Metallurgy
Materials Engineering

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THE INDIAN INSTITUTE OF METALS
DELHI CHAPTER

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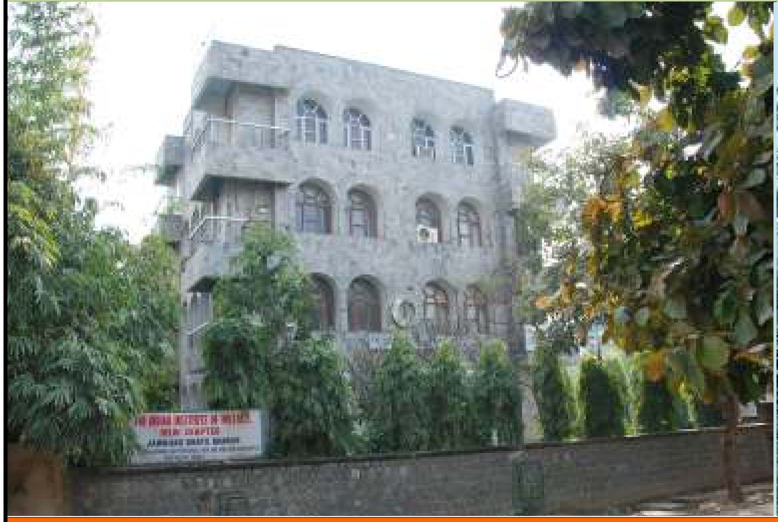
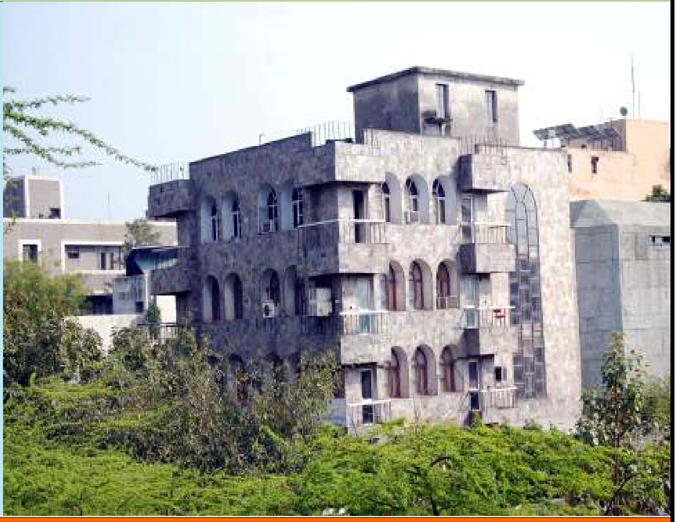

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INTRODUCTION

This News Letter contains the write-ups on the following:

1 National Steel Policy on anvil; Mills on Value-Added Steel.

2 Sponge Iron Industry at Crossroads.

3 Chapter Level NMD Celebrations.

4 Extract of Interview of Chairman SAIL with Business Standard on Steel Prices.

5 Many National and International news items relating to Ferrous and Non-Ferrous Sector.

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National Steel Policy on anvil; Mills on value-added steel

The steel ministry is finalising a new National Steel Policy (NSP) focusing on infrastructure development, securitisation of raw-materials and human resource development for the growth of the steel industry, Mr. Beni Prasad Verma, Union Steel Minister, has said. According to government officials, the need for utilisation of lean ore, improving product mix, better logistics are some of the key areas. According to Verma, the product basket offered by Indian steel manufactures must also be enlarged, keeping in view the changing requirements of customers. Companies must adopt the latest technology and be in a position to enrich the product mix and cater all market segments, he said. According to ministry officials, the Indian steel industry needs to invest more in research and development. Transportation of raw material through slurry pipelines could be a good alternative solution for movement of inputs. Steel plants in the public and private sectors have taken up modernisation programmes aimed at increasing capacities but there are numerous challenges on this growth path – challenges which must be addressed, before the true potential is unlocked, industry sources feel. “Despite having large iron ore deposits, we are not able to utilise the low grade fines due to lack of suitable technology. So, there is a need to adopt suitable technologies like pelletisation to utilise these fines for steel production,” industry sources feel. Logistics is another area of concern and there should be a thrust on developing rail, road and port connectivity. Transportation of raw materials through slurry pipelines can address this problem effectively, added steel ministry officials. Industry analysts feel India needs to invest heavily in developing technologies for product development – many varieties of alloy steels which are required for the fast growing manufacturing sector. Currently, the efforts are plant-based and narrow in focus.

Way forward: value-added products

Amid the slump in domestic demand for the metal, the steel industry is increasingly focusing on high-margin, value-added steel products. Companies such as Essar Steel, Steel Authority of India, Jindal Steel and Power and Tata Steel are relying heavily on high strength and low alloy products to improve margins. C S Verma, Chairman of SAIL, said, "Around 37 per cent of our revenues are form value-added steel products at present and in the next one-and-a-half years, we plan to increase this to 55 per cent." Jindal Steel and Power is laying emphasis on manufacturing of head hardened rails as well as steel for making windmill tower plates. Essar steel has started supplying steel for building Navy warships, which was earlier being imported. According to industry insiders, currently, 50 per cent of the revenue comes from sale of value-added products. The industry is moving from commodity grade steel to high-grade versions, which provide higher margins. Analysts say most of the steel exports from India consist of value-added steel products with greater margins. To remain competitive globally India needs to grow its share of value-added and sophisticated steel products in its export basket. According to SAIL's Verma, the effort is to switch from long products, primarily used in construction, to value-added items which allow better realisations. SAIL has also joined hands with Japan's Kobe Steel for strategic collaboration in technologies for producing high-value products for nuclear plants to automobiles. This will include special alloy steel, bars and stainless steel tubes. Industry experts say most imports into India from China happen in the flat steel segment, which falls in the value-added category. Indian steel makers are now trying to capture this segment.

JSPL claims that it will be in a position to supply such rails at a good discount to prices quoted by the Japanese producers. Amidst the slump in the domestic demand for the metal, the steel industry is increasingly focusing on high-margin value-added steel products. JSW Steel has also been slowly ramping up its value-added portfolio. Currently, 70 per cent of its flat and 40 per cent of its long products fall in the finished steel, hence, value-added category. JSW Steel entered into a pact with JFE Steel Corporation in 2009 and invested about Rs 5,000 crore to buy a 14 per cent stake in JSW Steel, primarily to fund its value-added products business. The steel industry registered a growth of 13.3 per cent and 9.9 per cent during fiscals 2010 and 2011 but Indian steel consumption grew at only 5.5 per cent during 2012 on the back of a slowdown in demand from its key consuming industries, namely construction, capital goods and automobiles. Capacity utilisation rates remained below 80 per cent, exhibiting a serious challenge to the industry. The lack of availability of primary raw materials like iron ore and coking coal also challenged the industry's ability to sustain revenue realisations.

This scenario led to margin pressures and compounded financial problems for the steel industry.

Extracted from: Steel Insights

Sponge iron industry at crossroads

Once the largest sponge iron producer in the world, Indian manufacturers today face pressure and are struggling for survival. The industry has been cornered by quite a few issues, including restricted availability of vital raw materials such as iron ore, non-coking coal and natural gas at affordable prices, poor quality of raw materials, threat from import of steel melting scrap and, of course, poor market conditions, according to industry experts. In 2012-13, production of sponge iron fell to less than 19 million tons (mt), a decrease of 26 per cent in two years. India contributes about 30 per cent of the global sponge iron production. Analysts estimate that about 20 per cent of steel is manufactured in India by using sponge iron as raw material. The bulk of the sponge iron produced is used in the production of secondary steel. There are more than 1,200 induction furnaces that use sponge iron to make steel. Constraints in supply and higher prices of raw materials are hurting India's small sponge iron units. These cascaded into supply-side constraints, impacting overall steel output in the short term, according to industry sources. The rise in power and fuel expenses and transportation costs further pushed up the manufacturing cost of sponge iron.

Resource crunch

In particular, non-availability of iron ore and coking coal has hit hard domestic sponge iron manufacturers. Karnataka and Odisha, which account for about 37 per cent of the total installed capacity of sponge iron in India, have been affected by iron ore mining restrictions. As a result, sponge iron production in these states has declined considerably. Sponge iron players have also been hit by higher prices and inferior ore quality. "Today, only those companies that have a back-up of iron ore can run independent sponge iron plants. At the moment, capacity utilisation is roughly 50 per cent," said V R Sharma, Chairman, Sponge Iron Manufacturers Association (SIMA).

Steel melting scrap imports

(Million tons)

Year	Volume
2006-07	2.2
2007-08	2.6
2008-09	3.2
2009-10	4.4
2010-11	3.6
2011-12	4.9
2012-13	8.5

Source: SIMA

The sponge iron industry has the potential to contribute 5-7 per cent to the GDP, said Sharma, who is also the Deputy MD and CEO (steel business), Jindal Steel and Power Ltd. Another major threat to the industry is import of steel melting scrap. In 2012-13, India imported about 8.5 mt of scrap, an increase of 136 per cent from 2010-11. Moreover, import of direct reduced iron (DRI), a raw material for steel making, is also rising. From almost zero in 2010-11, DRI imports touched 7.56 lakh tons in 2012-13.

Need for reforms

The industry wants the government to push for reforms that ensure availability of iron ore to sponge iron companies to maximise production. An opportunity exists to explore and set up rotary hearth and vertical shaft furnaces for production of sponge iron. Adopting these types of furnaces would lead to effective exploitation of lower quality grades, overcoming the current technological barriers, according to industry insiders. In addition, coal gasification-based sponge iron plants could become a game-changer. Successful adoption of technology would be critical for this, besides regulatory incentives and access to capital at reasonable rates. One important step that could help the sponge iron industry is lowering electricity tariffs. At present, states such as Maharashtra, Uttar Pradesh and Tamil Nadu charge more than Rs 7 a unit, while Odisha and Chhattisgarh charge less than Rs 5 a unit. Also, beneficiation of iron ore should be incentivised.

Extracted from: Steel Insights

CHAPTER LEVEL NMD CELEBRATIONS

The Chapter level NMD was celebrated at IIM DC on 21st December 2013. Dr Sanak Mishra, past President, IIM, was the Chief Guest on the occasion.

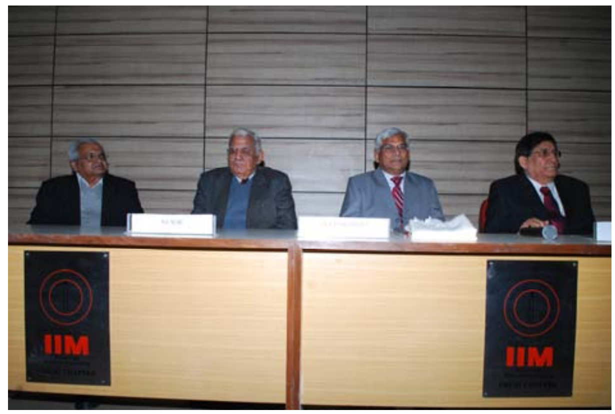
On this occasion, it was decided to honour the members of IIM DC who made significant contribution to the cause of Metallurgical profession and Industry. The following dignitaries were decided to be honoured with suitable awards:

a) Shri S K Roongta, MD Vedanta Aluminium & former Chairman SAIL

b) Shri S D Kapoor, former CMD, MMTC

c) Shri B D Jethra, former Adviser, Planning Commission, Govt of India

d) Shri B R Thukral, former GM, Hindustan Zinc Ltd



On account of last minute emergent meeting, Shri Roongta could not come for the event. He sent in his apologies for not being able to attend the function.

