRESPONDENT  
NEW DELHI

Tata Steel has sought time till December 2018 from the government to start infrastructure development activity at its proposed 500-hectare, multi-product, Special Economic Zone (SEZ) project in Gopalpur, Odisha at a cost of ₹493 crore, saying it was awaiting formal environment and Coastal Regulatory Zone (CRZ) approvals.

On the reasons for the delay in executing the project, a note on the agenda for the meeting of the inter-ministerial Board of Approval (BoA) for SEZs stated quoting Tata Steel Ltd. said, "As per guidelines of Ministry of Environment, Forest and Climate Change (MoEF and CC), development activities



**Time out:** The Commissioner for the SEZ has 'recommended the extension request', the board said. ■ AFP

within the SEZ can only be taken up after approval of environment and CRZ clearances." It added, "Tata Steel had applied for Environment Clearance (EC) on March 24,

2017 and CRZ clearances on July 3, 2017, and finally Expert Appraisal Committee of MoEF and CC. Recommended for grant of EC and CRZ clearance on October 16,

2017. The... approval letter of EC and CRZ clearance is expected by end of November, 2017, post which the infrastructure development activity would be taken up."

## '8 extensions given'

The note said, "the Development Commissioner, Falta SEZ, has recommended the request of extension for a period of a year, as requested up to December 17, 2018 in view of the reasons given for the delay." The project had received a Letter of Approval (LoA) on June 18, 2007. It has already received eight extensions, the note said. The LoA is valid up to December 17, 2017.

The matter will be considered by the Board of Approval on November 17.

## NMDC net rises 9.54% to ₹844.3 crore

SPECIAL CORRESPONDENT  
HYDERABAD

NMDC Ltd. reported a 9.54% rise in standalone net profit to ₹844.30 crore for the quarter ended September.

Total income of the public sector miner increased 25.76% to ₹2,531.2 crore. Its core business of iron ore with a 40.36% rise in revenue to ₹2,395.26 crore helped buoy up growth.

A regulatory filing added that in the half year ended September, ₹50.37 crore was spent under 'other expenses', towards doubling of railway lines between Kirandul and Jagdalpur; and between Jagdalpur and Ambagaon. These were required for raising the evacuation capacity of the Bailadila sector.

## MECL & IBM

MINERAL Exploration Corporation Limited (MECL) and Indian Bureau of Mines (IBM) joined hands for the first time to conduct the valedictory session of the Vigilance Awareness Week-2017. Dr Gopal Dhawan, CMD of MECL along with Ranjan Sahai, CG, IBM and Manish Bhimte, CVO (both organisations) graced the occasion with their presence in the ceremony organised at IBM on November 3. Sahai felicitated Dr Dhawan for his outstanding contribution towards the field of Geology.

After the welcoming of the guests on the dais, a brief report on the activities undertaken during the Vigilance Awareness Week-2017 in both organisations were presented by DW Parsodkar, AMG, IBM and T Anjaneyulu, Senior Manager, MECL. Bhimte while addressing the gathering complimented both the organi-

sations for their significant contribution to mineral and mining industry of the nation. Dr Dhawan expressed his gratitude to the IBM team for being a warm host. Sahai said, IBM is adopting many procedures through satellite imagery and digitalised processes to ascertain more transparency in the whole system of mining industry. The ceremony ended with a thanks giving note by D K Swamy, Senior Administrative Officer, IBM. Mujib Siddiqui, Chief Mineral Economist, IBM anchored the event.



# JSW Group shows interest in three stressed companies

**SURESH P IYENGAR**

Mumbai, November 13

JSW Group has submitted expression of interest to acquire three debt-ridden companies which are under insolvency process as per the National Company Law Tribunal direction.

JSW Steel and JSW Energy plan to tie up with private equity firms Bain Capital and Piramal Group for Bhushan Steel and Bhushan Steel and Power.

It will join hands with AION Capital for buying out stake in Monnet Ispat. AION is an India-focussed fund established by Apollo Global Management Llc and ICICI Venture Funds Management Co with about \$825 million in committed capital.

JSW Infrastructure plans joint venture with Jaypee Associates to bid for the stalled ₹2,000 crore real estate project promoted by Jaypee Infratech.

Liquidation proceedings against Jaypee Infratech, a subsidiary of Jaypee Associates, was

**The decision of the JSW Group to go in for joint venture to acquire the stressed assets is a marked change in its strategy as it has always acquired asset on its own.**

initiated by the Allahabad bench of NCLT after the company defaulted on ₹526 crore loan extended by IDBI Bank in August.

However, in September, the Supreme Court stayed the NCLT proceedings hearing a public interest litigation filed by Delhi resident Chitra Sharma, who has booked a home in a Jaypee Infratech project. The Apex Court directed the company to deposit ₹2,000 crore to protect the interest of home buyers.

On the funds required for the proposed acquisition, Seshagiri Rao, Joint Managing Director, JSW Steel, said the company has a financial policy to maintain a

debt-equity ratio of 1.75 and debt-to-Ebitda level of 3.75 and this will be maintained at all times.

