

# GLOBAL STEEL 2012

www.globalsteel.in • THE ECONOMIC TIMES • MONDAY • 5 DECEMBER, 2011

The Future of Steel is in India

A CONSUMER CONNECT INITIATIVE

## MESSAGES



I am pleased to know that Global Steel 2012, the seventh international conference of Steel and Steel Making Raw Materials is being organised in New Delhi on January 27, 2012.

The world is witnessing an interesting phase of transformation towards an unprecedented realignment of the steel industry. India is the poster boy of this new era, attracting global attention and scrutiny given its economic growth rate and capacity additions. Steel is one of the primary components that will be driving this growth and essential in the country's future success.

At JSPL we are consistently diversifying our investment strategies, relentlessly pursuing opportunities to expand in our core areas and moving into high growth markets to emerge as one of the leading producers of steel globally.

The effort of Global Steel 2012 in bringing together the domestic and international steel and raw materials players is a worthy effort. I congratulate the organisers as well as convey my best wishes to all attendees and look forward to be a part of this unique experience.

**Naveen Jindal**

Member of Parliament and CMD, Jindal Steel & Power Ltd



India stands in the front rank of Australia's international partnerships. Our interests are converging like never before. Australian resources exports serve as a crucial motor of Indian economic growth. Indian companies are investing in the Australian mining sector, to meet surging demand for coal and iron ore. Australia also has significant mining equipment, technology and services expertise to assist in developing India's own resources.

Our growing convergence is driven not only by trade complementarity and rising investment, but common geo-strategic outlooks and closer multilateral cooperation. It is also driven by significant business relationships, rich people-to-people links and long historical connections that will continue to bring our two countries closer together.

We welcome the opportunity to participate in Global Steel 2012.

**Peter Varghese, AG**

Australian High Commissioner to India



I am pleased to learn that Gujarat NRE and The Economic Times are presenting Global Steel 2012, the seventh International Conference on Steel and Steel Making Raw Materials. Global Steel has today become a prestigious event, which is not to be missed by steel professionals.

Such efforts in bringing together the domestic steel and the raw materials industry as well as international players under one roof to chart the path forward is worth appreciation and support. I congratulate the organisers as well as convey my best wishes for the success of the summit.

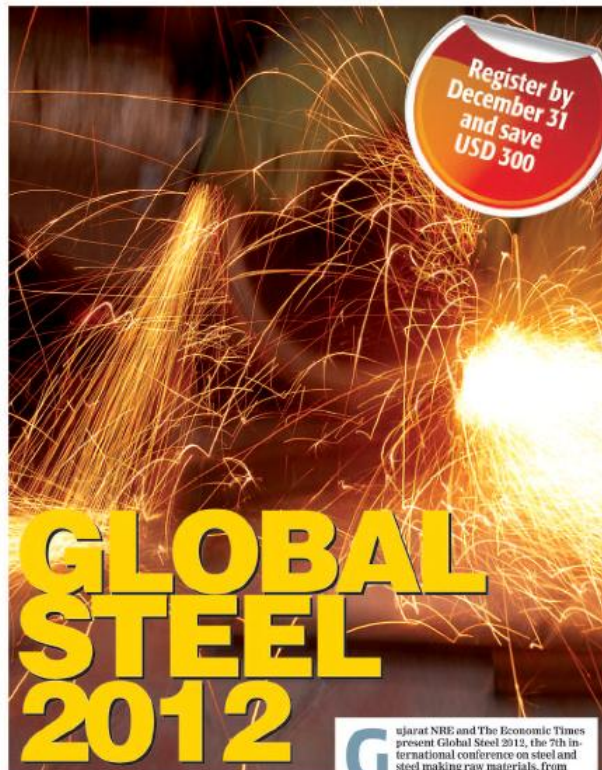
India today has already taken a leadership position in global crude steel production, and is poised to take long strides forward in the coming years. SAIL is committed to be the leader in India's growth story as always.

**CS Verma**

Chairman, SAIL

## EVENT HIGHLIGHTS

- Two-day conference
- Welcome dinner for registered delegates on January 26, 2012
- Exhibition
- Networking cocktail dinner on January 27, 2012
- Fashion show



# GLOBAL STEEL 2012

## Scripting a New Renaissance

**G**ujarat NRE and The Economic Times present Global Steel 2012, the 7th international conference on steel and steel making raw materials, from January 27 to 28, 2012 at the Taj Palace Hotel, New Delhi.

