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THE INDIAN INSTITUTE OF METALS
DELHI CHAPTER

NEWS LETTER

ISSUE NO. 86/2015 VOL. LXXXVI "MONTHLY" DATE: 31.03.2015

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Published By
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INTRODUCTION

This Newsletter contains the following:

1. Aluminium Die-Casting workshop
2. Holi-Milan Get together
3. Ministry of Steel encouraging R&D Activities
4. Tata Steel unveils 100th New product to its Portfolio
5. Automakers moving towards lightweight cars could spur Aluminium Demand
6. Secretary Coal talks, tweets and breaths transparency
7. Many National and International news items

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Workshop on Aluminium Die-Casting

A Workshop on Aluminium Die-Casting was organized at our Chapter on 28.3.2015.

At the outset Shri S C Suri, Chairman, welcomed Shri K S Thakur, GM, Hero MotoCorp, who was the Chief Guest of the programme. He was honoured with bouquet.

Shri K L Mehrotra, Vice Chairman informed the participants about the activities of IIM Delhi Chapter.

Thereafter Shri Rahul Khanna, CEO, Mahavir Die-Casting Ltd. introduced the Chief Guest and made opening remarks about organizing the Aluminium Die-Casting Workshop and set the tone for the Workshop.

Shri K S Thakur delivered the inaugural address of the Workshop. He mentioned about the increasing usage of Aluminium in the Auto Industry. Shri Thakur traced the various developments in the Die-Casting Industry. In this context he talked about the role of Innovation, R&D and Technology Transfer in the development process.

Thereafter three presentations were given by different organizations covering the various facets of Aluminium Die-Casting.

Mr. Linal Amalraj of Chemtrend made a presentation on Foundry Chemicals and Die Release Agents in the

Aluminium Industry. The presentation covered the evolution in Die-Lubricant Technology. He also spoke about the global industry trends in aluminium industry covering the following:

- Complex & dimensionally demanding parts, New structural alloys, Increased focus on productivity & reduction of wastages.

The presentation also covered:

- Die lubricant functionality, principles of physics behind the die lube properties like Leidenfrost point & Nukiyama point.
- Characteristics of die lube like die cooling, die adhesion, wetting temperature, wetting time and flow diameter.

Thereafter Mr. Laxman Ram Sharma of Future Design Engineering made a presentation on automation aspects in the Die Casting Sector.

The topics covered by him were the following:

- Benefits of Automation
- Areas of Automation
- Tools of Automation
- Robots in Industry Automation
- Working of Industrial Robots
- Advantages of Industrial Robots
- Disadvantages of Industrial Robots
- Infrared in Industry Automation
- Areas of Infrared Application
- Laser in industry automation
- Areas of Laser Application
- Barcoding in industry automation
- Areas of Application of Barcoding in Aluminium Industry

Mr. Mohd. Shahanwaj of Spectro Labs made a presentation on Aluminium Alloying Elements and their Effects. The areas covered by him included the following:

- Introduction to Casting Defects
- Introduction to Forging Defects
- Effects of Alloy Elements in Aluminium alloy

- Most Common defects in Casting viz:
- Sand Burning
- Sand Inclusion
- Sand Hole defects in sand blasting in Aluminium Die-Casting
- Misrun Defects
- Shrinkage defects
- Rough Surface Defects
- Slag Inclusion
- Crack defects reducing physical properties of metal castings
- Common Defects in Forging viz:
- Unfilled Section Defects
- Die Shift defects
- Improper grain flow
- Influences of most common alloying elements on the Aluminium Alloys namely Copper, Magnesium, Manganese, Silicon, Tin and Zinc.

The presentation by the three speakers evinced a lot of interest amongst the participants. There were lively question-answer session after each presentation.

Shri M P Sharma, Hon. Jt. Secretary, who was the Workshop Coordinator, proposed vote of thanks. He stated that looking at the interest of the participants in the Workshop, the Chapter is encouraged to look into possibility of organizing another Workshop in the area of Aluminium Metal Processing and types of Die-Casting Defects and their remedies in the near future.

The Workshop was attended by about 80 participants from different organizations.

After conclusion of the programme the participants were given the Certificates of Participation in the Workshop.

The Workshop was part sponsored by M/s Samyak Metals Pvt. Ltd, Gurgaon, M/s Lok Alloys Pvt. Ltd, Raipur and M/s Dhatukarm, Delhi.

