



## IIF FOUNDRY NEWS BULLETIN

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**AN INDO GLOBAL FOUNDRY SUMMIT**

10-11-12 January, 2018 | Gandhinagar, Ahmedabad - India

Web-link to 66<sup>th</sup> IFC Promo Video: <https://www.youtube.com/watch?v=pfOAErCDc0>

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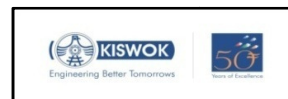
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**Glimpses from Foundry Works Visit by IIF Northern Region Members  
to Kolhapur on 11<sup>th</sup>/12<sup>th</sup> April, 2017**





# **INDIAN FOUNDRY CONGRESS**

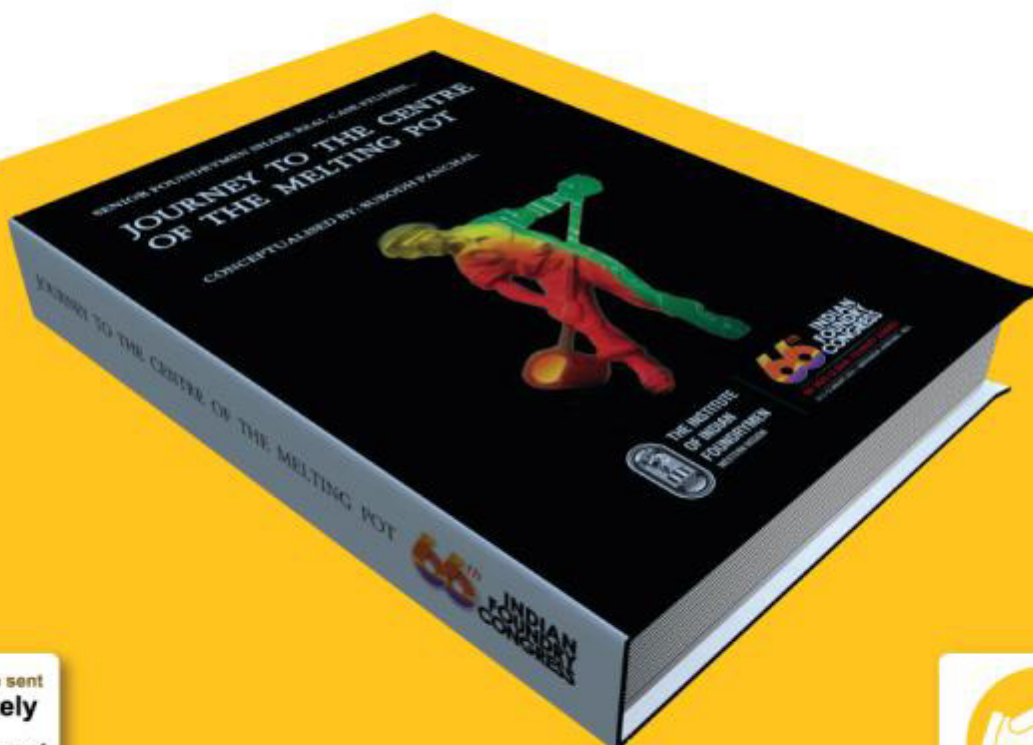
## **AN INDO GLOBAL FOUNDRY SUMMIT**

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**THE IIF : Pan India Industry Association at the service of foundry fraternity for 66 years**

## WESCON 2017 concluded with resounding success...

WESCON -17 organized by IIF-Western Region along with GMC, Kolhapur, Rajkot & Vadodara chapters was held on 14th & 15th April, 2017 at Hotel Deltin, Daman was very well organized & appreciated by all the delegates. Total 150 delegates attended the two days conference.

Mr. P. D. Pant (CMD, Metal Power Analytical India Pvt. Ltd.) was the Chief Guest. He appreciated the efforts taken by the Organizing Committee to have the WESCON 2017 at Daman. He stressed upon being systematic in whatever you do.



Mr. Rasik Patel (Director, Feedchem Inc.) was the Guest of Honour.

Mr. Amish Panchal IIF Vice President congratulated all the four chapters and the region and asked all the delegates to be more focused on modernization.

Mr. S. P Oudhia convener elaborated on keeping oneself updated, so that one can face any challenges.

Mr. M.H. Velankar, was the Chairman and Mr. Suresh Chavan was the Secretary of the Organizing Committee of Wescon 2017.