Global Steel 2012 is being organised to chart a clear path for the steel industry in India to prosper - hence the theme chosen this year is 'Scripting a new Renaissance'.

The year 2010 has seen a steady recovery for steel demand that began from the second half of 2009. Strong economic headwinds in many parts of the world, high raw materials costs and trade uncertainty all present major challenges for the global steel industry in 2011/12. India's strong domestic economy coupled with huge infrastructure needs make India the major steel hotspot.

— Continued on page 4

## CONFIRMED SPEAKERS AT GLOBAL STEEL 2012

- Naveen Jindal, member of Parliament and CMD, Jindal Steel & Power Ltd
- P K Mishra, secretary, ministry of steel, Govt of India
- Peter Varghese, AG, Australian High Commissioner to India
- Dr J J Irani, former director, Tata Sons
- CS Verma, chairman, SAIL
- Peter Marcus, managing partner, World Steel Dynamics, the US
- Jeff Watkins, global coal chairman, Wood Mackenzie, the UK
- Ajay Mishra, senior vice-president, global head, coke operations, Noble Energy, Singapore
- P K Mukherjee, managing director, Sesa Goa
- R K Goyal, managing director, Kalyani Steels Ltd
- Dilipommen, CEO & managing director, Essar Steel Limited
- V R Sharma, deputy managing director & CEO, Steel Business, Jindal Steel & Power Ltd
- John Johnson, CRU China CEO and chief representative, CRU Beijing, China
- Jim Lennen, executive director - Commodities Research, Macquarie Capital (Europe) Ltd, the UK
- Real Foley, vice-president - Coal Marketing, Teck Resources Ltd, Canada
- Marian Hookham, managing director, Energy Publishing, Australia
- Dr Nikhil Williams, CEO, NSW Minerals Council, Australia
- Ellen Ewart, managing director, Wood Mackenzie Coal Research, Australia
- Mark Greenwell, chief analyst & director, Salvo Resources, Australia
- John Kearney, executive director, SSY Consultancy Research Ltd, the UK
- Steven Randall, managing director, Steel Index, the UK
- Peter Linford, senior trade commissioner, Austrade
- Francis Browne, global director steel and metal markets, Platts, the US
- Jim Nicholson, vice-president - Asia, Argus Media Ltd
- Dr Neil J Bristow, MD, H & W Worldwide Consulting Ltd, Australia
- Arun Kumar Jagatramka, CMD, Gujarat NRE Coke Ltd

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With the governor of Maharashtra, K. Shankaranarayan



Engaged in a discussion with Anand Sharma, minister for commerce and industry, Govt of India



At the MoU signing between TAFE NSW Sydney and Illawarra Institutes and Gujarat NRE



At the programme organised by the Indo-Australian Chamber of Commerce and Gujarat NRE

## The Honourable Barry O'Farrell, Premier of NSW's trade mission— A resounding success

**T**he cultural, education and economic relationships between the Australian States of New South Wales, Barry O'Farrell, MP during mid-November. O'Farrell led a trade and investment mission of business, cultural and academic leaders from New South Wales to Mumbai, Delhi, and Bangalore between November 13 and 18, 2011. His clear message was that NSW is open for business and that NSW can be a strategic partner for the Indian government and Indian business in ways that achieve shared economic goals.

The Premier witnessed the signing of an important new agreement to provide high quality, professional training courses to principals and senior executives in Indian schools. The training will be provided by the Association of Independent Schools of New South Wales. Also noteworthy were the agreements signed between TAFE NSW Sydney and Illawarra Institutes and Gujarat NRE Coke Ltd to develop a new vocational training institute in India and a MoU between University of Wollongong & Arun Kumar Jagatramka, chairman, Gujarat NRE, for setting up an university campus in India.



Sharing a lighter moment with Pritivraj Chavan, chief minister of Maharashtra



At the scholarships and fellowships seminar hosted by Macquarie University



At the MoU signing between the Association of Independent Schools of NSW and Indian schools