Shri S C Suri, Chairman IIM DC, welcomed all the dignitaries and briefly informed the participants about the activities of Delhi Chapter.

Shri K L Mehrotra, Vice Chairman, IIM DC, spoke about the contribution of Shri S D Kapoor, Shri Jethra and Shri BR Thukral in the area of Metallurgical profession & Industry. Thereafter they were honoured with befitting mementoes on the occasion.

Shri S D Kapoor addressed the gathering. He appreciated the activities being undertaken by our Chapter. He also spoke on need for widening the role of IIM at the national level. He gave thrust on the following:

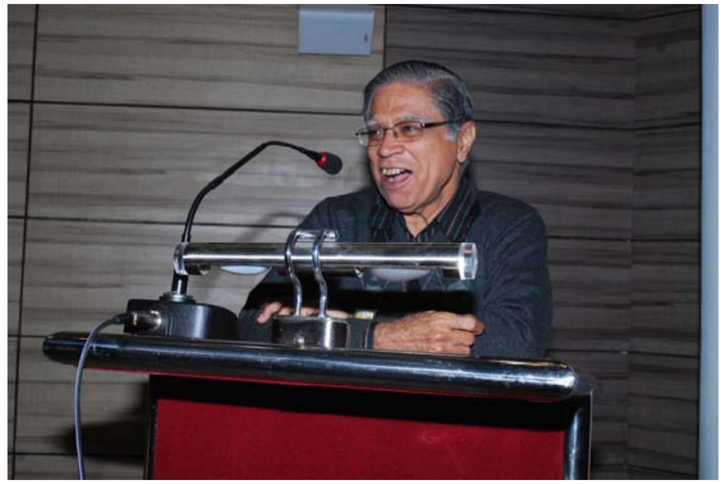
(i) Thrust on R & D Area

(ii) Interface of IIM with educational institutions

(iii) Interaction with national industries

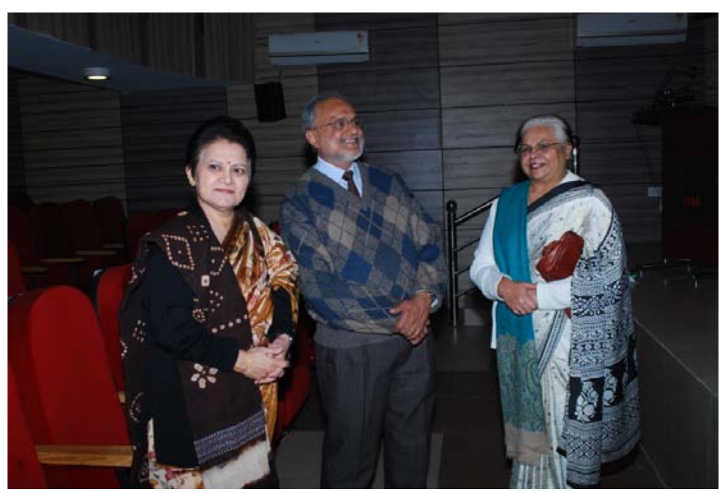
(iv) Coordination with Govt on policy matters and

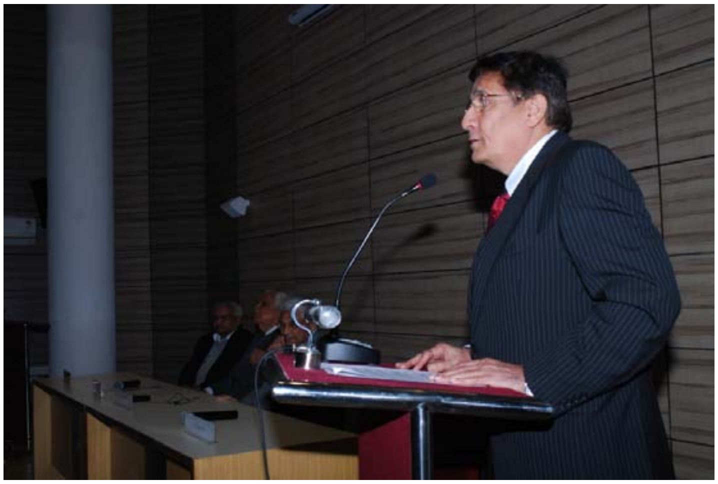
(v) Role of IIM towards the Society

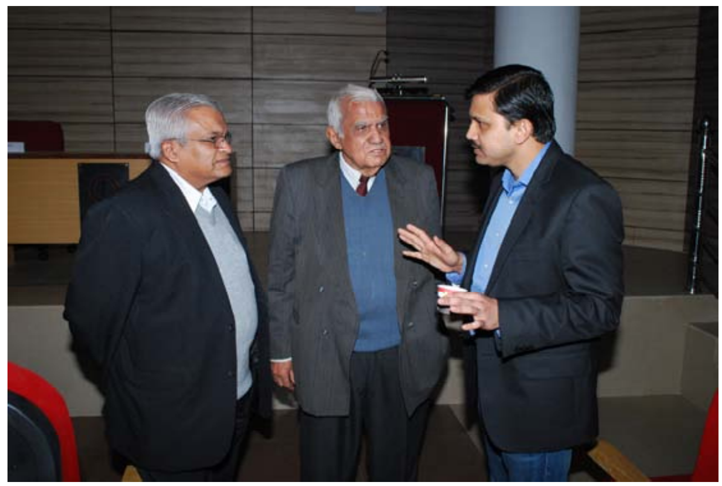



Shri B D Jethra narrated his experiences on his role in the Government of India in the area of minerals and metals. He particularly mentioned about the role played by him in the setting up of Vishakapatnam Steel Plant from conceiving stage to commissioning of the plant.

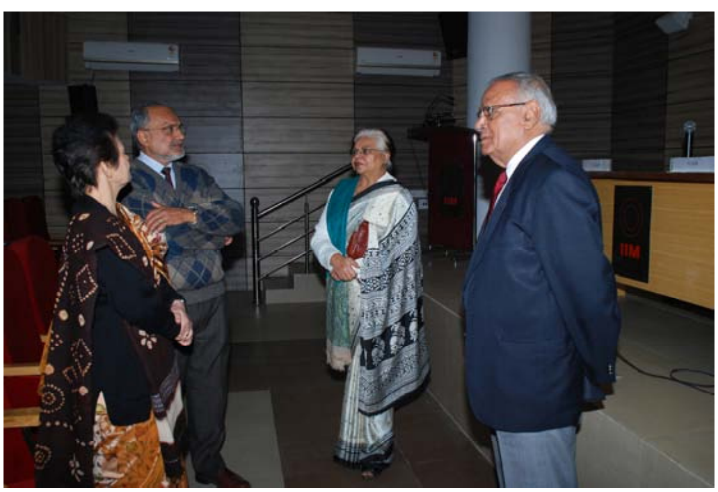

Shri B R Thukral spoke about his long involvement with Hindustan Zinc Ltd and about the contribution of HZL in the area of production of Zinc.

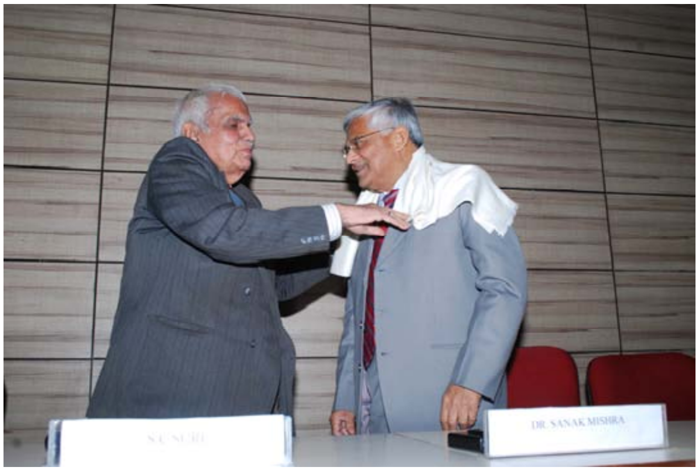


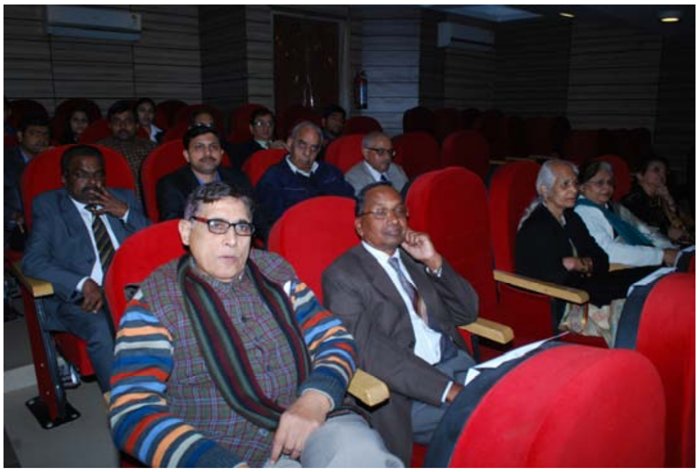


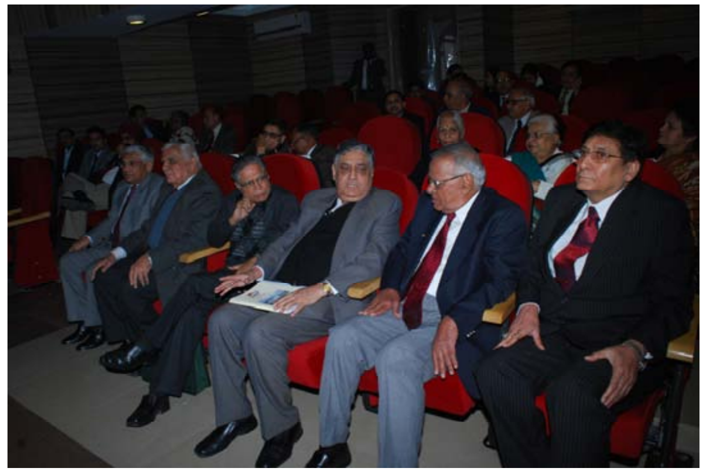



Dr Sanak Mishra, Past President, IIM, spoke high about the infrastructure facilities available with Delhi Chapter. He visited our Chapter's Library facilities and suggested that it will be better if the Library facilities of our Chapter could be digitised. He stated that Delhi Chapter is the front runner among the IIM Chapters. Dr Sanak Mishra also appreciated about the contents of publication of the Chapter's monthly bulletin Newsletter.