"In case the deal materialises, we will infuse funds to maintain the financial metrics at the stated level," he added.

The decision of the JSW Group to go in for joint venture to acquire the stressed assets is a marked change in its strategy as it has always acquired asset on its own. In 2010, JSW Steel acquired then stressed Ispat Industries assets for ₹2,100 crore and turned it around into a profitable entity.

In 2014, JSW Steel bought out the sponge iron maker Welspun Maxsteel by taking over its entire debt of ₹1,000 crore. The company may have decided to go in for joint ventures to hedge its risk, given the slowdown in steel demand and regulatory uncertainty looming over the newly framed Insolvency and Bankruptcy Code, said an analyst.

# Tata Steel SEZ seeks extension of formal nod for Gopalpur project

Similar plea from four other developers too

AMITI SEN

New Delhi, November 13

Tata Steel SEZ Ltd, a 100 per cent subsidiary of Tata Steel, has sought another year's extension of formal approval for its multi-product zone in Gopalpur, Odisha, as it hopes to get the mandatory environmental clearance for the project soon.

Tata Steel's request, along with four similar proposals for extensions from other developers, will be considered by the Board of Approval (BoA) at its meeting on Friday. The last extension given to the company will lapse next month.

"Tata Steel SEZ had applied for environment clearance on March 24, 2017 and Coastal Regulatory Zone (CRZ) clearance on July 3, 2017. The formal approval letter of EC & CRZ clearance is expected by end of November, 2017 post which the infrastructure development activity would be taken up," the

company said in its submission to the BoA pointing out the reason for the delay in the project.

According to the guidelines of the Ministry of Environment, Forest & Climate Change, development activities within the SEZ can be taken up only after approval of EC and CRZ applications, it added.

The letter of approval for the multi-product SEZ, to be spread over 500 hectares, was first given to Tata Steel SEZ in June 2017. It has got eight extensions since then.

The other applications for extension of validity of formal approval are from Nagaland Industrial Development Corporation for its agro and food processing SEZ in Dimapur, GP Realtors Pvt Ltd for its electronic eardware and IT/ITES SEZ in Gurgaon, Haryana, Mikado Realtors Pvt Ltd for its IT/ITES in Gurgaon, Haryana, and Golden Tower Infratech Pvt Ltd for its IT/ITES SEZ in Noida, Uttar Pradesh.

No fresh proposals for setting up SEZs have, however, been included in the agenda



## Forging industry singed by lower supply of pricey steel

OUR BUREAU

Chennai, November 14

The lack of adequate supply of steel and its high price pose a big challenge to the domestic forging industry amid bright growth prospects in the near-term, according to the Association of Indian Forging Industry (AIFI).

"For us, to capitalise on the growth coming from the auto sector, the big problem is steel—its availability and price. The supply of steel within the country is less than that of demand. A lot of steel mills have closed their operations due to high debts and other things," said S

Muralishankar, President, AIFI.

Also, for several exporters, Indian steel prices are a deterrent for being competitive in the global market. "Indian steel price movements are totally different from the global markets," he said.

Compared to European, Japanese and American counterparts and companies from China, Korea and Taiwan, the technology and automation levels are much lower, barring a few big forging companies.

Most of the forging companies are in the MSME segment and need to upgrade their technologies. For this, the industry



needs huge government support in terms of further interest subvention and technology upgradation fund.

"On the power front, the situation has improved across the country. But the quality of

power is still a concern," said Muralishankar.

### GST issues

On GST, the forging industry said it was facing issues pertaining to input tax credit and documentation, increase of working capital and lack of clarity in processing returns, among others. "If the GST implementation issues are not handled well, this new tax reform could have serious repercussions in the long-run," said AIFI.

Meanwhile, the domestic forging industry, which supplies 70-75 per cent of its production to the auto sector, ex-

pects an improved demand in the coming quarters due to good monsoon season and surge in auto sales, especially commercial vehicles and tractors.

The estimated revenue of the 378 functional forging units across India in 2016-17 was ₹31,189 crore—they provide employment to about one lakh people across the country.

The installed capacity increased to 38.5-lakh tonnes in 2016-17 from 37.6-lakh tonnes in 2014-15, with the overall production of forgings increasing to 23.9-lakh tonnes from 22.5-lakh tonnes.

BUSINESS LINE DATE: 15/11/2017 P.N.18

## MCX zinc finds support

GURUMURTHY K

BI Research Bureau

The support in the ₹205-207 band has held well for the zinc futures contract on the Multi Commodity Exchange (MCX) in the past week, as expected.

The contract made a low of ₹206.5 a kg on Thursday and reversed higher from there to a high of ₹214.35 on Monday. The contract has come-off slightly from the high and is currently trading at ₹211/kg. Immediate resistance is at ₹213.5.

As long as the contract trades below this resistance, a dip to ₹209.5, the 21-day moving average, is possible in the near-term. Further break below ₹209.5 will increase the likelihood of the down-move extending to ₹206 or ₹205.