The delegation members strike a pose



At a business luncheon in Mumbai



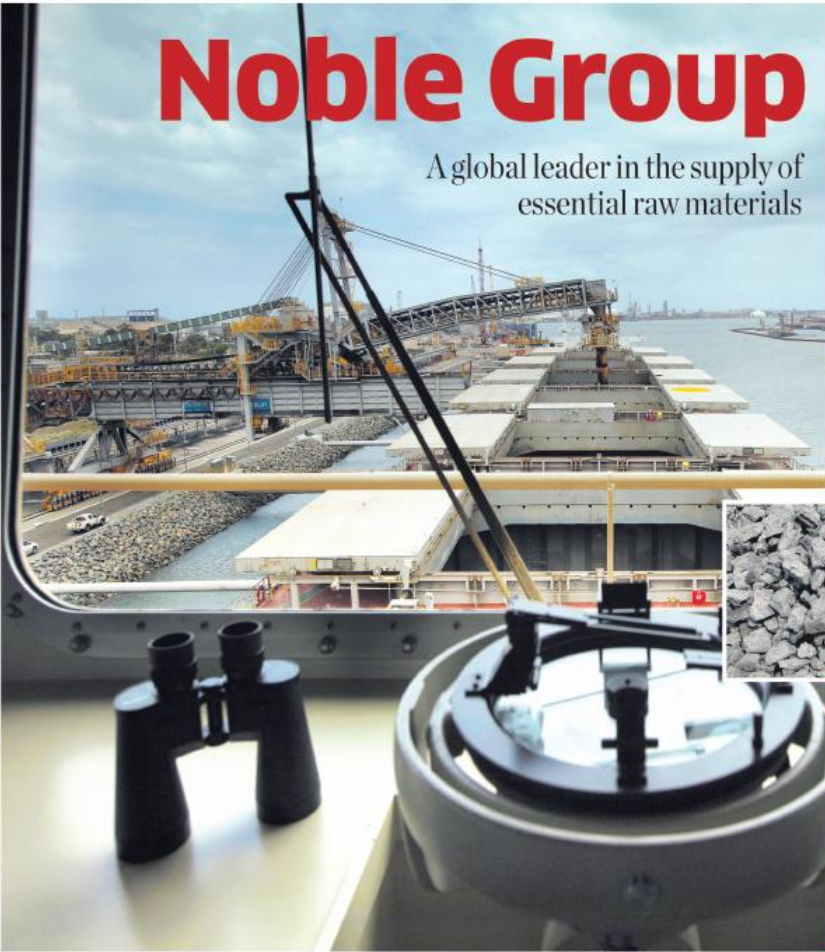
Reading out a book to a group of children



At the MoU signing between University of Wollongong and Arun Kumar Jagatramka



At the MoU signing between Cricket NSW and Mumbai Cricket Association



# Noble Group

A global leader in the supply of essential raw materials

**N**oble Group (SGX: N11) manages the global supply chain of agricultural and energy products, metals and minerals. Noble operates from over 120 offices in 40 countries, employing approximately 10 nationalities. Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation. Noble owns and manages an array of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East. Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, ports, vessels and other key infrastructure.

**Agriculture**

This business unit, accounting for the majority of the group's self-owned assets is a little over 100 years old. It has emerged over the years to become a leading player in linking low cost origin markets, in locations such as South America and the Ukraine, to emerging markets with high demand growth.

This segment's integrated pipelines store, handle and process the spectrum of key agricultural products from oilseeds and grains, palm oil, cotton, coffee to cocoa, while Noble has also emerged to become a top-tier operator of modern sugar and ethanol mills in Brazil.

**Metals, Minerals and Ores**

As one of the world's top suppliers, Noble has operations stretching from India to the United States, Australia to Europe — giving us critical mass at key origination and delivery points. Products include iron ore, ferro alloys and aluminium.

**Energy**

Noble's largest segment continues to build upon its solid platform as a global energy business. Noble's growth in the energy sector continued to gain momentum in 2010, bolstered by a series of asset acquisitions that offer new opportunities for cross-divisional synergies. The segment achieved record annual revenue, tonnage and operating income and accounted for 45% of group revenue for the year.

**Coal**

In 2010, Noble's coal operations were reorganised as the Energy Coal & Carbon Complex, with two core business platforms — bituminous sub-bituminous coal, and metallurgical coal and coke — grouped around the customer base.

**Metallurgical Coke**

Noble is the largest channel for supply of metallurgical coke to the global marketplace. The company specialises in supplying multi-origin coke to its customers' worldwide on annual term basis and has been sustaining its position as the major supplier of imported coke to Indian market. Noble also holds the position as the largest exporter of Indian metallurgical coke to worldwide destinations. Noble is supplying a wide range of products from Russia, South America and various Southeast Asian countries through long term tie-ups and structured trade finance. Noble has a diverse customer base ranging from the steel to chemical sector and ferroalloy industries, and with its global reach, is able to create meaningful synergy with other businesses within the group. We have a strong network and a dedicated research team. As such, Noble is best placed to understand the market and pass the benefits on to our key customers.