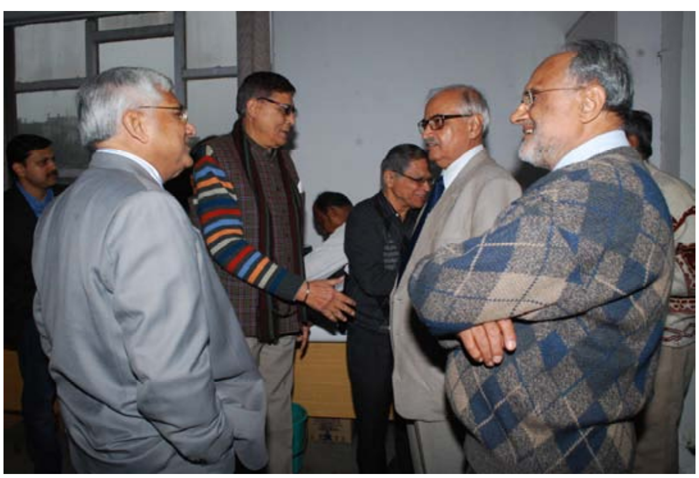


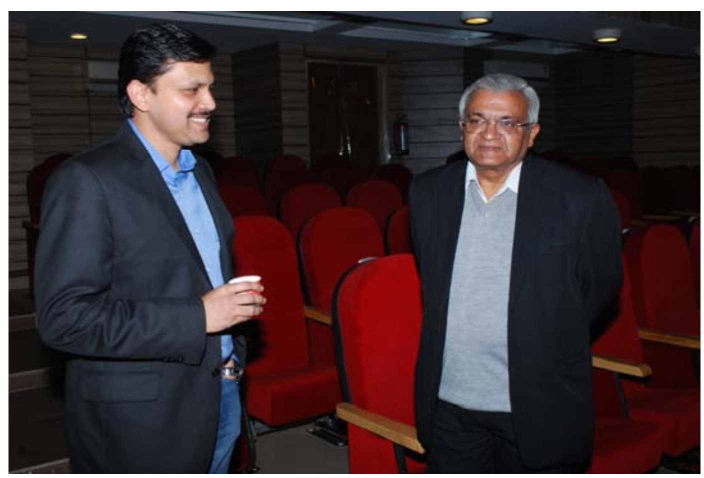







While addressing the audience, Dr Sanak Mishra shared his concern on the emission of CO_2 in the production of steel. His concern was that a tonne of steel produced in India emits 2.5 tonnes of Carbon Di-oxide. What will happen to the magnitude of emission of CO_2 level if we produce the 200 MT steel. This issue needs to be addressed seriously. IIM has a generic programme in this area.





Shri V C Singhal, Vice Chairman, proposed vote of thanks.

The event was attended by about 40 persons.

The function ended with a networking lunch.

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Steel minister update on SAIL VISL

The Minister of Steel, Mr Beni Prasad Verma has said that at Visvesvaraya Iron and Steel Plant, Bhadravati, Steel Authority of India Limited is continually investing for overall growth & improving profitability of the Plant. SAIL has already implemented a 350x350 mm single strand bloom caster with 1,25,000 T annual capacity at an investment of around INR 80 crore. Further, one 30T Pusher type Reheating Furnace for Primary Mill costing about INR 10 crore has also been implemented. In a written reply in the Lok Sabha Mr Verma said that SAIL has invited Expression of Interest from interested parties willing to enter into a JV with Steel Authority of India Limited for manufacture of steel and related products at VISP, Bhadravati. Karnataka, India. SAIL, intends to induct a Strategic Alliance Partner to form a JV Company which shall carry on the business relating to VISP. VISP has been incurring losses for the last few years. In view of the above, feasibility of revival of VISP by induction of a JV partner is being explored for which EoI has been issued. The Minister said that "Letters/Representations have been received from some MPs, MLAs and the unions of employees of VISP, after issuance of the EOI. The concerns raised have been taken note of by the management." Mr Verma said that the total finished saleable stock of VISP materials as on November 1st 2013 is 31,517 tonne of which 30,639 tonne is lying at the Plant and balance 878 tonne at the Warehouses. Due to the high production cost at VISP owing to the lack of linkages of iron ore and coal as well as inefficient technology, the overall sales performance of VISP materials has declined during the first 6 months of this financial year. Poor demand from units consuming alloy steels materials has aggravated the situation for this industry as a whole, wherein overall capacity utilization has been at the level of 55 to 60%.

Source: Steel Guru

Mecon makes three coke oven batteries in a year

Times of India reported that state owned Mecon has commissioned 3 coke oven batteries with state of the art facilities in a single year. The information assumes significance when one considers the fact that the company commissioned only 22 such ovens in its 35 years of functioning. This month, the company that is known for high end metallurgical and engineering consultancy, completed commissioning and handed over coke oven battery to Durgapur Steel plant. The battery which has leak-proof doors, gas collecting mains on both sides, waste gas recirculation system, high pressure liquor aspiration system and water sealed AP lids to meet the pollution control norms will produce 0.5 million tonne of gross coke per annum. The other 2 coke oven batteries were commissioned at Rourkela Steel Plant and Indian Steel Plant in Burnpur, both subsidiaries of SAIL. Mr Rana Chakravorty Chief of Corporate services Mecon said that battery no. 2 of Durgapur Steel Plant is twenty fourth battery in row designed and commissioned by Mecon starting from 1977 when first battery was commissioned. Beginning with Rourkela Steel Plant, a unit of the Steel Authority of India Limited for which seven meter tall oven fitted battery was installed earlier this year Mecon commissioned another for SAIL's IISCO Steel Plant in Burnpur. This coke oven battery was erected under Mecons consultancy and project management. For yet another SAIL unit based in Durgapur Mecon has provided consultancy, detailed engineering, supervision, heating up and commissioning. The oven in this plant measures 4.45 mts.

Source: Steel3Guru

Production of sponge iron in the last 3 years

The Minister of Steel Mr Beni Prasad Verma has said that India has been the largest producer of sponge iron during each of the last 3 years and the current year as shown below:-

Production for sale of Sponge Iron (million tonnes or mt)

2010-11	2011-12	2012-13*
25.081	19.633	19.768
April-October 2013* 10.607		

In a written reply in the Lok Sabha Mr Verma said that domestic demand is reflected in apparent consumption defined as production for sale after accounting for net exports and adjusting for stock variation.

Data on apparent consumption of sponge iron during April to October 2013 to 14 is given below:-

Apparent Consumption of Sponge Iron (mt)

April-October 2013-14	10.570

The Minister said that data on foreign exchange earned from exports i.e. value of exports of sponge iron by the country during the last 3 years and April to October 2013 to 14 is given below:-

2010-11	2011-12	2012-13*
42.0	102.09	140.32
April-October 2013* 106.29		

The Minister said that as regards the foreign exchange likely to be earned during the current financial year, there is no specific forecast on the potential export of sponge iron as the same depends on the market conditions and market strategies of individual producers. It is also not possible to forecast export prices due to the highly volatile and dynamic character of the market of sponge iron and scrap. Therefore, it is not possible to forecast foreign exchange that can be earned from export of sponge iron in the future. The Minister of Steel Mr Beni Prasad Verma in a written reply in the Rajya Sabha has said that Rashtriya Ispat Nigam Limited, Central Public Sector Enterprise under the Ministry of Steel has signed a Memorandum of Understanding with the Government of Andhra Pradesh on January 13th 2012, wherein RINL has indicated its wish to establish Projects including creation of additional capacity for production of 11.5 million tonne per annum steel in Visakhapatnam.

Source: Steel Guru

SAIL Bhillai Steel Plant last 4 years operation update

The Minister of Steel, Mr Beni Prasad Verma has said that turnover & Profit Before Tax earned by Bhilai Steel Plant from the financial year 2009 to 10 to 2012 to 13 and April to September 2013 was as under:-

	2009-10	2010-11	2011-12	2012-13	April-Sept.'2013
TURNOVER	15874	17236	17910	17451	8406
PBT	4270	3491	2715	2048	940

(in INR crore)

In a written reply in the Lok Sabha Mr Verma said that under ongoing modernization & expansion plan of Steel Authority of India Limited, Bhilai Steel Plant is being expanded from its installed crude steel capacity of 3.93 million tonne per annum to 7.00 million tonne per annum with an indicative investment of INR 17,266 crore net of Central Value Added Tax.

The Minister said that the expenditure on modernization & expansion of Bhilai Steel Plant is financed centrally by SAIL through internal accruals and borrowings while maintaining debt-equity ratio of 1:1. Mr Verma said that adequate security arrangements have been arranged by Government of Chattisgarh and Government of India for security of Bhilai Steel Plant Mining Project. Government of Chattisgarh has arranged three companies of State Armed Forces. SAIL/BSP has provided necessary Stores/Barrack items to these forces. Government of India has earmarked four Battalions of Central Paramilitary Forces for mining and rail line projects and 2 Battalions have been deployed so far. SAIL/BSP has provided stores and other temporary Barrack items to these Battalions.

Source: Steel Guru

Extend Anti-Dumping duty to imports of stainless steel flat products from China – ASSOCHAM

Apex industry body ASSOCHAM has urged the government to extend anti-dumping duty to imports of stainless steel flat products from China in all grades, widths, shapes and sizes including the hot rolled stainless steel flat products and stainless steel circles due to a whopping 690% increase in imports of stainless steel flat products from China between 2009 to 10 and first half of 2013 to 14. The Associated Chambers of Commerce and Industry of India in a communication addressed to the Union Minister for Commerce and Industry, Mr Anand Sharma said that "Widespread dumping of stainless steel flat products largely from China along with European Union, Korea, South Africa, Taiwan, Thailand and United States of America are hampering the growth of domestic stainless steel industry." ASSOCHAM said that "Existence of huge surplus capacities of stainless steel flat products in China coupled with numerous governmental benefits provided to the steel industry encourage the Chinese manufacturers to dump their products into India through circumvention of anti-dumping duties. Large scale circumvention of anti-dumping duties has led to rapid rise in imports of cold rolled stainless steel flat products as currently there is no duty below 600 millimeters and above 1,250 mm and imports are coming in these widths as they are outside the range of anti-dumping duty."

Besides, large scale circumvention of anti-dumping duty is also happening through import of stainless steel flat products in other shapes like stainless steel circles despite domestic stainless steel industry having both the capability and capacity to supply cold rolled stainless steel flat products in complete width range of 0 to 1,650 mm and also producing/supplying stainless steel flat products in this complete width range, highlighted the ASSOCHAM letter. It said that "The sanctity and rationale of anti-dumping duty have been completely nullified because of imports outside width range of 600 mm to 1,250 mm. Had that not been the case, imports would not have gone up so sharply despite the imposition of anti-dumping duties." In its letter, the ASSOCHAM has also shared its concerns about other modes of circumvention like mis declaring cold rolled flat products as hot rolled flat products, mis declaration of country of origin and others by the unscrupulous importers. India is world's fourth largest producer and third largest consumer of stainless steel and is likely to maintain this momentum during the course of next 5 to 6 years and the domestic stainless steel market is expected to register double digit growth. Besides, Indian stainless steel producers have put-in massive investments towards modernization and capacity enhancement to cater to this growing market especially in the flat products segment that accounts for over 70% of the overall stainless steel market. It added that "However, these investments are in jeopardy due to widespread dumping of stainless steel flat products from the aforesaid countries."