The Workshop ended with a lunch

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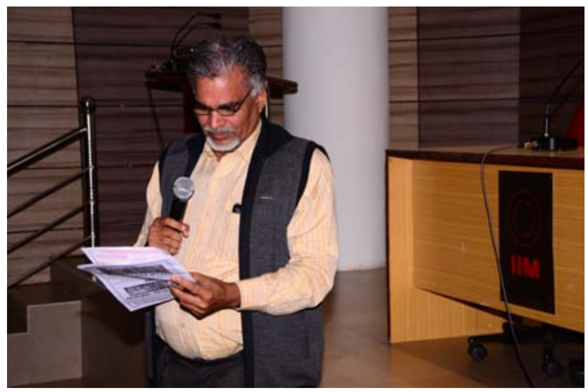
HOLI MILAN GET-TOGETHER

The Delhi Chapter of IIM organised Holi Milan get together on 8th March 2015 at our Chapter's premises. The members of IIM DC along with their families participated in the social get-together. The Chairman IIM DC welcomed the members and their families in the function.

Holi-Milan greetings were exchanged among the members and their families. Members of the IIM DC enjoyed the function through various jokes and anecdotes. Some family members recited poems in the function. The function enabled networking among members of the Chapter and their family members. The function was very much appreciated by the members and their families. As a matter of fact, some members stated that they always look forward to participate in the Holi-Milan get-together function with a lot of excitement.








About 50 members including their families participated in the function. The function ended with a lunch organized for the event.

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Ministry of Steel encouraging R&D activities - Mr Sai

Mr Vishnu Deo Sai minister of State said that in order to provide accelerated thrust on Research & Development (R&D), the Ministry of Steel is encouraging R&D activities both in public and private sectors by providing financial assistance from Steel Development Fund (SDF) and Plan Fund of the Central Government. Under the SDF scheme, 83 R&D projects have been approved with total project cost of INR 696.27 crore wherein SDF assistance is INR 389.63 crore. Some projects have already been implemented by the Steel Plants and are yielding benefits in improvement in productivity, reduction in energy consumption and pollution etc. Under the Plan Fund Scheme, 10 projects were approved with a total cost of INR 138.10 crore wherein Government assistance is INR 95.66 crore. These projects relate to development of technologies for beneficiation and utilization of inferior grades of iron ore and coal and also for Improvement in quality of steel through the induction furnace.

Source: Steel Guru

Tata Steel unveils 100th new product to its portfolio

The steel industry is a technology intensive industry striving to introduce products in the market designed with the consumers' best interests in mind. Every product of Tata Steel produced must meet stringent customer requirements, and the finishing touch is increasingly the demand for higher-quality surface for a range of applications including automotive and consumer applications.

Tata Steel, the global steel producer diversified its steel manufacturing activities with operations in 26 countries and commercial offices in over 35 countries. Of which, in Europe Tata Steel is the second largest steel producer. What makes it different is the company approach to business. Tata Steel always strives to build strength with collaborative relationships that create new success for its customers.

Tata Steel, serving many demanding markets worldwide, including aerospace, automotive, construction, consumer products, defence & security, energy & power, lifting & excavating, packaging, rail, and shipbuilding, understands that customer needs are different in each market. Recently, Tata Steel has reached a significant milestone in the transformation of its European steel portfolio with the launch of the 100th new product in its revitalised new product development programme.

Tata Steel revised its new product development activities in 2011 as part of its market differentiation strategy, which delivers innovative products and services to customers who are increasingly demanding advanced, high-tech steels.

Company's engineers work closely with customers in a range of industries to help them overcome their challenges by developing new products and services. Recently, Tata Steel launched an innovative, stronger structural steel product, Celsius® 420, which can reduce the construction time of new buildings.

Henrik Adam, Tata Steel's Chief Commercial Officer in Europe, said: "This vital programme has enabled us to expand our products and services, enhancing existing ones and bringing entirely new ones to the market."

"Many of these new products and services are the direct result of our collaboration with customers. Our advanced steel products give customers a competitive edge and help them succeed in their markets."

"We place a significant emphasis on developing our research capabilities through the nurturing of world-leading experts in steel manufacture, steel product and steel application-related fields" says Dr. Debashish Bhattacharjee, Group Director of RD&T, Tata Steel.

In the past four years the proportion of differentiated products in Tata Steel's portfolio – products that give customers enhanced capabilities for specific applications and that few steel producers make - has risen significantly. More than a third of the company's overall sales are now advanced steels.

Tata Steel has responded to growing market needs and customer ambitious, such as the requirement for improved performance, reduced manufacturing costs and light weighting.

The company's European production and delivery activities are – uniquely in the steel industry – organised according to the requirements of the market sectors the company serves. This enables Tata Steel to develop new products and services that meet customer needs in automotive, construction, aerospace, packaging, energy & power, lifting & excavating and rail sectors, among others.

More than 30 products were launched in 2014. The automotive sector has been a particular area of focus. Last year Tata Steel launched 11 products for the automotive market, including Serica ™, a premium surface finish on hot-dip galvanised steels for exposed car body panels that offers a superior paint appearance. Tata Steel's innovative MagiZinc Auto Zinc-magnesium coating technology, with its excellent corrosion resistance and ease of processing, also came into production last year on the company's extra-wide galvanising line at IJmuiden in the Netherlands.