The group operates a sophisticated supply chain management network, including ocean transportation on time charter, which is able to deliver coke products directly from the coke plants and other industrial origins to the nearest ports of our end users efficiently and cost effectively. Noble is consistently pursuing strategies to continue growing volume, maintain margins and their dominant position. Their origination efforts has been further expanded in India, Indonesia, Mongolia, Colombia and the US, which has increased the group's market share and profitability.

## Suzlon S9X — Unlocking Energy Potential in Low Wind Regimes



India's installed wind power capacity at 16GW is the world's fifth largest and growing faster than ever. However, even with a conservative estimate of the country's 48GW of total wind power potential, two thirds of it is yet to be harnessed.

The key challenge being almost all of the untapped wind potential is locked in sites with medium to low wind speeds where conventional solutions may struggle to be viable. Hence the focus has now shifted to wind turbines designed to operate efficiently at lower wind speeds. Suzlon's new S9X suite of wind turbines is designed keeping this need in mind.

The S9X suite comprises of 2.1 MW capacity rated S9G and S9T variant for class 2 and class 3 wind sites respectively. The S9X design is an evolutionary

advancement over Suzlon's proven and successful platform of S88 turbines, with more than 4,600 MW of installed capacity in 13 countries.

**S9X - Strong, smart and safe**  
The S9X is a strong product backed by proven performance, efficient product development process and a customer focused team, under the umbrella of a global company with local reach. It has evolved through smart enhancements over the existing product with innovation and superior design for delivering improved performance. The heavy emphasis on safety features makes it one of the most robust turbines on the market.

A total of eight prototypes of S9X are already installed and commissioned in India, Australia and USA. The S9X tur-

bines have been certified by the internationally renowned certification body Germanischer Lloyd.

**Market Reception**

S9X was launched in April 2011 and its current order book has already crossed 800 MW in the last seven months with orders from India, Australia, Canada and USA. In India, initial customers include Mytrah Energy, Oriental Green Power, GMR Energy and Friends Group to name a few. International customers include AGL in Australia, Spertt Energy in Canada among others.

Overall, the S9X is set to be a game changer in markets like India, Europe, US and emerging markets in Latin America and Africa to harness the maximum wind power efficiently and profitably.

**SHREEJI SHIPPING** OFFERS SERVICES THAT SEAMLESSLY COMBINE EXPERTISE AND EXPERIENCE IN SHIPPING, LOGISTICS AND OTHER RELATED FIELDS



## The Right Anchor

**S**ince 1966 Shreeji Shipping provides one-stop full range of shipping related services. Shreeji shipping has been ranked as one of the topmost cargo handling company of India, handling more than 10 million mt of cargo per year and ranks amongst the most reputed shipping related service provider in the nation.

The company has the primary objective of providing the highest standard of integrity and superiority in shipping related services to its esteemed customers and clients in the field of stevedoring, lighterage, agency, transportation, custom clearance and linked services. It operates presently at Kandla, Magballia, Navlakhi, Bedi, Sikka, Jakhau, Dahaman, Porbandar, Vadinar, Roha and Tuticorin.

Shreeji Shipping is involved in handling bulk cargo and has a captive jetty at Navlakhi, floating cranes for discharging gearless vessels to allow cost effective services, a fleet of self propelled barges, mini bulk carriers, motor tugs, flotillas, excavators, pile-driver, dumpers, tippers, trailers, tankers and all other handling equipment which enable it to provide all shipping related services under one roof.

A highly professional and well-qualified team of managerial personnel in the area of operations, finance, secretarial, legal and human resources deliv-

er on their premises with day to day activities that represent value for money, quality and integrity with global reach offering services that seamlessly combine expertise and experience in shipping, logistics and related fields. The firm has evolved a number of stellar practices over a period of time. Some of them are mentioned below:

- Company's extensive policy
- Standardised procedure
- Commitment from the top bosses
- Knowledge based approach to problems
- Planned human resources training and development
- Total enforcement on quality of services
- High integrity in dealing with all agencies

Head Office:  
**SHREEJI SHIPPING**  
"SHREEJI HOUSE"

502, RASSAG CASTLEANDHERI (E), MUMBAI MAHARASHTRA - INDIA.  
EMAIL: shreeji@shreejishipping.in WEBSITE: www.shreejishipping.in



## SAILing high

The Government of India accorded the status of Maharatna to Steel Authority of India Limited through a memorandum issued on May 19, 2010. The coveted Maharatna status is a testimony of its consistent performance and stellar progress made over the years. SAIL is the largest steel producer in India with over one fifth share of domestic finished steel production with a turnover of more than ₹ 47,000 crores (in 2010-11) employing more than 1,10,984 people across India.