Source: Steel Guru

Asian steel companies profit to remain historically low next year – Moody

Economic Times reported that Moody's Investors Service said that profits of Asian steel makers would remain historically low next year, amid higher output and slowing demand. Stating that its outlook for Asian steel and coal sectors were negative in 2014, Moody's Investors Service said that "The negative steel industry outlook reflects the expectation that steelmakers profits will remain historically low in 2014 as output remains high and demand growth slows." The negative outlook for the coal sector reflects weak liquidity and elevated default risk for some companies with weak ratings as increasing production dampens the prospects for a meaningful rebound in the prices. According to the report, 2014 Outlook Asian Steel and Coal, Oversupply and Weak Prices Drive Negative Outlooks, the demand for steel would increase by 2-3% next year as China's government tolerates slower GDP growth and shifts economic growth drivers to domestic consumption from infrastructure spending. The Chinese government's push to cut inefficient steel capacity would be credit positive for most large steel producers in the region. However, uncertainties remain as to the timing and the scale of the capacity cuts. The report said that "We expect thermal coal prices will remain flat at USD 80 to USD 85 per tonne and that coking coal will remain around USD 150 per tonne next year." However, uncertain regulatory environments in China and India, the largest importers of coal and in Indonesia, the largest exporter of seaborne coal, cloud the coal industry's supply-demand dynamics.

Moody's said that it could revise outlooks to stable if the margins of the region's large firms start improving.

Source: Steel Guru

Tata Steel: European business improving - Mr Muthuraman

TATA Steel's vice chairman says that its European operation which includes Scunthorpe has improved on the back of a series of cuts. The Economic Times in Mumbai has reported comments from the company's vice chairman, Mr B Muthuraman, on future growth in the steel market. He is reported as saying that "The US demand growth is very marginal...China is not growing as much as it used to be. The domestic growth rate is also not strong. Global growth rate for steel will probably be around 2.5 to 3%." On TATA Steel's European operations, The Economic Times reported Mr Muthuraman said the firm's business improved on the back of a slew of efficiency enhancement measures taken in recent times. Steelworkers at the plant in Scunthorpe are currently going through a consultation process as the firm looks to cut 340 steel jobs in the town.

Source: Steel Guru

SAIL RSP commences operation of new Blast Furnace Durga 1

Economic Times reported that Rourkela Steel Plant has commenced operation of its new Blast Furnace 5. RSP sources said that "On December 11th the Steel Plant produced 9,731 tonne of hot metal, out of which 5,231 tonne were by the new Blast Furnace Durga1." The steel plant is slated to achieve new milestones with many of the new units coming up under massive modernization and expansion plans of RSP getting commissioned. Sources said that "All the upstream and downstream units also contributed to this significant achievement by extending their timely support. The new coke oven battery 6 is continually supporting the new furnace by increasing its average production by even surpassing 80 pushings per day." Sources added that "The sintering units also contributed to the success by producing a total of 13,315 tonne of sinter on the day with the Sintering Unit 3 accounting for a major share of

5,800 tonne." Expressing happiness over the achievement, RSP's CEO Mr G S Prasad congratulated the employees for their perseverance and commitment for stabilizing the operations at the state of the art blast furnace.

Source: Steel Guru

Iron and steel products top Nepal exports

Iron and steel products led exports in the first four months of the fiscal year with shipments rising 9.3% to NPR 4.19 billion. Exports amounted to NPR 29.62 billion, representing more than 41% of the country's export revenue. Experts and traders were not impressed by the jump in export earnings who said that the higher figures were the result of a stronger US dollar and that there had been no real growth in export earnings. Mr Posh Raj Pandey, executive chairman of South Asia Watch for Trade, Economics and Environment said that the increase in exports could be the result of the depreciation of the domestic currency. Mr Pandey said that "As there is no such improvement in the real productive capacity of the economy, the appreciation of the dollar could have resulted in the soaring export earnings." He urged the government to hold talks with India to revise the bilateral trade treaty. He said that "It could ensure the maximum benefits out of the facilities provided to the underdeveloped countries through the recently held conference of the World Trade Organisation."Petroleum products were the largest import. Nepal imported petroleum products worth NPR 37.86 billion during the review period. Iron and steel products, automobiles, machinery and parts and electronic and electrical equipment made up the rest of the top 5 imports.

Source: Steel Guru

Adopt clean steel making technology – CMD, RINL

Business Line reported that CMD of Rashtriya Ispat Nigam Limited said that the industry should adopt clean steel making technologies and practices to compete in the growing international market. He was speaking at the Steel Making Operating Committee 2013 meet hosted by RINL recently. At the inaugural, he said that the demand for clean steel was growing and steel producers should strive to improve the cleanliness of the products. He said that "It calls for adequate control and improvement in a wide range of operating practices right from the pre-treatment of hot metal to the treatment of steel, particularly secondary metallurgy interventions, shrouding systems, alloy additions and casting practices." He said that safety as well as environmental standards in steel plants should be improved. Director of Projects Mr P C Mohapatra said that the steel plant had achieved several milestones in steel making processes, techno economic parameters, and customer satisfaction. He explained the introduction of new technologies in the expansion of RINL to produce clean and quality steel. Delegates from Bhilai, Rourkela, Bokaro, Durgapur, Tata, JSW, Jindal, Bhushan Steel, Alloy Steel Plant, Mecon, Centre for Engg Technology of SAIL participated in the conference.

Source: Steel Guru

RINL to focus on capturing steel demand in western India

Considering the genuine demand and differential market dynamics, Rashtriya Ispat Nigam Limited (RINL) is focusing its marketing activities in western region of the country, said RINL Chairman-cum-Managing Director. Addressing the customers of the region in Mumbai, he said that the twin factors of discipline and commitment on part of the customers of the region had compelled RINL to look westward and enhance its marketing activities in that part of the country. The customers of western region are exceptionally loyal and aggressively confident in their business with RINL, which is why RINL sees better growth prospects in the future here, Choudhury said in a press release issued by RINL. According to the RINL CMD, considering the possibility of growth in infrastructure, real estate and manufacturing sectors, steel demand is estimated to rise to 300 million tons in the country by 2025. RINL's strength will be the volume of steel it produces, which will go up to 7 million tonnes when production from its expansion units stabilizes. By 2020, RINL has an ambitious plan of producing 20 million tonnes per annum and playing a key role in the infrastructural development of the country. Addressing the western region customers, RINL's director (commercial) T K Chand said that steel demand is picking up internationally, with the demand firming up in USA and Europe. Pointing out that India sees a better role for itself in the international markets once the steel demand grows globally, he said in India steel demand is showing signs of improvement and will improve further in the last quarter of this year, resulting in a spurt in steel demand soon. Assuring the best services from RINL through adoption of modern innovative technologies and customer centric attitudes, he said importance is being given to branding the products and opening new outlets in various cities. Earlier customers from different locations of western India, while interacting with the RINL CMD, stressed on availability of more volume of products and requirements of various new grades of steel items. The CMD assured them that RINL would soon meet their demand once materials from their expanded units start rolling out.

Source: Times of India

Prices won't fall beyond this - Mr C S Verma Chairman SAIL

Mr C S Verma chairman of Steel Authority of India Limited said that "The worst is over for the steel industry." In an interview with Ms Mansi Taneja of Business Standard, he said that it's the right time to make an acquisition for raw material security.

Q; Your sales grew 10% in November. How did you achieve that in a slowdown?

A: The bad times for the industry are over. It was facing a number of challenges. In 2012, the growth in global steel production was just 0.7%. In January to October, output grew 3.2%. China, which has 45% of the global capacity, also saw an increase in growth to 8.3% in the 10 months in 2013 from 2.1% in 2012. In the domestic market, growth in production in April to November was 5.3%. All these are signals the industry is on a growth path and the problems are slowly getting over. Steel capacity utilisation is 78 to 79%. So, there is still surplus capacity. All the problems aren't over. But there is a revival.

Q: How far is a full revival?

A: Things should improve from now. Our fundamentals are strong. The 12th 5 Year Plan has aimed USD 1 trillion in spending on infrastructure. Per capita use is still low in India at 55 kg a year. It is going up; production is going up. There is demand from the automobile and construction industries. We have seen times when growth was in double digits. Compared to that it is still slow but has started to pick up, a positive signal. And the prices that were declining have started going up. In the last few months, prices in the international market have gone up USD 15 to 20 a tonne. Those steel products in India have gone up INR 1,500 a quarter. Prices will not go up very high or come down drastically low. One thing we cannot ignore is this is an election year. So, government spending might not be as high as it would be otherwise. We will have to wait and see.

Q: You are eyeing coal mines abroad through International Coal Ventures Limited. By when would you be able to acquire any asset?

A: There are 4 or 5 good proposals in the evaluation stage. Prices have crashed in the global market and so have valuations, prices won't fall beyond this. It is the best time to buy assets. We are looking at greenfield as well as running mines in Australia, Mozambique and the US. We have appointed technical consultants and investment bankers. We have to be cautious, as we have to see many aspects - logistics, quality, disputes on the site, among many other things. We have to make a right decision at the right time, which has come. We are much ahead of the preliminary stage.

Q: How much have exports risen after the rupee's fall against the dollar? What is the target for the year? Will you now increase focus on exports?

A: Last year, we had exports of 0.3 million tonne. This year, our target is 0.78 million tonne. We will see per tonne realisation for the domestic market and the exports market. If we are getting a higher realisation in the export market, we will definitely concentrate on that. But if we are getting an equal or better realisation in the domestic market our emphasis will be there as long as we are able to sell products.

Q: How much have input costs increased over the year?

A: Coal prices have come down to USD 140 to 150 a tonne. Last year, the average price was USD 180 a tonne. We do not buy iron ore from the market because we have our own captive mines. But in the last couple of months, coal prices have gone up slightly, though it's still less than last year's price. So, input prices have fallen in the last year and so have prices. There has been a 15 to 20% drop in a year.

Q: What's the import situation?

A: We are importing 10 to 11 million tonne of coal every year. Once our expansion is complete, imports will go up to 14 to 15 million tonne a year. About 2/3 is from Australia, 1/3 from the US and some small quantities from New Zealand. We have five-year supply contracts but prices are negotiated quarterly.

Q: How much debt do you have?

A: The debt equity ratio is 0.54:1. Debt as of date is INR 22,000 crore. Net worth is INR 42,000 crore and the cash balance is INR 4,000 crore.