Another recently launched steel product has made it easier for manufacturers of wheel rims for tractors and other large off-road vehicles to form, flash weld and cold roll the steel used in their products. The new product was developed by Tata Steel researchers using know-how gained from solving welding problems in other industries.

In the rail sector, Tata Steel has launched new market-leading products in recent years which reduce rail life cycle costs. The high performance grooved rail product ML330, which is particularly suitable for the tight corners associated with tramways, has a high wear resistance and can be more easily weld-repaired using Tata Steel's patented weld process.

Tata Steel's new product development programme identifies new product ideas, tests their viability and, if successful, brings them to market. This process better enables Tata Steel's sales and development teams to collaborate and launch new products effectively and with pace.

Several other Tata group companies have studied the way Tata Steel is managing its new product development system, with Tata Global Beverages deciding to adopt elements of it for its own consumer products development.

Source: MMR

Automakers moving towards lightweight cars could spur aluminium demand

Generally, the global metal commodity market is passing through a slowdown phase but the aluminium metal is likely to stage a comeback as automakers are under pressure to build more fuel-efficient cars thereby increasing the use of this lightweight metal. Continued volatile fuel prices in the last five years was forcing auto companies to reduce car fuel consumption the answer to which can be found out only through light weight concept as per various studies conducted by automotive companies.

Based on this innovative concept, global aluminium giants like Alcoa Inc. and Rio Tinto Group expect the demand to rise over the next few years as the metal grow in importance. Rusal expects consumption from automakers to rise 65 percent to 23 million metric tonne by 2020 as reported by Steve Hodgson, Director of Sales and Marketing.

Earlier, aluminium has long been used in car doors and roofs, but unlike steel, it's difficult to weld, limiting its usage in other automobile parts. But the innovative research and breakthroughs in welding technology, has actually helped the aluminium industry. The new stamping processes have enabled automakers to produce aluminium body parts that meet stringent specifications. They can also make them in intricate shapes. Consequently, the demand for aluminium auto sheets in North America will almost quadruple to 1.78 million tonne in the decade through 2025, according to Alcoa, the largest U.S. producer. Increasing orders from airplanes are also boosting consumption.

As per the European Aluminium Association latest data indicates that in Europe new cars already contain an average of 309 pounds (140 kilograms) of aluminium each and transport accounts for 40 percent of the use of the metal. The region’s third-largest producer, Norsk Hydro ASA, working with customers including Daimler’s Mercedes-Benz unit, has succeeded in manufacturing a large side panel in one piece, reducing the welding requirements and cutting assembly costs. “Producing side panels in one-piece aluminium was a dream for the auto industry, and now we are increasing production to meet rising demand,” Hydro’s Chief Executive Officer Svein Richard Brandtzaeg said.

As per the recent development, Ford Motor Co. strategically moving towards light weight metal would help to pull aluminium metal from the bear market afflicting most commodities by adding to an increase in industrial use. The company is hiring workers to expand production of its F-150 pickup after a switch to an aluminium body helped spur demand that has exceeded the company’s plans. The auto company produces its top-selling vehicle, the F-150 pickup truck, with an aluminium body, and is opening up its use elsewhere.

The F-150 is the largest production ever of an aluminium-bodied vehicle, with the metal previously found mostly on luxury cars such as Jaguars. Replacing steel with aluminium means the pickup achieves as much as 26 miles (42 kilometers) per gallon on the highway, a 29 percent improvement from the older model. The F-series line is the nation’s top-selling vehicle and accounts for about 90 percent of Dearborn, Michigan-based Ford’s global automotive profits, Morgan Stanley has estimated.

Similarly, Honda Motor Co. is also using more of the lightweight metal to improve fuel mileage. As more carmakers follow suit, there will be a “tectonic shift” in demand from the auto industry for the metal, according to Sean Stack, an executive vice president and head of North America rolled products at Aleris Corp., a U.S. aluminium producer.

As auto use increases, U.S. consumption of the metal will rise about 7 percent in 2015 from 2014 to 5.38 million tonne, the highest since 2006, according to Morgan Stanley. Ford’s move to go with the lightweight metal that helps to improve fuel mileage is a “line in the sand” for carmakers, Michelle Krebs, senior analyst at AutoTrader. Com., said last month after the F-150 took the North American Truck of the year award.

The continued decline in global oil prices appeal of shifting from cheaper steel to aluminium due to lower gasoline costs mean consumers get less benefit from fuel efficiency. Average U.S. gasoline prices fell to $2.033 a gallon on Jan. 25, the lowest since March 2009 while crude futures in New York plunged 53 percent in the past year.

“There’s going to be less pressure to put aluminium on vehicles if oil prices stay lower, because current lower prices of gas will reduce pressure by customers,” Kevin Moore, president of All Raw Materials Consulting in Clarkston, Michigan, said. “The real decider of vehicle purchase is the consumer.”