Major plants owned by SAIL are located at Bhilai, Bokaro, Durgapur, Rourkela, Burnpur, VISL, Bhadravati and Salem and major units are ISO certified. The tagline of the company "There's a little bit of SAIL in everybody's life" is a testimony to the fact that in last five decades it has grown from strength to strength and the SAIL brand is well

entrenched in peoples minds. SAIL's steel quality owing to its strength, value and performance finds wide range of applications across all segments which include automobiles, defence including naval warships, coated sheets, fabrication, pipes & tubes, cold reducing, containers, drums & barrels, railways, wire drawing, agricultural equipment, construction, transportation (oil/gas/water), heavy engineering, electrical equipment etc.

Following the principle of providing cost-effective and superior quality of products and services, SAIL is continuously introducing new products to meet stringent user requirements. SAIL has a well-equipped world class Research and Development

Centre for Iron and Steel (RDICIS) at Ranchi which helps to produce quality steel and develop new technologies for the steel industry.

The Central Marketing Organisation (CMO) of SAIL, with its headquarters in Kolkata, is India's largest steel marketing set up. It undertakes home sales of carbon steels produced by SAIL's five main integrated steel plants through a countrywide network of 37 branch sales offices spread across four regions, 26 departmental warehouses equipped with mechanised handling systems. 40 consign-

ment agrants and 24 customer contact offices. With the total number of dealers crossing 2,500, SAIL has its presence in all major districts of the country. SAIL dealers primarily market the company's branded products like SAIL-TMT (earthquake resistant), SAIL-Steel and light structurals, catering to direct customers in the remotest areas of the country.

Steel Authority of India Limited is a name that raises hopes in the hearts of many Indians. Since its inception, social responsibility became a buzzword (now it is called corporate social responsibility). SAIL has put in place systems for socio-economic development of the neighborhoods and communities amidst which its plants and units operate. The objective was to plough prosperity back into the environment from which its strengths emanate, to minimise inequalities by providing quality education, healthcare, infrastructure and employment avenues to all, to ensure that man and nature live in harmony, to preserve the originality of Indian culture while simultaneously promoting scientific temperament and modern technology. In short, to make a meaningful difference in people's lives — a credo that SAIL has been upholding proudly ever since. It is with this supervening credo that SAIL has over the years, adopted a Triple Bottom Line approach in the pursuit of its social obligations and has endeavoured towards value balancing, value transferring and value adding relationships with all its stakeholders. SAIL's role as a responsible corporate citizen in nation building has not gone unrecognised. The company has won prestigious awards, honours and accolades in this sphere such as India Shining Star

### A few important highlights for the year 2010 - 2011

- Production of 12.88 million tonnes of saleable steel during FY '11, with capacity utilisation at 116%.
- Production of around 14.9 million tonnes of Hot Metal and around 13.8 Million Tonnes of crude steel
- Record production of special quality and value-added products at 4.8 million tonnes.
- Highest ever crude steel production for energy efficient continuous casting (9.3 million tonnes)
- Highest-ever labour productivity of 241 tonnes/man/year
- SAIL has won various prestigious awards such as the SCOPE Meritorious Award for Environmental Excellence & Sustainable Development (2010)
- In 2010, maximum number of Shram and Vishwakarma Awards both amongst private and public sector organisations were won by SAIL. SAIL employees won eight out of 33 Shram Awards and 15 out of 28 Vishwakarma Awards declared in the country this year

CSR Award-2010 by Wockhardt Foundation in the Iron & Steel Category, SCOPE Meritorious Award for Corporate Social Responsibility & Responsiveness for the year 2008-09, Annual FICCI Awards 2008-09 in the category of "The Vision Corporate Triple Impact — Business Performance, Social & Environmental Action and Globalisation Award", Businessworld-FICCI-SEDF CSR Award for the year 2008, FICCI Award for Rural & Community Development -2006-07, CSR Award of the Ministry of Rural Development, Government of India, Golden Peacock Award -2006, 2009 & 2010-09 for CSR to Bhilai Steel Plant of SAIL, CSR Award of Tamil Nadu Government to Salem Steel Plant for the consecutive years 2007-08 and 2008-09, etc.