Source: Steel Guru

Indian steel consumption rises 0.4% during April to November

Business Today reported that impacted by the economic slowdown, India's steel consumption grew by merely 0.4% to 48.291 million tonne during the April to November period of the current fiscal. According to the Joint Plant Committee, a body under the Steel Ministry, a sharp decline in imports also led to the fall in consumption. The consumption of finished steel, a key indicator of the health of an economy, was at 48.09 million tonne in the first 8 months of the last fiscal 2012 to 13. The Indian economy grew by 4.8% during the July to September quarter. The GDP growth hit a decadal low of 5% in 2012 to 13 on account of poor performance in the farm, manufacturing and mining sectors. India's real consumption of total finished steel was impacted by slowdown in the domestic economy and a sharp decline in imports during this period which the 5.3% rise in production for sale could not offset but on hindsight, the same appears to have checked real consumption growth. Production for sale of total finished steel at 53.398 million tonne registered a growth of 5.3% during April to November, encouraged by a 10.7% growth in the case of main producers. JPC said that "India is the world's fourth largest steel maker. Import of total finished steel showed downward trend, declining by 28.3% YoY in April to November at 3.656 million tonne." It was impacted by factors like slowdown in the domestic economy, exchange rate volatility, relative prices, global downswing and bilateral agreements among others. Export of finished steel was up 6.9% during the period at 3.53 million tonne driven by different economic conditions, impact of global downswing and depressed domestic demand. Real consumption of total finished steel grew by 0.6% in November 2013 at 5.942 million tonne discouraged by a moderate 4.3% growth in production for sale a 60% fall in imports and a 26.6% rise in exports.

Source: Steel Guru

Indian process and plant machinery producers demand zero duty on stainless steel

Plant & Machinery and capital goods manufacturers in the country have demanded zero% duty on stainless steel and special steel due to steep devaluation of Indian Rupee. Mr V P Ramachandran, Secretary General of Process Plant and Machinery Association of India said that "The Capital Goods manufacturing companies exporting Process Plant machinery have urged the Union Ministry of Finance and Commerce to remove duties on import of high grade stainless steel hot rolled sheets, coils and cold rolled products not currently manufactured in India. Government had imposed anti-dumping duties as well on imports originating from European Union, South Korea, Taiwan and USA and South Africa despite the fact that there are so many grades and forms which are presently not manufactured in India." He said that "The anti-dumping duty on these products was imposed by the government based on filing of frivolous anti-dumping applications filed by Jindal Stainless Limited to gain monopoly. We demand full inquiry into levying of various anti-dumping duties by the Ministry of Commerce & Industry and DGAD at behest of single manufacturer in last few years. The company wants to have complete monopoly and is currently selling its poor quality products in the country USD 200 below the global prices."Mr Ramachandran said that "Presently the single largest manufacturer of Stainless steel in India Jindal Stainless Limited has requested Ministry of Commerce to enlarge the scope of Anti-Dumping duty on import of flat Stainless steel below 600 mm and above 1,250 mm."

He said that "We also demand status quo of no duty on flat Stainless steel flat below 600 mm and above 1,250 mm as these products currently attract no duty and are used by the critical segment of end users of specific grade and size stainless steel including oil and gas, desalination, heavy equipment manufacturers, nuclear power, automotive, stainless steel pipe, infrastructure and petrochemical industry need products of global standards only and also wider sheets not manufactured by JSL. We are manufacturers of capital equipments for critical segment of infrastructure and are the end users of specific grades and sizes of stainless steel for catering to energy, oil and gas, desalination, nuclear energy, automotive, infrastructure projects and chemical industry." He added that "The continuing depreciation of Indian currency against US Dollar since one year and the steep depreciation in past few weeks by 20% has already given a protection margin of over 40 % to the domestic manufacturers. Capital goods industry has to import products as per International quality which are not produced in India and therefore imposition of duty is a disadvantage to us. Nation has set the agenda to create excellent infrastructure which means investments in petrochemical, water treatment, Energy, Oil & Gas, Automobiles, Heavy Equipment manufacturing for the emerging critical segments of nation. Our members manufacture equipment's for these segments in India and also to meet the competitive global demand through exports."

Source: Steel Guru

Fund utilization under CSR by PSU under steel ministry

The Minister of Steel, Mr Beni Prasad Verma has said that the public sector undertakings under the Ministry of Steel are allocating and generally utilizing funds for taking up projects under the Corporate Social Responsibility scheme issued by the Department of Public Enterprises. The details of the funds allocated by the public sector undertakings under the Ministry of Steel for CSR during the requisite period are as under:

Name of the Central Public Sector Enterprise(CPSE)	2010-11	2011-12	2012-13	2013-14
SAIL	9400	6400	4200	4000
RINL	1540	1200	750	750
NMDC	8156	8013	13321	12685
MOIL	542	628	950	1000
KIOCL	100	230	283	124
MSTC	100	150	355	260
FSNL	10	9	9	4
MECON	180.5	325	497	202
HSCL	25	0	0	0
BGC	216	38	17	85

(In INR Lakhs)

In a written reply in the Lok Sabha, Mr Verma said that the projects implemented under the CSR relate to water supply arrangement, construction of school buildings, supply of educational materials in schools, electricity facility, solar lighting system, health/family welfare, irrigation facilities, sanitation, relief to victims of natural calamities, imparting vocational training etc. Some of the projects have been completed and some are at various stages of completion. These projects are located in the States of Chhattisgarh, Odisha, West Bengal, Jharkhand, Andhra Pradesh, Bihar etc. Under the scheme of CSR, funds are not allocated state wise. The minister added that "CSR funds/activities are controlled and managed by the respective Boards of the CPSEs. Sporadic complaints are received about the CSR activities of the CPSEs. Such complaints as and when received are forwarded to the concerned authorities for taking appropriate remedial measures."

Source: Steel Guru

SAIL Bhilai Steel Plant wins National Energy Conservation Award 2013

A unit of Steel Authority of India Limited, Bhilai Steel Plant, was awarded the top prize in the National Energy Conservation Awards 2013, in recognition of systematic and serious efforts made by BSP for efficient utilization and conservation of energy during the last 2 years. Chairman SAIL Mr C S Verma received the award from President of India Mr. Pranab Mukherjee, in the presence of Union Minister of State for Power Mr Jyotiraditya Scindia at

Vigyan Bhavan. Instituted by the Ministry of Power, the awards are based on stringent evaluation criteria and adjudged by an eminent panel of industry experts under the Bureau of Energy Efficiency. From a pool of nine other participants, SAIL BSP was chosen for the award for achieving a savings of 2.92% in electrical energy consumption, 1.74% in thermal energy consumption, and an overall reduction of 3.1% in specific energy consumption in 2012 to 13 over the previous year.

Source: Steel Guru

SAIL RSP goes for value addition in product portfolio

PTI reported that in the last one year, Steel Authority of India Limited's Rourkela Steel Plant has added new grades of steel in its product basket in an effort to add value to its portfolio through research, development and innovation.

1 API X-70 PSL II HR coils for pipe making
2 SAILCOR HR coil for wagon building
3 IS 2062 E450 (Cu) HR coil (5-6 mm) for wagon building and other structural uses
4 LPG (High Si) HR coil with improved thickness tolerance
5 Lock Forming Quality grade GP sheet that has better formidability is being used for development of rectangular ducts
6 ASTM 537 Class – II Q&T Plates for penstock that is used in hydal power plants
7 Low hardness Russian-made spade Armour plates were also successfully heat treated for desired high hardness for Heavy Vehicles Factory, Avadi.
8 Development of higher coating thickness material in 50-C-470 grade with C-6 coating at the Silicon Steel Mill is another noteworthy feature. This is used in Traction motors.

RSP has recently increased its hot metal capacity to 4.5 million tonne by making the biggest blast furnace of the country operational.

Source: Steel Guru

Fitch assigns BBB- rating to SAIL

Reuters reported that Fitch Ratings has affirmed India based Steel Authority of India Limited's Long Term Foreign Currency Issuer Default Rating at 'BBB-'. The Outlook is Stable. Financial Profile to Improve: SAIL's credit metrics weakened during FY13 due to weak profitability and higher debt to fund its on-going capex. The company's net leverage increased to 3.85x in FY13 while its EBITDA interest cover fell to 6.17x. However, SAIL's profitability and cash generation will improve as it continues to refocus and trim costs. SAIL is shifting its focus towards value-added products and improving its cost structure via better efficiency associated with capex. The company also has a high level of vertical linkages in iron ore and power. Consequently, Fitch expects SAIL's net leverage to fall below 3.5x by FY15. Linkages with Government: Fitch continues to assess SAIL's linkages with is parent, the government of India, as moderate in line with Fitch's Parent and Subsidiary Rating Linkage methodology. The rating factors in a one notch benefit on account of the likely support from the government if needed. The government owns about 80% of SAIL's equity and retains significant control of the company. The agency expects SAIL to play a key role in the government's plan to increase India's steel production capacity to 200 million tonne by year 2020 from around 90 million tonne now. This one notch uplift on account of its linkages with the government was previously not applied because SAIL's standalone FC IDR was equivalent to the sovereign's rating. SAIL's financial profile has deteriorated due to a large capex, weaker profitability and the delay in accrual benefits from its plant modernisation. As a result, its standalone rating has weakened by one notch but because of the one notch benefit for sovereign support, the IDR remains at 'BBB-'.

Delays in Capex Plans: SAIL's plant modernisation and expansion of its crude steel production capacity to 21.4 million tonne has been delayed. The company had originally planned to complete its capex by FY13 but now expects completion of modernisation and expansion by December 2014. Also, SAIL now plans to enhance its iron ore production to around 39m tonnes by FY16 and further to 42.8 million tonne by mid of FY17. Consequently Fitch expects the capex benefits to start accruing from FY15 instead of FY14. SAIL has till 1H FY14 spent INR 484.26 billion of its planned total capex of INR 721.34 billion for its modernisation and expansion and mine development. Demand Likely to Improve: Indian steel producers prices came under pressure which hurt their profitability over the past 12 to 18 months because the slowdown in economic growth hurt demand from key steel consuming sectors like automobile, construction and engineering. Steel demand will likely remain muted in the near term, although Fitch expects steel demand to improve from the second half of 2014, which will benefit SAIL given its leadership position in India. The growth in Indian steelmakers sales volumes during 1H FY14 was driven in part by an increase in steel exports spurred by the Indian rupee's depreciation. SAIL's sales rose 9.8% to 5.6 million tonne during 1H FY14, driving a 1% YoY rise in revenue to INR 218.03 billion.

Source: Steel Guru

<u>SAIL, RINL and MOIL may join hands to set up ferroalloy plants</u>

Press Trust of India reported that a three way joint venture between SAIL, RINL and MOIL to produce ferroalloys is on the cards with the earlier two separately proposed between SAIL-MOIL and MOIL-RINL having virtually been scrapped. A source said that "A couple of round discussions has already taken place between the three parties for jointly setting up the ferroalloy plant along with a captive power plant. Final decision will be taken in a couple of months' time." State-run MOIL Ltd, formerly known as Manganese Ore India Ltd, had inked two separate JV pacts with Steel Authority of India and Rashtriya Ispat Nigam Ltd to set up two ferroalloy plants with a total outlay of INR 600 crore. The INR 400 crore JV between SAIL and MOIL was proposed to be set up in Chhattisgarh with an annual capacity of 100,000 tonnes a year. The INR 200 crore JV between RINL-MOIL in Andhra Pradesh was supposed to manufacture 50,000 tonnes of ferroalloys a year. While power shortage was the primary reason for scrapping the RINL-MOIL JV; till recently SAIL was maintaining that the proposed venture with MOIL was not yet scrapped.