The contract will gain fresh momentum only if it breaks

above the resistance at ₹213.5 decisively. The next target is ₹216. Further break above ₹216 will then increase the likelihood of the rally extending to ₹218.5 or even to ₹221 going forward.

Traders can stay out of the market at the moment. Wait for dips and go long if the contract reverses higher from the ₹205-206 support zone. Keep stop-loss at ₹203 for the target ₹213. Revise the stop-loss higher to ₹208 as

soon as the contract moves to ₹210.

The contract will come under pressure if it declines below ₹205 decisively. Such a break will increase the downside pressure. In such a scenario, the contract can fall to ₹197.

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



BUSINESS LINE DATE: 15/11/2017 P.N.18

## Gold hits 1-week low

London, November 14

Gold hit a one-week low on Tuesday after US Treasury yields touched fresh highs as investors priced in a rate hike next month, but the precious metal's losses were limited by rising uncertainty over the US growth outlook. Spot gold was down 0.4 per cent at \$1,272.79 per ounce. US gold futures for December delivery fell 0.5 per cent to \$1,272.70. Silver fell 0.7 per cent to \$16.93/ounce, while platinum was down 0.3 per cent at \$929.40. Palladium recovered from near two-week lows at \$985.22 an ounce. REUTERS

# बढ़कर फिर घटा सीमेंट

₹300 से  
₹280 के  
दायरे  
में आया

व्यापार प्रतिनिधि

नागपुर. सीमेंट सेक्टर इस समय पसोपेश की स्थिति से गुजर रहा है. बाजार में विशेष उठाव नहीं है. वहीं कम्पनियों डीलर्स से जल्द ही कीमतों में इजाफा किए जाने की बात कर रही है. सोमवार को कम्पनियों ने सुबह एकाएक सीमेंट बोरी की कीमत 300 रु. कर दी लेकिन शाम को उसे फिर 280 रु. के दायरे में ला दिया. जानकारों के अनुसार उठाव में मंदी होने से रेट्स पर दबाव बना हुआ है. जितने डिमांड नहीं उससे ज्यादा सप्लाय हो रही है. पिछले करीब 1 माह से कीमतों पर दबाव है. बोरी की कीमत 250-280 रु. के बीच बनी हुई है. बाजार में 220-230 रु. बोरी वाले कुछ लोकल ब्रांड भी है.

जानकारों की माने तो देश के दक्षिण और पश्चिमी क्षेत्रों में अक्टूबर से ही सीमेंट की कीमतों में तेज गिरावट देखने को मिल रही है. कीमतों में गिरावट की वजह, इन क्षेत्रों में मांग के मुकाबले में आपूर्ति का

बढ़ जाना है. सीमेंट क्षेत्र शेर बाजार में भी उम्मीद से कम प्रदर्शन दिखा रहा है, जिसमें शेरों के भाव 3 महीने के सबसे ऊंचे स्तर के मुकाबले 20 फीसदी से अधिक गिरे हैं. सीमेंट की कीमतों के गिरने पर सीमेंट क्षेत्र के शेरों ने तेजी से अपनी प्रतिक्रिया दिखाई और उम्मीद है कि उत्पादन की लागत के बढ़ने का असर आगे मुनाफे पर दिखाई देगा. सीमेंट व्यवसायी दिनेश कुकड़े बताते हैं कि इस समय निजी प्रोजेक्ट्स का काम अटका हुआ है. रिटेल मार्केट प्राइवेट प्रोजेक्ट्स पर ही निर्भर है. वहीं गवर्नमेंट के प्रोजेक्ट्स के लिए खरीदी सीधे कंपनियों के मार्फत की जाती है.

## पड़ोसी राज्यों से भी आ रहा माल

जानकारों के अनुसार पड़ोस के छत्तीसगढ़ और आंध्रप्रदेश से भी काफी माल बाजार में आ रहा है. महाराष्ट्र की तुलना में वहां कीमतें कम है. होने के बावजूद वहां बेसिक प्राइज पहले की तरह कम बना हुआ है.

## सीमेंट कम्पनियों के दाम (प्रति बोरी)

अंबुजा	280
अल्ट्राटेक	275
बिरला गोल्ड	270
जे के लक्ष्मी	260

## GST कम न होने से निराशा

जीएसटी काउंसिल की ओर से कई उत्पादों को 28 प्रश के दायरे से बाहर किया गया ले कि न सीमेंट को न हीं . व्यापारियों का कहना

है कि सीमेंट को भी लक्जरी आइटम्स की सूची से बाहर किया जाना चाहिए. मकान बनाने के लिए सीमेंट प्रमुख रॉ मटेरियल है. इसका काफी असर लागत पर पड़ता है. जानकारों का कहना है कि एक तरह सरकार सभी को सस्ते घर मुहैया कराने की बात कह रही है लेकिन इसके लिए इस्तेमाल होने वाली बेसिक चीज को ही उच्च टैक्स स्लैब में रख दिया.