## Gujarat NRE National Integrity Theme Presentation Contest...

### ...At National Conference on Governance



Gujarat NRE National Integrity Theme Presentation Contest has now become an annual affair. This is being organised along with National Conference on Governance as a part of Global Steel 2012 initiative.

Trust is a valuable social asset that forms the basis of democracy. Trust demands respect for the inherent value and rights of a human being. It is true that while "taxes are the price we pay for civilisation" — civilisation cannot sustain itself without trust.

Distrust kills transparency, creates divide and furia manoeuvring to suit one's motive. If a government distrusts its people, people are likely to reciprocate by distrusting the system. Reciprocity and cooperation increase in a trust based regime where people trust that others will indeed reciprocate.

**Topic:** Trust based compliance or enforced compliance — Which is more effective?

**How to Participate:** Interested participants may send their entries (presentation) in a PPT format to the following email id: iggdelhi@gmail.com

**Last date for submission of presentation** — December 24, 2011

**Eligibility:** It is open to all. Participation of students and the youth is encouraged.

**Selection of Winners:** The winners would be adjudged purely on the basis of the presentation submitted by them. Judgment would be done by a panel of judges.

Presentations received would be the property of the organisers. The selected presentations would be made into a book for wider circulation.

**Prize Distribution:** The winners would be given a complimentary entry to attend the National Conference on Governance and would be awarded during the same on January 23, 2012 in New Delhi. The winners would however be announced in advance.

**Prize:** Five selected presentations would be declared as winners. Each of the five winners would be awarded a cash Prize of ₹ 25,000

**Please Note:** For further details on the contest, contest guidelines and an insight on the topic, please visit [www.iglobalsteel.in](http://www.iglobalsteel.in) and navigate the Integrity Section in the website.

Please also do visit [www.globalsteel.in/content/2012.html](http://www.globalsteel.in/content/2012.html) for more details.

## Global Leader in automotive steel



Kalyani Steels Ltd. (KSL) is a part of the over \$3.0 billion Kalyani Group. Bharat Forge, Kalyani Steels and Kalyani Carpenter Special Steels, Kenessey, Kalyani Lomerez, Kalyani Thermal Systems, Hikal Limited are the key companies of Kalyani Group. Bharat Forge is the flagship company of the group which focuses on forgings for automobiles, capital goods, energy, defence, nuclear and aerospace.

Kalyani Steels and Kalyani Carpenter Special Steel form the part of steel business which focus on alloy steel, stainless steel, premium melt-steels like electro-slag refined steels for high end critical applications. Total capacity of the Steel Production is at 0.5 million tonnes per annum.

Kalyani Steels and Kalyani Carpenter together supply steels in as cast blooms/billet as well as rolled bars. Products are in wide range of sizes beginning from 5.5 mm to 380 mm and as cast ingot from 5 tonne to 70 tonnes. The key customers and end users are Tata Motors, Maruti Suzuki, Ford, Toyota, Daimler Benz, Volvo, Arvin Meritor, GE, BHEL, Suzlon, Cameron, Halliburton, Schumberger etc.

Established in 1973, Kalyani Steels Ltd is a leading manufacturer of forging and engineering quality alloy steels. They develop Kalyani Steels approach are: proactive engagement with their stakeholders; attracting and retaining the best talents; provision of safe and healthy working environment; focus on using environment friendly technologies, innovating and to conserve natural resources. Kalyani Steels produces steel



through blast furnace route capable of achieving low levels of tramp elements, resulting in clean steel necessary for critical applications in automotive and engineering industries. Over the years, Kalyani Steels has been continuously upgrading its technology and infrastructure. The company has all the world class quality systems in place and their facilities are approved to various interna-

tional standards like ISO 9000, ISO 14000 and ISO 7789:2009. The office and work place have evolved from the conventional steel manufacturer to the hub of new products and innovation, acknowledged and well accepted by the user industries.

With its corporate headquarters in Pune, Kalyani Steels Ltd was set up to fulfill the in-house requirements of forging quality steel of the group. The facilities at Kalyani Steels are at par with any sophisticated steel manufacturers in the world. Although the forging industry in India is the primary market for the company's products, markets of various components for automobiles, bearings, tractors, springs, defence, aluminium smelters and rail also form a substantial part of the company's clientele.

Kalyani Steels' products compare favourably with the best steel makers in the world and because of the inherent superior qualities, it is in a position to charge premium price over its competitors.

Employee forms the most valued asset and Kalyani Steels' vision is to build a flexible and flat organisation with world class capabilities and a high performance culture. The company promotes employee involvement, which is not only limited to their specific role in their department but in the entire gamut of operations also. Employees may adopt cross functional flexibility to work in their preferred area depending upon their interest and skill.