Even as gasoline costs drop, fuel mileage will remain a goal for carmakers. In September, President Barack Obama urged world leaders at a United Nations summit to reach a global agreement to combat climate change. The administration worked with automakers to agree on fuel-efficiency standards that will require an average of 54.5 miles per gallon for cars and light trucks in the U.S. by 2025

Morgan Stanley estimates U.S. aluminium demand will jump 28 percent by 2020 as carmakers continue the push to make lighter vehicles. Ford said last month that it is adding 1,550 workers to help build the F-150 pickup in Missouri and Michigan.

"It's only a matter of time until other auto companies move to light-weighting with aluminium," Silverio Colalancia, recycling director at Novelis North America, said. "Everybody's got binoculars, and they're watching the F-150."

Source: MMR

Secretary Coal talks, tweets and breathes transparency

Unlike the work station of a typical bureaucrat that is cluttered with piles of paper, Anil Swarup's office is spic and span. The first thing that strikes a visitor to his office in the ministry of coal is the transparent glass table top with a few files on it. Apt perhaps, because "transparent" is a word that regularly crops up in any conversation with him about coal auctions.

The secretary of the coal ministry is known for his paperless style of working. The man behind the online monitoring of key projects in several ministries, Swarup spearheaded the first ever e-auction of coal in India these past few weeks. Around five months ago, he joined the ministry of coal after the Supreme Court cancelled the 204 coal block allocations made over two decades. Already bearing the brunt of the coal scam, the ministry had the gigantic task ahead of re-allocating mines in addition to the burden of regaining the trust of India Inc.

The coal ministry may have partially redeemed itself, having successfully auctioned around 40 mines. In the process, it received bids of Rs 2.35 lakh crore – more than the loss estimated by the Comptroller and Auditor General of India to have occurred in the last coal allocation. This is when 164 blocks are yet to be re-allocated. The two phases of the auction saw sector majors putting in aggressive bids to get control of coal blocks. Swarup has humbly attributed the success of the sales to the transparent e-auction process. The auction was designed and conducted by MSTC on its auction portal.

Swarup regularly gave updates on the auction on Twitter. One sector website even posted a blog calling him "a babu who tweets at midnight about coal auction". This may not be far from the truth because Swarup, along with his colleagues in the ministry, has been burning the midnight oil to complete the successful re-allocation of mines before the end of the 2014-15 fiscal. But then hard work comes naturally to him, an attribute recognised by the government. He has headed some key government projects, including the project monitoring group under the Cabinet Secretariat whose task was to remove the road blocks for stalled projects across the country. Before that he was director general of labour welfare in the labour ministry.

The Indian Administrative officer of the Uttar Pradesh cadre (1981 batch) has been considered a change agent in all the departments he has worked in. His colleagues respect him for his light-hearted approach and keen interest in details. A senior coal ministry official was heard telling reporters, "Have you seen a secretary like this? The smile on his face doesn't fade even under the most tense circumstances. He talks so excitedly about the auction. This is what drives the whole staff here in the coal ministry."

Whether at a press conference or in an internal meeting, Swarup is famous for his quips. He likes meeting people and having long discussions, and often confesses at media meets that he wouldn't hold back any information of public interest were it not for the restrictions placed on him by his post. Some people complain about his garrulous nature – mostly journalists looking for an exclusive – but during the coal auction, Swarup had a piece of advice for news hunters: with those who deal with people who speak a lot, the trick is to ask the right question.

Confronted by questions on the coal ordinance, the new auction proceedings, even the bids that the private companies have submitted, Swarup needed to be ever prepared, especially in a ministry that is still struggling with charges of scams and espionage. Amid all this, Swarup has walked the talk. His integrity and workaholic inclination are slowly but steadily having a rub-off effect on the ministry. In Swarup's words – this is just the beginning.

Source: Business Standard

Indian steel imports need urgent government interventions

Mr Shushim Banerjee Director General of INSDAG in his personal capacity wrote in Financial Express that recent data on steel export and import make interesting and somewhat depressing reading for steel industry. He wrote "Total steel import of 8.13 million tonne in April-February '15 is likely to reach a record annualised level of 8.9 million tonne in FY15 with annualized export level of 5.8 million tonne thereby making India a net importer of 3.1 million tonne. India would be spending around INR 794.8 billion for imports and earning approximately INR 620.30 billion on account of exports leaving a shortfall of INR 174.50 billion." He wrote "Too much steel is available in the global market, sometimes below the marginal cost of Indian producer which has resulted in total steel exports to be marginally lower compared to last year. Value added products like downstream categories in the flats fetch higher realisation at specific markets." He added "Hopefully Indian pleas with WTO to open up US market for its HRC exports would receive a positive response from the world body in FY16."