Source: Steel Guru

<u>Outlook bright and rosy for RINL</u>

According to Chairman and Managing Director, Rashtriya Ispat Nigam Ltd's Vizag Steel Plant has a bright future and the state run company will invest INR 22,000 crore in the next phase of expansion. At present, the plant has the capacity to produce 6.3 million tonnes a year and 1 million tonne will be added after upgrading and modernising the existing units. The target of achieving 20 million tonnes production is not an unrealistic one. "Further, RINL will undertake the next phase of expansion to increase the capacity by 4 million tonnes with an investment of INR 22,000 crore after listing the company. He said that "The listing, which has been put on hold due to uncertain market conditions, is likely to be taken up during the next fiscal." The Government is planning to offload a 10%stake in the company. The CMD further said RINL became a multi-unit company during his tenure and it is a matter of great satisfaction for him. The investment of INR 1,000 crore on a forged wheel factory at Rae Bareli in Uttar Pradesh and INR 300 crore rail on an axle plant near New Jaipalguri in West Bengal will strengthen RINL in those States. He said the company, which suffered for want of captive iron ore mines in the past, has made considerable headway in securing iron ore.

Source: Steel Guru

Chinese steel industry will stay in hard time next year

It is known that the Ministry of Industry and Information Technology was deploying a series of measures to strictly control the newly-added capacity and eliminate outdated capacity. According to Mr Zhang Changfu vice chairman of China Iron and Steel Association, China steel industry achieved an income of 12.97 billion yuan in Jan to Oct., of which the owner's incomes reached 0.554 billion yuan with per tonne of steel earning CNY 0.84 as well as sales profit margin at 0.43%. It is predicted that steel price in 2014 will remain at a low level in the earlier period of 2014 and then turn to increase in the remaining time with a fluctuation range smaller than 2013. Mr Zhang also said that China's steel output this year still kept at a high level, in Jan to Oct., China crude steel output amounted to 0.652 billion tonnes. It is predicted that China crude steel output in the whole year of 2013 will reach 0.783 billion tonnes, up 8.14% year on year, with net output at 59 million tonnes. Besides, Chinese apparent consumption of steel was 0.614 billion tonnes, with an estimated whole year's ACS at 0.73 billion tonnes. Meanwhile, the benefits in steel industry were not satisfied while the steel output kept high. In Jan to Oct., steel industry benefits were CNY 12.97 billion, which made up the deficits and got surpluses, with as estimated whole year's benefit at CNY 15 to 16 billion. The scale of losses reached 31.4%, profit margin of sales was 0.43%, and the profit of per tonne of steel was CNY 19.8. However, the profit in the main business of steelmakers was CNY 0.554 billion with an average profit of per tonne of steel at CNY 0.84 deducting the CNY 9.8 billion of investment profit.

Source: Steel Guru

Indian steel major may hike prices upto INR 1500 a tonne

Steel companies like JSW Steel, Essar Steel, Mukand Steel are contemplating to increase prices by around INR 1,000 to INR 1,500 per tonne from January to mitigate the impact of increase in input costs on its margins. January to March usually the peak period for steel companies is not showing signs of strong revival in the domestic market. However, globally demand for steel is improving in countries like China, US and Europe and prices globally are also showing an upward trend. Demand in October to December quarter did not increase as per expectations as a result the steel companies could marginally increase prices in the quarter. Experts said it is essential for steel companies to increase prices in January to March to retain profits. A senior official from JSW Steel said that "We are planning to increase prices of flat products by around INR 1,000 to 1,500 per tonne in the month of January. Prices in December remained flat. While iron ore and freight costs have gone up it is important for us to take some price increase to sustain margins." The official said that demand for steel continues to be low in the domestic market but since globally the prices have increased because of which landed cost of steel has gone up it would help the Indian steel companies to increase prices. A senior official from Essar Steel also said that the company is planning to increase prices by around INR 1,000 to INR 1,500 per tonne. Steel Authority of India is yet to decide on the price hike.

Source: Steel Guru

Steel minister urges SC to relax mining limits in Karnataka

Indian Express reported that citing acute exigency and shortage of iron ore, the steel ministry moved the Supreme Court, pleading for relaxation of the limits of permissible mining production of the currently functional mines in Karnataka so as to meet the current shortfall. The ministry's plea has come few days after Karnataka government moved the apex court for a permission to increase the production capacity of the operating and about to be operated mines temporarily for two years in 2013 to 14 and 2014 to 15. Seeking its implemented in a pending matter before the green bench of the court, the ministry has contended that the limit of 30 million tonne fixed earlier was quite insufficient to meet the annual requirement of the industry, dependent on iron ore production from Karnataka. It said that "India, the 4th largest producer of steel in the world, is likely to become the 2nd largest globally but the industry has suffered on account of regional shortage of iron ore, particularly in Karnataka." Pointing out that 32 sponge iron plants have stopped operations, the production of finished steel had seen a growth of meager 2.5% in the year 2012 to 13 in country while consumption has grown up by 3.25%. The application said that "The capacity utilization of Indian steel industry has touched all time low at 81%. Severe shortage of iron ore in Karnataka has also contributed to this low capacity utilization."

Source: steel Guru

SAIL chairman highlights need to expedite clearances for mining

According to Mr C S Verma chairman of SAIL, to achieve the steel capacity addition target of 300 million tonnes per annum by 2025-26, the Government and States need to play a major role in expediting the approvals for mining exploration, exploitation and land acquisition. Mr Verma, who is also CMD of NMDC, said that the Government needs to facilitate the development of the associated infrastructure to increase the iron ore production capabilities and strengthen the logistics. He was speaking at a meet on Governance in Mining Sector organised by Mining, Geological and Metallurgical Institute of India Hyderabad Branch in association with Mining Engineers Association of India Hyderabad Chapter. During his address, he said that the State needed to play a major role in expediting the approvals concerning mineral exploration and exploitation not to mention the land acquisition. Mr Verma outlined the mineral sector prospects in the country and globally, including the reserves, production and marketing and the current situation in terms of demand and supply. He emphasized on the need for further investment to boost the mineral sector growth. The meeting was attended by Mr S Vijay Kumar former Secretary of Ministry of Mines, Government of India, Mr T V Chowdary Director of TRIMEX, Mr N K Nanda Director (Technical) of NMDC and professionals from mineral, metallurgy industry and R&D centres. The participants stressed on the need for governance in the mining sector starting with the need for proper legislation, sustainability of operations and associated activities including exploration and use of modern technology.

Source: Steel Guru

China iron ore futures fall over 2%

Dalian iron ore futures fell more than 2% recently, hitting their lowest level since their October launch and dragging down Shanghai steel prices on worries the closure of some mills may trim demand for the steelmaking ingredient. A number of steel mills in China's top producing province of Hebei have been ordered to shut some of their facilities to limit power use as Beijing steps ups efforts to address air pollution. Hebei produces about a quarter of China's output, which reached a record 716.5 million tonnes last year. The closures are in Wu'an city which has an annual crude steel capacity of 40 to 50 million tonnes. The most-traded iron ore for May delivery on the Dalian Commodity Exchange closed 2.1% lower at CNY 914 (USD 151) a tonne, after falling to as low as CNY 905 earlier. That was its weakest level since China launched the iron ore futures on October 18. Losses spilled over to steel futures in Shanghai, pulling prices away from 11 week highs reached few days back. The most-active rebar on the Shanghai Futures Exchange , also for delivery in May, fell 1.6% to CNY 3,676 a tonne, after rising to as high as CNY 3,745 in the prior session. Rebar dropped 0.4% for the week, its first decline in four weeks. Even before the closure of some mill facilities in Hebei, China's steel output was dropping in response to leaner demand as falling temperatures in the country curbs construction activity. Average daily crude steel production dropped 3.3% from October to 2.029 million tonnes in November, based on data from the National Statistics Bureau.

Source: Steel Guru

Mineral exploitation low despite increased mining activity

Business Standard reported that despite increased mining activity in Odisha, the mineral exploitation rate in the state remains low in last hundred years compared to the deposits of these naturally occurring resources. Major minerals with sizeable reserves in the state include chromite, iron ore, bauxite and manganese. While only 13% of the total chromite deposits has been excavated so far, the same for iron ore and manganese are 9% each and for bauxite only 3%. According to the government statistics, Odisha currently possesses 159.40 million tonne of chrome ore that finds its usage in making stainless steel, out of 182.86 million tonne of preliminary proven reserve. About 23.50 million tonne of the mineral or 12.8% of the proven reserve has been excavated so far. Nearly all of India’s chrome ore is found in Odisha with state run Odisha Mining Corporation having control over 1/3 of production. Few players such as TATA Steel, Indian Metal and Ferro alloys, Ferro Alloys Corporation Limited and Balasore Alloys have also their captive mines in the state. Chrome ore mining was primarily started by Tata Steel in Sukinda region of the state, since 1952 in 1261 hectare area leased out TATAs. But the Supreme Court, while hearing a mines lease renewal case in 1993, had ordered to reduce the area for Tata to 406 ha. The rest of the lease area of 855.47 ha was distributed between Indian Charge Chrome Limited, IMFA, Jindal Stainless Limited and FACOR.

Similarly, bauxite deposits were estimated at about half of total Indian deposits at 1862.25 million tonne. Out of this, 55.68 million tonne bauxite has been raised so far, with 1806.57 million tonne of this aluminium making mineral, mostly found along the eastern ghat hill range in south Odisha, remains untapped. Bauxite excavation is currently carried out by National Aluminium Company in Koraput district. Though some private miners and OMC have been allotted leases, none of the bauxite mines are operational now, except for Nalco. The exploitation of this mineral is only 2.98% of the total deposit. Iron ore deposits in the state, estimated as the highest in the country, has come down by only 9.1%, ever since the mining started in 1904. The current reserve, as surveyed by Director of Geology, Geographical Survey of India and leaseholders, put total iron ore reserve at 4958.25 million tonne less by about half a billion tonne from original reserve. While annual output of iron ore remained at 70 to 80 million tonne before 2010, it has come down to 60 to 62 million tonne in last couple of years, due to crackdown of the state government on miners who were running their mines without necessary clearances. Currently, less than 15 iron ore miners are operating in the state out of 120 leases. Manganese deposit in the state, which was about

132 million tonne as per initial estimate has come down to 120.11 million tonne as of now, registering only 9% usage of the mineral. In other minerals, the state has just a little less than a billion tonne lime stone, after excavation of 21.29 million tonne deposits in southern Odisha and 4.32 million tonne graphite, against proven reserve of 4.36 million tonne.The state has about 174 million tonne of nickel, which is yet to explored, the government data showed.