Kalyani Steels has a set of ambitious targets to optimise natural resource usage. It remains committed to achieving the best practices in health, safety and environment. It believes in its responsibility to engage with the communities in which it operates and fostering the social and economic development.

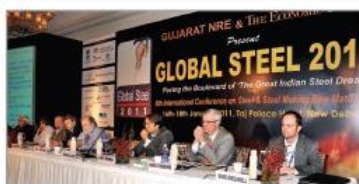
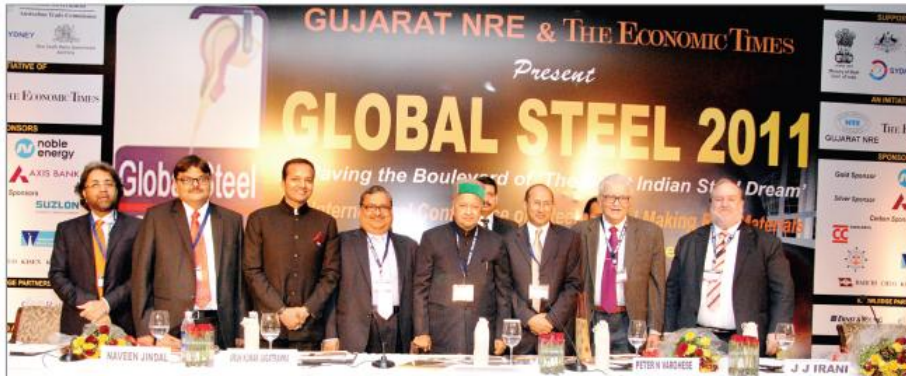
These principles are embedded across the organisation and are a key element of its employee training, development and performance at all levels.

Kalyani Steels has a well-defined sustainable development framework that comprises of governance structures and policies which act as pillars and support the sustainable development endeavour. Through this strategy Kalyani Steels is destined to meet the sustainable development challenges for long time to come.



# Global Steel - 2012

## Scripting a New Renaissance



Continued from page 1

This is very heartening since the country is reeling with various issues which are deferring the setting up of major new large steel mills. It is expected that with commissioning of new plants, India may return to become a net exporter of steel in the near future.

The conference would also analyse the supporting logistics and infrastructure facilities and their suitability and the raw material security plan. Increasing price of raw materials like coking coal and iron ore and scarce supply world wide has become one of the key concerns of steel makers around the world.

Global Steel 2012 would analyse the global trend, also the effect of China which is a dominant force in the steel spectrum, supply and demand dynamics, to chart a clear strategy for India's new steel renaissance.

Focus would also be on the role of Australia in supplying coking coal, the most important raw material in making steel. A concurrent exhibition, limited to the sponsors of the event, would also be organised.

**The prime focus points for Global Steel 2012 are:**

- Freeing up Indian entrepreneurial spirit (to achieve the steel renaissance)
- Is China close to peaking?
- Can the steel industry rise to all the challenges it faces- raw material issues, government, weak demand, environment
- Steel industry consolidation- is it about to get busy

New Indian steelmakers how will they survive in a highly competitive world?

**In addition to the above, the conference would deliberate on:**

- Global steel industry rising, globalise and meeting more
- Indian steel industry - an emerging leader in global steel order
- Steelmaking raw materials and India's future demand of coking coal
- Australian response to India's future raw material requirements
- Meeting India's future steel dream: infrastructure, environment, technology and enhancing profitability

Raw material security will continue to be our prime focus for this year as well, since we believe that it is raw material security which would determine the efficiency,

profitability and sustainability of Indian steel industry in the long run.

We would also have an additional focus on issues like infrastructure and logistic linkages, technology as well as environment, which the Indian steel industry need to address to get to the next orbit in the years to come.



## National Conference on Governance

January 29, 2012, New Delhi

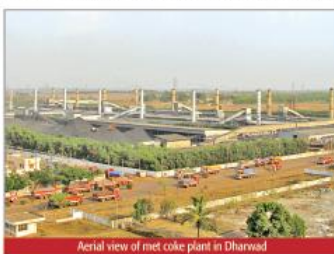
Good governance only can ensure sustainable development. With 17% of the world's people, India accounts for less than 2% of global GDP and 1% of world trade. Hence, we currently stand at the threshold of a unique opportunity regarding governance and public management reform. It is our endeavour to explore this opportunity, since it is only through good governance that those policies into action, where the criticality of good governance steps in. It is the quality of governance that separates success and failure in economic development and social justice.