He also said "Exports of coated products have gained acceptance in markets of the US, the UAE, Spain, Italy and Iran. This can be further enhanced to achieve both volume and margin. It is revealed that India is a net importer in bars and rods where large scale imports of Boron-coated wire rods and TMT primarily from China (enjoying export rebates) and Ukraine have made things pretty difficult for the domestic producers." He wrote "It is unfortunate that in spite of creating massive capacities in long products, India has emerged as a net importer in this category. As regards rerollable scrap and semi-finished steel (major exporters: Indonesia, the UAE and Korea) the imports of more than 0.6 million tonne need detailed analysis."

He said "India imports plates to the extent of nearly 1 million tonne. Apart from special profiles in boiler, ship breaking and over dimensional grades, Indian producers are capable of meeting most of the demand. The net import of more than 2 million tonne in HR/CR (from Korea and Japan under CEPA followed by very cheap imports from China and Ukraine) is an issue that needs urgent government policy interventions in putting in place appropriate measures to deal with unfair trade practices and imports under the garb of free trade."

He wrote "Indian manufacturing is reeling under some deep rooted ailments. What is damaging for steel industry is rising imports of steel containing engineering and consumer durable goods mostly from China. Easy and cheaper availability of intermediates and processed goods from abroad has made assembly operations an essential ingredient in manufacturing thereby killing the value addition component. The malaise is fast spreading and 'Make in India' programme must squarely face the same."

Source: Steel Guru

Steel imports from China nearly trebled during Apr-Jan: Govt

India's steel imports from China nearly trebled during the April-January period of this fiscal to over 29 lakh tonnes (LT), Parliament was informed recently. The country had imported 10.88 LT steel comprising 6.46 LT carbon steel and 441.70 LT alloy/stainless variety during the entire

2013-14 fiscal. "Carbon steel imports during the period (April-January) from China stood at 15.27 LT while alloy/stainless steel imports were at 13.76 LT", Minister of State for Steel and Mines Vishnu Deo Sai said in written reply to the Lok Sabha. In 2012-13, imports were higher at 16.88 LT compared to 15.03 LT a year earlier. "The global steel industry, including India, in general is going through a difficult phase," the minister said. Replying to an another question, he said Steel Authority of India has entered into an "associateship agreement" with State Trading Corporation of India (STC) for supply of one LT steel rails to STC for exporting to its potential customers in Persian Gulf, which may include Iran. "Against this agreement, so far no rails have been supplied, as the contract between STC and Indian Railways is not yet effective since Iranian Railways is yet to obtain necessary approvals," Deo said.

Source: Steel Guru

Steelmakers seek immediate implementation of customs duty hike

With imports set to hit a record high in the current fiscal, steel-makers urged the government to bring the provisioned customs duty hike in the Budget into effect immediately to bail them out of the deepening crisis. "Some secondary steel producers have already resorted to production cut and instead of making on their own, they have now ventured into trading importing from China and other countries," Jayant Acharya, Director (Commercial), JSW Steel told PTI. Facing a host of other problems such as higher production cost due to dearer raw materials and inflated interest rates, major producers are also left with no money to further invest, which is tantamount to government's "Make in India" programme. "Government should implement the enabling budgetary provision for raising the customs duty as soon as possible to give steel-makers a little elbowroom," Acharya said. He also added that some non-tariff barriers to be put in place to safeguard against the abnormal surge in imports. Paying heed to steel-makers' plea, the Budget has created a possibility of raising peak import duty for steels to 15 per cent from 10 per cent now, aimed at protecting the home-grown firms from rising imports. But, it has been kept as an enabling provision for suitable imposition. Meanwhile, imports have jumped by over 67 per cent during April-February period of current fiscal to 8.39 million tonnes (MT) while exports have declined by 11 per cent to 4.8 MT. The total imports might go to around 10 MT by March-end, he said. "At 8.39 MT now, I think India's steel imports will hit a record high in current year," said A S Firoz, Chief Economist, Joint Plant Committee, a unit under the Steel Ministry. India had imported 5.44 MT steel during the entire last fiscal. "If the current international prices remain so low, then obviously there will be more imports and it will increasingly be difficult for domestic firms to do exports," Firoz added. He said the basic reason for growing imports and dipping exports is that Indian steel-makers are unable to compete in international market due to input costs and other "external hurdles" such as infrastructure and efficient labour among others. An official from a private sector steelmaker said even as NMDC has reduced the price for iron ore, it has to do more to make them compatible with the prevailing international price. NMDC has cut prices of the raw material for consecutive two months, but the official described the move as "it's too little, too late". Apart from Tata Steel and SAIL, most Indian steel-makers do not have captive mines. Even, Tata Steel had to resort to imports for the first time in its 100-year history as iron ore was not adequately available in the country.