Source: Steel Guru

Restrict surplus coal transfer within end-use sector: Chaturvedi panel

Surplus production, if any, has to be transferred to the nearest CIL subsidiary at a transfer price decided by the government. Captive coal mining companies should be restricted from transferring surplus coal production outside their end-use sector, a high-level panel headed by Planning Commission member Mr. B K Chaturvedi has recommended. The surplus coal should be transferred at the notified price, it said. These firms will have the option of disposing of the surplus coal with either the nearest Coal India (CIL) subsidiary or other firms in the same sector facing shortage in linkage coal from CIL, the panel said in its recently-submitted report on coal banking, an official close to the development said. The current captive coal-mining policy strictly prohibits companies, private and public, from selling coal mined from the captive blocks. Surplus production, if any, has to be transferred to the nearest CIL subsidiary at a transfer price decided by the government. The new policy would have to be approved by the Cabinet and may require amending the Coal Mines Nationalization Act 1973 and the existing 170-odd Letters of Allocation.

CIL had recently expressed its reluctance to be a part of any coal-banking arrangement. The Planning Commission had, then, initiated discussions on the possibility of allowing private companies to transfer coal to each other. Firms in the thermal power-generation sector consume a bulk — 75 per cent — of India's annual domestic 558-million tonnes (mt) production. The power ministry has told the Planning Commission that the proposed system of coal banking should not lead to profiteering among the coal block holders. The ministry has also called for the setting up of an empowered committee to decide on the transfer prices of surplus coal from one project to another. The government has allocated a total of 218 captive blocks to companies between 1993 and 2011. Of these, 47 blocks have been de-allocated. Captive coal-mining companies were expected to produce 100 mt by the end of the last five-year Plan period in March 2012. However, production from captive coal mines has remained stagnant at a level between 30 mt and 36 mt over the past four years, giving rise to a historic coal availability crisis. During the same period, CIL's production has grown 4.8 per cent to 452 mt. The idea of coal banking was floated by the Association of Power Producers (APP), an industry body representing 20-odd power companies. According to the original APP proposal, CIL should be made the custodian of surplus coal output, which is expected to be close to 28 mt by the end of the current Plan period in 2017. The banking proposal will allow companies — which are experiencing delays in the commissioning of the end-use project but have developed coal mine — to transfer coal to another company, where the end-use project has been commissioned before the coal block, and receive the coal at a later stage.

Source: Coaljunction

Coal Ministry seeks explanation from JSW, Tata Steel, others

The Coal Ministry has issued show-cause to eight firms including Hindalco Industries and Mahanadi Coalfields, and sought explanation from five firms such as JSW Steel, Tata Steel and Power Finance Corp, for delays in commencing production from mines allocated to them. "You are hereby called upon to show cause, on each milestone separately to this ministry...as to why delay in the development of the coal block(s) should not be held as violation of terms and conditions of the allocation...and why the block should not be deallocated," the coal ministry said in show-cause notice letter to firms. The ministry further said that if the companies fail to give reasons for the delays, "it would be presumed that the company has no explanation to offer and action as appropriate would be taken against your company(ies) for deallocation". The eight companies issued show-cause notices include Mahanadi Coalfields Ltd, Hindalco Industries, Neyveli Lignite Corp for Talbira II and III coal blocks. In the case of the Talabira coal block in Odisha, CBI had in October lodged a case against industrialist Kumar Mangalam Birla and former Coal Secretary P C Parekh for alleged irregularities in allocation of mine eight years back. The notice has also been issued to Ispat Godavari Ltd, Ind-Agro Synergy Ltd, Nakoda Ispat, Vandana Global, Shree Bajrang Power & Ispat Ltd for delaying the production from Nakia I & II coal blocks. In letters to five firms, JSW Steel Ltd, Bhushan Power and Steel Ltd, Jaibalaji Industries, Tata Steel and Power Finance Corp, the coal ministry said "You are hereby called upon to explain...the reasons for slow progress as well as the efforts made by you in development of coal block (s) failing which it would be presumed that your company(ies) has no explanation to offer and action as appropriate would be taken." The ministry sought explanation from JSW Steel Ltd, Bhushan Power and Steel Ltd, Jaibalaji Industries for slow progress in respect of Rohne coal block, Tata Steel for Kotre-Basantpur and Pachmo coal blocks and Power Finance Corp for Meenakshi, Meenakshi and Dipside Meenakshi coal blocks.

Source: Economic Times

Govt mulls framing policy on using rejects from coal washeries

A committee will assess the actual rejects generated from CIL washeries and formulate suitable guidelines for supply of rejects The government is mulling framing a policy to utilise coal rejects generated from washeries, amid the country reeling under acute fuel shortage. Coal quality is enhanced by coal washing and the plant where coal washing is carried out is called coal washery. "In accordance with the decision taken in the meeting of the Standing Linkage Committee (Long Term) for power...It has been decided to formulate a policy for allocation of coal/washery rejects generation by CIL for washery rejects based power plants," according to a Coal Ministry document. An inter-ministerial committee, under the Chairmanship of Additional Secretary Coal, is meeting shortly for the first time to deliberate on the same. The committee which has representative from the ministries, including power, will "assess the actual rejects generated from Coal India (CIL) washeries and formulate suitable guidelines for supply of rejects on long-term basis from CIL washeries." It will also "assess the actual coal demand of the washery rejects based power plants and to formulate suitable guidelines for issue of long term coal linkage for these power plants keeping in view the overall availability position." The panel had also suggested that the coal ministry "may consider issue of linkage for supply of rejects where requested to meet the requirement of reject based power plants. The rejects may be supplied against linkage by the coal companies/CIL under a policy to be put in place by MoC (Ministry of Coal) in consultation with CIL. CIL, which accounts for over 80% of the domestic production, said the production output target of 482 million tonnes (MT) for the ongoing fiscal looks challenging in view of the shutdown of mining activities in Talcher Coalfields in Odisha, and Cyclone Phailin. State-run CIL contributed 452.5 MT of coal in the previous financial year compared with the target of 464 MT.

Source: Coaljunction

Is There a Future for Coal?

Over the past two years, coal miners have had a tough time. Fracking and horizontal drilling have unlocked natural gas in the Permian, Bakken, and Eagle Ford in such a way that natural gas prices have stayed below $4 per mmBTU for the past two years. It could stay that way for a while yet. Most power plants that can convert to using natural gas from coal have already converted. While there is still demand for coal due to long-term contracts, logistics, and plant issues, it is likely that coal will continue to see less demand going forward. The major coal companies are all seeing lower stock prices. Year to date, Walter Industries (NYSE: WLT) is down around 50%, Arch Coal (NYSE: ACI) is down 42%, while Peabody Energy (NYSE: BTU) is down 30%.

The EPA

Between oil, gas, and coal, EPA carbon emission requirements are likely to affect coal the most. This is because coal produces almost twice as much carbon dioxide as natural gas and 30% more than gasoline. In 2012, according to the US Energy Information Administration, coal fired power plants provided 18% of all energy nationwide but accounted for 31% of the energy related carbon dioxide emissions. For new coal plants, the EPA has proposed emission caps at around 1,100 pounds of carbon dioxide for every megawatt hour of power produced. A typical new coal plant emits around 1,800 pounds. The only U.S. coal power plant likely to meet the new EPA requirements in the United States is Southern Co's Kemper County power plant. The $5 billion project is currently 65% over budget and not yet complete. In April the Department of Energy estimated that a utility building a plant with new clean coal technology would pay twice the price of a conventional plant. Because of those prohibitive costs, most coal companies do not expect any future coal power plants to be built in the U.S.

Chinese technology

If United States fails developing an economical clean fired coal plant, not all is lost. China is very likely to develop clean coal technology as well. This is because the Chinese have huge incentive to do so. Sixteen of the world's 20 most polluted cities are Chinese. The majority of Chinese pollution can be attributed to China's use of coal. According to IEA, China consumes around 47% of total coal consumption in the world. Unlike the United States, Chinese utilities do not have the luxury of substituting coal with cheap natural gas. While natural gas is below $4 per mmBTU in the United States, the LNG spot price is over $18 per mmBTU in China. China's pollution problem will only get worse as more Chinese drive cars and use more energy. As Chinese citizens become wealthier, they will also demand cleaner air and less pollution. China is actively investing in clean coal technology because they have no choice. If the Chinese develop an economical clean coal system, coal miners around the world will benefit and thermal coal will have a stable future.

The bottom line

There will always be demand for metallurgical coal, which along with limestone and iron ore, is needed to make steel. As for thermal coal, until technology is made to burn coal cleanly and economically, thermal coal companies will have a hard time. A cold winter can hold up the price for thermal coal in the short term, but the long-term looks bleak.

Source: Coaljunction

Ministry to move Cabinet note on surplus coal

The Coal Ministry will move a Cabinet note shortly to finally put in place a policy on disposing surplus coal. A three-member panel, headed by Planning Commission member Mr. B. K. Chaturvedi, has held the view that captive coal mining players should not be allowed to transfer surplus coal outside the end-use sector which they had been allocated for, and any surplus coal with them should be transferred to either the nearest Coal India Ltd. (CIL) subsidiary or other firms in the same sector facing shortage of coal in linkage coal from CIL. Coal Ministry officials said they were still studying the report, and would consult various ministries before finalising the note for the consideration of the Cabinet Committee on Economic Affairs (CCEA). There is also a view that the new policy will have to be notified after approval by the Cabinet through an amendment to the Coal Mines Nationalisation Act, 1973, and the existing 170-odd letters of allocation. CIL is reluctant on coal banking system. After CIL had expressed its reluctance to be a part of any coal-banking arrangement, the Planning Commission initiated discussions on the possibility of allowing private companies to transfer coal to each other. The Power Ministry had conveyed to the committee as well as the Planning Commission that any coal banking system should not lead to profiteering among coal block holders. The government has allocated a total of 218 captive blocks to companies between 1993 and 2011. Of these, 47 blocks have been de-allocated. Captive coal-mining companies were expected to produce 100 tonnes by the end of the last five-year Plan period in March 2012. However, production from captive coal mines has remained stagnant at 30-36 million tonnes over the past four years, giving rise to coal availability crisis. During the same period, CIL's production has grown by 4.8 per cent to 452 million tonnes. The coal banking proposal will allow companies to transfer coal to another company, where the end-use project has been commissioned before the coal block, and receive the coal at a later stage.

The government has already circulated the policy on surplus/incremental coal for the views from the ministries of finance, power, steel and railways as well as the Department of Industrial Policy and Promotion and the Law and Justice Department. Besides, an opinion had also been sought from the Attorney General on the issue.