Manifestation of corruption and its proliferation in humongous proportions is ultimately the result of bad governance. Our governance record in poverty alleviation programmes, development of tribal and backward areas, public distribution system, has been disastrous, which has led to various internal

disturbances, public agony and mistrust in the system. With 17% of the world's people, India accounts for less than 2% of global GDP and 1% of world trade. Hence, we currently stand at the threshold of a unique opportunity regarding governance and public management reform. It is our endeavour to explore this opportunity, since it is only through good governance that those policies into action, where the criticality of good governance steps in. It is the quality of governance that separates success and failure in economic development and social justice.

The conference would focus on the following key areas in governance:

- Governance by the government
- Electoral reforms
- Corporate governance
- Compliance in our democracy - is it trust based or enforced?



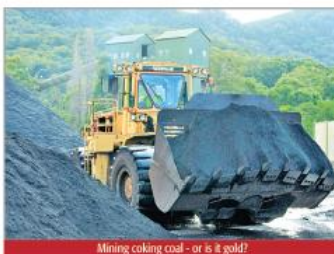
Aerial view of met coke plant in Dharwad



Coking to perfection



Longwall system in display



Mining coking coal - or is it gold?

## United and unfazed

GUJARAT NRE, UNFAZED BY THE CURRENT MARKET CONDITIONS, IS INVESTING IN BUILDING CAPACITIES

**B**e more dedicated to making solid achievements than in running after swift but synthetic happiness." It is very true in today's business, where the system has turned out to be one seeking for instant gratification. Gujarat NRE believes in making continuous advancement and in solid achievements. The company has been taking confident strides as it steers ahead in the current turbulent economic high seas.

The steel demand growth in the first seven months of the current fiscal has dropped to just 3%. According to some analysts, though demand picks up in the third and the fourth quarter, but this year the rise might not be significant and might be at the most to take the total steel demand at the end of the fiscal to around 6%. Given the sharp fall in industrial production and the prevailing economic slowdown, steel demand growth is set to more than halve this fiscal from the earlier estimate of around 12%. Steel is the backbone of any economy and the slowdown in steel demand is a reflection of the economic slowdown, which is further corroborated



Work in progress - GNCL plant in Dharwad

by the fact that the Index of Industrial Production registered a 5% growth in the first half of the fiscal down from 8.2% in the same period last year. However, after a turnaround in demand, particularly from the infrastructure and construction activities, which traditionally picks up in the second half of the fiscal.

However, unfazed by the current conditions, Gujarat NRE, which is known to be a contrarian, is investing in building capacities. According to Arun Kumar Jagatramka, chairman, Gujarat NRE, "Downturns are more in the mind and we do not let ourselves sway away by sentiments or any negative swings in the market."

Gujarat NRE, the largest independent met eco manufacturer in India and the only Indian company to own and operate coking coal mines in Australia has recently been very successful in achieving its target and meeting its schedule quite commendably.

Gujarat NRE Coking Coal Ltd, the Australian mining company has received New South Wales Planning Assessment Commission's (NSW PAC) approval for its \$482 million upgrade and expansion of its NRE Wongawilli mine west of Dugong. The company has recently sealed US\$ 100 million facility with Axis Bank Limited, Hong Kong, and thus looks forward to continue its ongoing developmental activities. Gujarat NRE is installing longwall mining at its NRE No. 1 mine and has also received the NSW Planning Assessment Commission's approval for its \$4122 million upgrade of existing infrastructure at NRE No. 3 mine at Russell Vale.

These achievements are significant, since they have been received as per schedule and hence contribute to the company's target of increasing its prime coking coal production to more than three fold from the current levels, to reach to 4 million tonnes by 2015.

Commenting in the sidelines of a business meet in Mumbai recently, Arun Kumar Jagatramka said, "Gujarat NRE has resources of more than 650 million tonnes, which is valued by various valuation experts in the range of US\$3 to US\$10 per tonne. Implying such valuation parameters even at the lower end of US\$3 per tonne - we get a valuation at US\$2 billion for the two mines. Such resource based valuations are not reflected in the usual EPS or PE calculations. It is for us to make our own value judgements." Jagatramka, further added, "At Gujarat NRE, we are growing and there is no looking back. It is only a matter of time when we start reaping rich rewards, and in the mean time I would never like to trade off long term gain to ease some short term jerks as we grow..."