Source: Metaljunction

New steel rolling mill to start soon at SAIL-SCL JV in Kerala

Express News Service reported that adding a new chapter to its history, the Steel Complex Ltd Kozhikode is all set to launch its new steel rolling mill, which is likely to be inaugurated in a couple of weeks' time. According to sources, if things go as planned, the trial run of the mill will be commenced soon. The report quoted a source as saying that "Initially, we were planning to operate the rolling mill by March 15. But, as there was some delay, we expect to complete the work shortly and commence production."

> You will never know true happiness until you have truly loved, and you will never understand what pain really is until you have lost it.

The setting up of the rolling mill was crucial for the rehabilitation of steel complex, a joint venture of the Steel Authority India Ltd and the Government of Kerala. It will also give the company a foothold in the finished steel products market. The mill was set up at a cost of around INR 65 crore, of which INR 9.72 crore was given by the state government and INR 10 crore by SAIL. The balance INR 45.33 crore was taken as loan from the Canara Bank.

SAIL-SCL Kerala Limited is the only mini steel plant in Kerala. The company was originally promoted in the joint sector between the Kerala State Industrial Development Corporation Ltd and a private entrepreneur in 1969. It set up its mini steel plant in 1972 with an installed capacity of 37,000 tonnes. In 1983, the company undertook expansion scheme by adding the third electric arc furnace, following which the production capacity was raised to 55,000 tonnes of steel billets per year. But, the functioning of the plant was hit hard owing to financial crisis. In 1992, SCL was referred to the Board for Industrial and Financial Reconstruction. It got a fresh lease of life in 2008 when it signed an MoU with SAIL, paving way for it to acquire 50 per cent stake in the company and takeover its operations in February 2011. The cornerstone of the joint venture agreement was the setting up of a steel rolling mill to produce 65,000 tonnes of TMT steel with an investment of INR 65 crore. However, the steel mill project envisaged as part of the MoU between SAIL and SCL got delayed inordinately. It was put back on track in August 2012 after the BIFR asked the two main shareholders - the Government of Kerala and SAIL - to complete the formalities for setting up the mill in two months.

Source: Steel Guru

SAIL plans to expand five steel plants

Steel major SAIL has undertaken modernisation and expansion at five of its steel plants to augment its crude steel production capacity to 21.4 MTPA.The indicative investment for the current phase of expansion is estimated at Rs 61,870 crore. The five integrated steel plants are at Bhilai, Bokaro, Rourkela, Durgapur and Burnpur and a special steel plant at Salem, Minister of State for Steel and Mines Vishnu Deo Sai said in a written reply to Rajya Sabha. "Steel Authority of India Ltd (SAIL) has undertaken modernisation and expansion of its five integrated steel plants...To enhance its crude steel production capacity from 12.8 MTPA to 21.4 MTPA in the current phase," he said. The minister further said a provision of Rs 10,264 crore has been made towards investment in existing mines and development of Rowghat mine. The expansion project at Salem steel plant has been completed and all facilities under the integrated process route at Rourkela and IISCO steel plants are in operation, stabilisation and ramp-up, he said. Deo further said RINL has undertaken modernisation and expansion plan at an estimated cost of about Rs 14,701 crore. Units under stage-1 expansion have been commissioned and are in regular operation, he said. In a separate reply, he said SAIL will invest about Rs 4,749 crore to augment its production capacity of the iron ore mines of Gua in West Singhbhum district of Jharkhand.

Source: Metaljunction

Cost of production for sponge iron companies may go up – SIMA

Business Standard reported that after the recent coal block auction which left several sponge iron companies starved for captive source, the already bleeding domestic sponge iron industry is now expected to face further heat as the government mulls to auction even the coal linkages, which assures fuel availability at a discounted price. Mr Deependra Kashiva executive director of Sponge Iron Manufacturers Association said that "This is an alarming situation for the domestic sponge iron industry, as auctioning of coal linkages (if government takes that route) will definitely take coal prices close to the recently auctioned captive blocks, pushing up cost of production for most sponge iron ore companies by about 40% to 50%." Mr Lalit Periwal, a senior official of West Bengal-based Shobha Ispat, said that "The technical and financial conditions to participate in the recent coal block auctions were so tough that sponge iron companies were not even able to bid. Now if linkages get auctioned, again the big corporates will participate with their might and sponge iron industry will lose out further." Mr Vijay Surjan, vice president-commercial of Vandana Global, which has its plant in Raipur, said that "Coal overseas is cheaper at present so sponge iron units can rely on imports, however this cannot be a permanent option as prices will not always remain low. Due to this, working out cost structure for the company can become tough." Mr Bajrang Lohia, chairman with Brahmaputra Metallics, said that "Location of the unit is also crucial when considering imports as logistical costs will go up if plant is land locked. Apart this, availability of rakes from railways is another hurdle units can face." Most of domestic sponge iron industry is made up of small-and-medium sized companies with capacities ranging between 30,000-100,000 tonne. Also, most of these units are merchant facilities, which is low-margin business, whereby they make the sponge iron and sell it to steel makers without making any value addition. As on March 31st 2014, the overall capacity utilization of domestic sponge iron industry stood at 48%, down from 50% in the preceding year. Iron ore supply issues since the last couple of years, has brought down the capacity utilization of the industry.