Source: Coaljunction

Coal India unlikely to meet its output target

State-owned Coal India is unlikely to meet its output target of 482 million tonnes for the current fiscal due to factors like production loss after Cyclone Phailin and an agitation by contract workers in subsidiary. "At the current production rate, the shortfall in production is likely to be more than 10 million tonnes (MT)," a company source said. The source added that that achieving the target looks difficult, but the company is trying its best. Coal India Ltd (CIL) suffered a production loss of over one million tonne due to shutdown of mining activities in Talcher Coalfields in Odisha. CIL had earlier this month said the production target for the current fiscal looks challenging. This followed Coal Minister Sriprakash Jaiswal asking the state-owned company to ensure that the output target for FY 2014 is met. Mining activities at Talcher Coalfields in Odisha, including coal transportation, came to a halt on November 29 following violence by a group of labourers protesting the arrest of some of their colleagues at Jagannath area in Angul district. The mining activities in around six coal blocks (in Talcher Coalfields) of Coal India subsidiary Mahanadi Coalfields Ltd were affected due to violence. According to a CIL official, the PSU suffered production loss in October due to Cyclone Phailin, which affected the key coal producing states of Odisha, Jharkhand and West Bengal. Jaiswal had earlier said that though production at CIL had been hit in October due to Cyclone Phailin. CIL, which accounts for over 80 percent of the domestic production, contributed 452.5 MT of coal in the previous financial year compared with the target of 464 MT.

Source: Coaljunction

Mr Verma says 4 to 5 foreign coal assets on ICVL list

Mr CS Verma chairman of SAIL and CMD of NMDC said that International Coal Ventures Limited, a venture of public sector companies that includes NTPC, SAIL and NMDC for acquiring foreign coking coal reserves, has identified 4 to 5 assets. Mr Verma said that he did not disclose the names of the assets since they were bound by confidentiality clauses. He said that the JV board would meet to take a call on the acquisitions. He added that "I consider this as an opportune time to go for the buyouts, with valuations down by half because the international coal prices have come down to less than USD 150 a tonne from a peak of USD 300 a tonne a couple of years ago." The JV, formed in 2009, has been looking for coking coal reserves in Australia, the US and Mozambique for some time. The ICVL was formed in 2009 following a mandate given by Government of India to these public sector entities to pursue overseas acquisitions to meet the country's future requirements. Mr Verma said that India is currently importing 35 million tonnes of coking coal and this is expected to reach 125 million tonnes in future. India has only about 5 billion tonne reserves of prime grade coking coal, which is just 16% of the country's total coking coal reserves. He said that most of the coking coal produced domestically is being diverted to power projects due to lack of washeries that are needed to remove the ash content.

Source: Steel Guru

Indian metallurgical sector attracts with INR 1.1 lakh crore investment

Business Line reported that the Indian metallurgical sector attracted the maximum investment commitment out of 38 sectors tracked by the Department of Industrial Policy and Promotion in January to October, 2013, with projects worth INR 1.1 lakh crore lined up under industrial entrepreneur memorandums signed between industrialists and various state governments. This amounted to nearly a quarter of the total commitments of INR 4.7 lakh crore that came in during the period. Among the projects cleared was Uttam Galva Metallics' 50,000 tonne per annum galvanized steel and products unit and a separate 1 lakh tonne per annum cold rolled and hot rolled steel and products plant at Wardha, Maharashtra; Motherson Sintermetal Technology's 5,000 tonne per annum power metal components factory in Puducherry; Apple Industry's 50,000 tonne per-annum sponge iron plant at Noida, Uttar Pradesh; Manaksia Ltd's coated metal plant at Kutch, Gujarat and Bhushan Power & Steel's proposed steel processing unit at Daridabad, Haryana. The proposed investment will come through 217 projects, which was equivalent to 10.6% of the total number of projects for which IEMs were signed. The electrical equipment sector was another hot sector for investment during the period, attracting 16.7% of the total value of project commitments by value and 5.3% of the total number of project commitments during the period. With power demand soaring in the country, setting up units for electricity transmission and distribution, besides other allied activities, is likely to be a lucrative proposition. Among the projects was Periyar Energy's proposed 2,246 MW coal based thermal plant at Pudukottai, Tamil Nadu, Trinity Transformers' transformer plant at Mahaboobnagar, Andhra Pradesh, Kindle Engineering and Construction's solar plant at Patan, Gujarat, UM Power's 250 MW thermal plant at Oraiya, Uttar Pradesh and Sintex Power's 1,320 MW coal plant at Amreli, Gujarat.

In 2012, the electrical equipment sector was the top sector for investment, attracting over 50% of the total spending commitment during the year. In contrast, metallurgical industries cornered just 25% of the investment quantum and 12.2% of the total number of projects, coming second in the list. The other hot sector for investment in 2013 has been textiles, which attracted investments worth INR 78,790 crore in the first 10 months of the calendar year. The data indicates that competition from other low-cost manufacturing hubs like Bangladesh and Sri Lanka notwithstanding, the textiles business remains an attractive opportunity for industrialists across the country. This was also the sector where the maximum number of project commitments was made, with 249 projects equivalent to 12.2% of the overall projects tally for the 10 month period. Textiles displaced metallurgical industries in the project commitments list for 2013. Some of the major projects proposed in this sector are a textile park being set up by Amitara Green Hi-Tech Textiles Park at Kheda, Gujarat, Soma Textiles & Industries' cotton fibre preparation and spinning unit at Ahmedabad, Gujarat, Vaneera Industries' cotton yarn and cotton blended yarn factory at Sehore, Madhya Pradesh and DC Polyesters' man-made fabrics plant at Thane, Maharashtra. While it is conceivable that the investment commitment in 2013 will reach the same level seen in 2012, when a total of 5,828 projects worth INR 5.7 lakh crore were committed, the quantum and value of the IEMs signed this year is unlikely to attain the five-year peak of INR 17.4 lakh crore achieved in 2010.

Source: Steel Guru

HZL Gold Medal

The HZL Gold Medal is presented every year at the NMD to an individual for outstanding and significant contributions to the Indian nonferrous metals industry. This year the award was announced at Varanasi but the recipient could not make it to receive the award in person. At a special function at Delhi on 6 Dec 2013, the Union Minister of State for Commerce & Industry Dr. E.M.S Natchiappan presents the HZL Gold Medal to Mr. Akhilesh Joshi, CEO, Hindustan Zinc Ltd.

Congratulations!

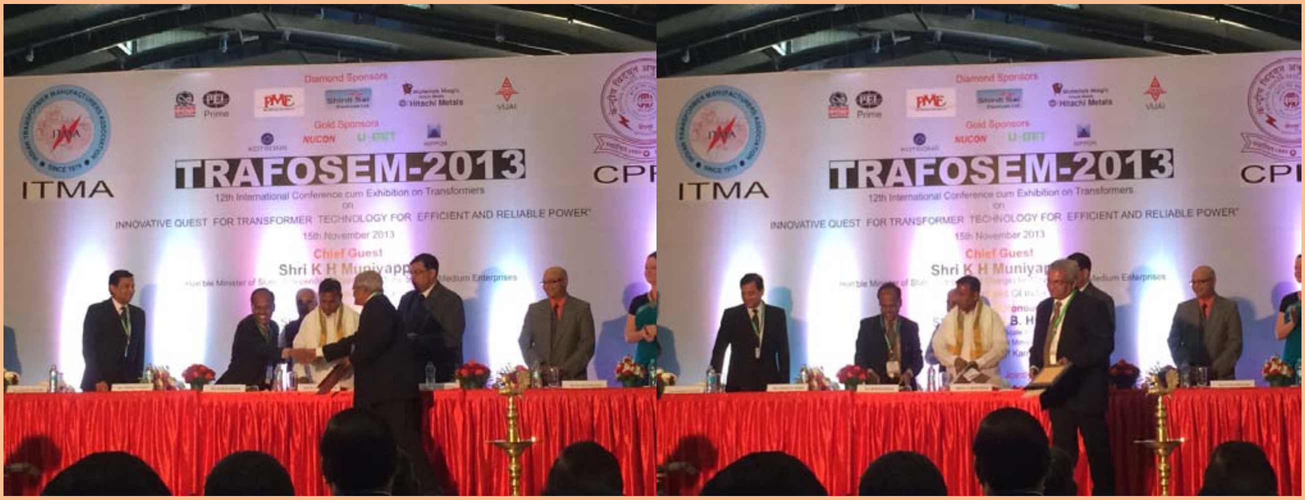
Henan Billions Chemicals Sets 2014 Titanium Dioxide Output Target at 160,000 Tonnes

Henan Billions Chemicals Co. planned to produce 160,000 tonnes of titanium dioxide in 2014, DZHNews reported, citing unnamed company source. The company will put on stream its 60,000 tpy chloride-processed titanium dioxide production line in Q4 2014, the news agency also reported. The production line used technology supplied by Germany's Ti-Cons Dr. Jendro and Partner.

Xie Xiangyun, president of titanium dioxide industry branch under the China National Coating Industry Association (NCIA), expected Chinese titanium dioxide production capacity to reach 2.9 million tonnes in 2013, virtually changed from 2012, and domestic titanium dioxide output to hit 1.9 million tonnes in 2013, up 1.1%% YoY.

Source: www.metal.com

CONGRATULATIONS!



V .C. Singhal, Vice Chairman, IIM-DC was felicitated by ITMA (Indian transformer Manufacturers Association) with LIFE TIME ACHIEVEMENT AWARD for PROMOTING HIGH GRADE ELECTRICAL STEEL (CRGO) in Transformer Industry during their 12th International Conference cum Exhibition on transformers TRAFOSEM 2013 at Bangalore on 15th November 2013. The award was given by Shri K. H. Muniyappa, Hon'ble Minister of State (Independent Charge) for Micro, Small & Medium Enterprises, Government of India.

Count Your Calories

The food calories intake can be calculated as follows: It is found that calories requirement of an individual is about 1600 Calories, not more, not less. It is divided for various times as follows:

Breakfast 25% **=>** 400 Cals.**::** Lunch 35% **=>** 560 Cals.**::** Evening Snacks 10% **=>** 160 Cals.**::** Dinner 30% **=>** 480 Cals.

We eat three kinds of food everyday. They are carbohydrates, Proteins and Fats. These break down to give energy, which is measured in calories. If these calories are not spent then they accumulate in the body tissues and that is how one tends to put on more weight. The energy giving capacity of these three types of food are:

Carbohydrates **=>** 4 Cals. / gm. **:::** Proteins **=>** 4 Cals. / gm. **:::** Fats **=>** 9 Cals. / gm.

(a) Food like rice, wheat and flour are sources carbohydrates, (b) Food like Dals, soya and meat are sources Proteins, (c) Food like Ghee, Butter, Oils are source of fats, (d) Vegetables and fruits contain fewer calories.
They are sources of vitamins and minerals
The food intake can be calculated as follows:
(a) If one chapatti weights 75 grams, it gives 75 calories energy, (b) 100 grams of rice give 100 calories, (c) A gulab jamum that weights 50 grams gives 450 calories, (d) 100 gms of vegetables of fruits give 30-40 calories only.

Therefore more intakes of vegetables and fruits are preferred. Exceptions are potatoes (100 gms give 100 calories, Banana 100 cals.)

If one eats 4 chapattis and 200 gms of vegetables, he gets 380 cals. A cup of Curd/Dahi made from toned (30 gms) milk will give approximately 150 cals. The calories intake depends on one's physical efforts. If one is doing strenuous physical work he may require more calories accordingly.

Mr. O P Gupta, EC Member, IIM DC