Source: Steel Guru

CEOs and CFOs want government not to base eco optimism on shifting to new data series – ASSOCHAM

According to a post-Budget assessment mapping done by the ASSOCHAM, while sharing the upbeat mood reflected in the Union Budget, majority of India's CEOs and CFOs would like the government not to base its optimism entirely on shifting to the new CSO series of the data on the Gross Domestic Product (GDP), as it is still early days for the new numbers to sink in and relate them to underlying figures of the old series. As many as 76% of about 189 CEOs and CFOs covered under the ASSOCHAM survey pointed out they find the new data showing over seven% growth of GDP as too optimistic since the underlying situation is not all that upbeat. ASSOCHAM said that "Even though the new data series may reflect the best international practices, the shift seems to be so sudden that at times, it looks too good to be realistic." The problem becomes more acute when the data of 2013-14 is seen in the context of the new CSO series versus the new series. It said that "We all realize how bad the previous fiscal was in terms of growth, but the new numbers revise the fiscal 2013-14 GDP growth to 6.9%, Sounds suspect?. Going by these numbers, close to seven percent growths in the previous fiscal meant India never faced slowdown the summary of the survey noted.

Mr DS Rawat, Secretary General, ASSOCHAM, said that "While a lot of path-breaking steps have been initiated in the Budget like MUDRA Bank for MSMEs, step up in investment in the public sector, boost to infrastructure, increased penetration of the pensions and insurance and the cut in corporate tax, there would be a certain amount of lag before we start seeing results on the ground. Not sure, whether the optimistic outlook as reflected by the new series has taken it into account." Based on the new series, real GDP growth is expected to accelerate to 7.4% this fiscal, making India the fastest growing large economy in the world. Under the new series, the share of manufacturing in the country's total GDP has gone up from 12.9% to 17.3%, making the sector look much better. As many as 71% of the CEOs surveyed said they would like to wait for some more time before they could be as optimistic as the government is about the new data, while 68 per of the CFOs said the picture must look getting translated into solid sales and production data on the ground, there is some way to cover. Initially, even the RBI Governor Dr. Raghuram Rajan and the Chief Economic Adviser Mr Arvind Subramanian were not sure of the new series data. Meanwhile, the performance of the 8 core sectors industries, measured by 2004-05 as the base, grew by mere 1.8% for January, 2015. Its cumulative growth during April to January, 2014-15 was 4.1%.

Source: Steel Guru

<u>Govt seeks anti-dumping tax on some stainless steel imports</u>

After months of investigation, the directorate general for anti–dumping & allied duties has recommended the Union ministry of commerce levy an anti–dumping duty on hot rolled flat stainless steel import from China, Malaysia and Korea. It has recommended a levy of $309 a tonne of duty on Chinese import, and $316 a tonne and $180 a tonne on those from Malaysia and Korea, respectively. Utensils and other household products made of imported flats with low value addition will be costlier by at least 10 per cent. Inputs for high value addition for products such as boilers and railway coaches would go up by five per cent.

Domestic stainless steel producers, including Jindal Stainless and Steel Authority of India's Salem unit, are expected to benefit. So would re-rollers that had slumped due to cheaper import. The recommendation says: "It was concluded that domestic industry suffers material injury due to such dumped imports (and) imposition of a definitive measure is required to prevent (this) injury."The stainless steel industry estimates import from the three countries contributes up to 30 per cent of India's domestic demand, of which hot rolled flat shares are the largest. In recent months, imports had risen 200-300 per cent. Domestic stainless steel mills were operating at 50-60 per cent of capacity. "It is a positive move by the government and will certainly promote the 'Make in India' move," said N C Mathur, president of the Indian Stainless Steel Development Association. The directorate said it found the cost of production rose in 2010-11 by 37 per cent and thereafter only marginally. The sale price rose in 2010-11 by 27 per cent but was not enough to recover the full cost, leading to losses. Even after imposition of anti-dumping duty on the European Union, US, South Africa and Taiwan in 2011-12, losses for domestic producers had increased as dumped imports from the countries named had started entering the Indian market. Industry body Ficci had earlier recommended anti-dumping duty on imports of all stainless steel flat products from the existing 600-1,250 mm category only, to protect domestic producers from loss.

> Trouble is a part of life, and if you don't share it, you don't give the person who loves you enough chance to love you enough.
>
> Dinah Shore

Source: Business Standard

<u>NMDC appoints Deloitte to study viability of merger with KIOCL</u>

PwC had recommended merger of both PSUs as a viable option

The steel ministry's proposal to merge KIOCL Limited, the 100 percent export-oriented pellet manufacturer, with NMDC Limited, India's largest public sector miner is gaining further momentum. The board of NMDC has appointed a global consultancy firm Deloitte Touche Tohamatsu to study the viability of a merger between the two public sector units.

A similar study, conducted by another global consultancy firm PwC on behalf of KIOCL, had recommended the merger of the two companies as a viable option. The Bengaluru-based pellet maker and exporter is said to be in favour of the merger with NMDC. The company, struggling for survival over the last decade, buys iron ore from NMDC's mines in Chhattisgarh to feed its pellet plant in Mangaluru.

"The merger between the two public sector units under the administrative control of the steel ministry will be a win-win proposal for both. A team of officials from Deloitte visited the head office of KIOCL last month and a report is expected to be submitted very soon," sources told Business Standard.

The team from Deloitte visited the head office of KIOCL in Bengaluru during February and interacted with officials in the finance and accounts departments. It elicited details on the manpower and assets of KIOCL, the sources said.

NMDC officials were unavailable for comments. An email query sent to the chairman's office went unanswered.

While confirming the development, a member of the study team from Deloitte said he would not like to comment on the findings of the study. "As we have a confidentiality agreement with NMDC, I cannot disclose the findings. We will submit our report to the NMDC managements," Vishal Kashyap of Deloitte said.

If Deloitte also recommends merger then boards of both the companies have to approve the merger proposal. The proposal needs to be approved by the share-holders of both the companies also. Thereafter, the ministry of steel would go to the Cabinet for final approval, they added.

The merger with NMDC will be a viable option for KIOCL, as it is finding difficulty in sourcing iron ore. As there is a ban on export of iron ore from Karnataka, the company is sourcing raw material from Chhattisgarh at a high cost.

NMDC is in the process of ramping up iron-ore production to 50 million tonnes (mt) a year by 2018 from 30 mt a year at present. It would benefit from KIOCL in terms of beneficiation and pelletisation. It has set up a 1.2 mt per annum pellet plant and 1.89 mt per annum beneficiation plant at Donimalai in Karnataka and has awarded the operation and maintenance contract to KIOCL recently.

KIOCL, which suspended pellet exports in 2011, resumed its presence in the global market last year, shipping high-grade pellets to China. KIOCL is known as high quality maker of pellets, which are in big demand in the overseas markets.

KIOCL has four decades of experience in operating a beneficiation plant of 7.5 mt a year and a pellet plant of 3.5 mt a year.

Source: Business Standard

Sticks and Stones are only thrown at fruit-bearing trees

People with momentum all share one trait; they attract criticism. How you respond to that criticism will determine the rate of your momentum. I was reading a cover story on Billy Graham in Time Magazine recently and was surprised to find in that article several criticisms of him from fellow ministers. I was reminded of this fact: all great people get great criticism. Learn to accept and expect the unjust criticisms for your great goals and accomplishments.

It can be beneficial to receive constructive criticism from those who have your best interests at heart, but you're not responsible to respond to those who don't. Don't ever give time to a critic; instead, invest it with a friend. I like what Edward Gibbon said: "I never make the mistake of arguing with people for whose opinions I have no respect.

It's a thousand times easier to criticize than create. That's why critics are never problem solvers. "Any fool can criticize, condemn and complain, and most do". My feeling is that the person who says it cannot be done, should not interrupt the one who is doing it. Just remember, when you are kicked from behind, it means you are out in front. A Yiddish proverb says, "A critic is like the girl who can't dance so she says the band can't play.

Critics know the answers without having probed deep enough to know the questions. "A critic is a man created to praise greater men than himself, but he is never able to find them". The critic is convinced that the chief purpose of sunshine is to cast shadows. He doesn't believe anything, but he still wants you to believe him. Like a cynic, he always knows the "price of everything and the value of nothing". Don't waste time responding to your critics, because you owe nothing to a critic.

Don't belittle-be big; don't become a critic. "We have no more right to put our discordant states of mind into the lives of those around us and rob them of their sunshine and brightness than we have to enter their houses and steal their silverware". In criticizing others, remember that you will work overtime for no pay.

Never throw mud. If you do, you may hit your mark, but you will have dirty hands. Don't be a cloud because you failed to become a star. Instead, "Give so much time to the improvement of yourself that you have no time to criticize others" (Optimist Creed). Spend your time and energy creating, not criticizing.

A good thing to remember,
A better thing to do-
Work with construction gang,
Not the wrecking crew.

This is the tenth of series of "Nuggets of truth" which are our sound food for soul. Get ready to blow the lid off our limited Thinking & create your recipe for happiness & success.

Compiled by Shri K L Mehrotra
Vice Chairman – IIM-DC & Former, CMD – MOIL


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