## Overseas Queries

1	Turbine Housing & Compressor Housing for Turbo Chargers	<b>Keyyang Precision Co. Ltd.</b>	8FL, 13, Teheran ro 77 gil, Gangnam-gu, 135-577, Korea E-mail: hu_yan@keyyang.co.kr	Mr. Emma
2	High Chrome Iron Casting & Ni-Hard	<b>Milson Foundry Ltd.</b>	2, Malden Street, PO Box 672, Palmerston North 4440, New Zealand E-mail: linc@milsonfoundry.co.nz <b>Phone no:</b> +64 6 3577881	Mr. Linc Davis

## Approx Major Raw Material Prices

ITEMS	Price 07.04.2017 Rs./Kg (Incl. Excise)	Price 14.04.2017 Rs./Kg (Incl. Excise)
Pig Iron (Mumbai)	33.5	34.5
Melting Steel Scrap	27.5	27.0
CRCA Scrap	29.8	31.2
Copper Ingot	430	431
Aluminum Ingot	145	145

## News Headlines..

- India Containerized Shredded Scrap import prices tumble
- India Brass, Copper Scrap prices fall tracking weakness in Copper Futures
- India Aluminium Scrap prices stay steady; Aluminium Futures settle down
- Indian Pig iron stays stable in spite of price increase demand
- Indian ferromolybdenum prices show uptrend
- US Shredded Scrap, US Aluminum Scrap prices remain unchanged
- Chinese high carbon ferromanganese prices keep stable
- Chinese ferromolybdenum prices hold firm
- Chinese ferrosilicon prices down



## In the News..

### Indian Railways may open rail procurement policy – Report

Business Standard reported that with an increase in demand for steel to build new railway tracks and upgrade existing ones, the Indian Railways is set to float a global tender this quarter to procure 250,000 tonnes of the rails from private players. This will be for the first time in close to 30 years that the national carrier will procure steel from entities other than Steel Authority of India

The BS report quoted an official source close to the development as saying that “We will float a tender this quarter. While our demand for the year is around 1.35 million tonnes, SAIL will be able to supply 1.1 million tonnes. Hence, we are going to procure steel from other players for the first time in three decades.” ***The Indian Railways wants to renew tracks of 3,500 km at a cost of Rs 10,153 crore in 2017-18.***

SAIL’s flagship unit, the Bhilai Steel Plant, is the only one from which the railways procures tracks. On average, the plant supplies 700,000-800,000 tonnes of rail to the national carrier. In 2017-18, the railways may require about 420,000 tonnes of rails for laying new tracks. This would be despite the new Universal Rail Mill (URM) at the Bhilai Steel Plant set up by SAIL at a cost of INR 1,200 crore, adding another 1.2 million tonnes per annum to its capacity. The new mill is equipped to produce a 260-metre-long rail with a single weld with improved surface quality, less residual stress and improved straightness.

### India 2<sup>nd</sup> fastest growing market for passenger vehicles globally

Economic Times reported that India was the second fastest growth market for passenger vehicles among the top five nations globally, behind China, having expanded by 7% last year.

According to global automobile industry body Organisation Internationale des Constructeurs d'Automobiles data, passenger vehicle sales in India stood at 29,66,637 units last year as against 27,72,270 units in 2015.

In overall sales, the country retained its position as the fifth biggest global market for passenger vehicles. China posted a growth of 14.93% at 2,43,76,902 units last year as compared to 2,12,10,339 units in 2015. It remained the world's biggest market for PVs.

Germany was the third fastest growing market for PVs globally with a growth 4.54% at 33,51,607 units in 2016 as compared to 32,06,042 units in the previous year.

In terms of size the country was, however, the fourth largest market behind Japan, which witnessed a decline of 1.65% in its passenger vehicle sales at 41,46,459 units last year as against 42,15,889 units in 2015.

The world's second largest market for PVs was the US which clocked a total of 68,72,729 units in 2016 as compared to 75,16,826 units in the previous year, down 8.56%.

### Centre to revisit ITIs’ adoption by industries

The Centre has decided to revisit its policy of adoption of industrial training institutes (ITIs) by the private sector industrial units.

Following the footsteps of Maharashtra government that has withdrawn the policy of handing over of ITIs to industrial units, the Union skill development ministry is now studying the loopholes in the policy. Most of India’s major manufacturing giants have adopted and are running as many as 1,200 ITIs in the country since 2007.

In 2007, the Centre had rolled out a scheme allowing industrial units of repute to adopt ITIs to get trainees exposed to the latest technological know-how and better their employment prospects.

These companies not only add infrastructure and equipment to the ITI they adopt but also tweak the curriculum according to the industry needs. Even instructors who are deputed by the government are exposed to the latest technological advancements prevalent in the industry. It works in the larger interest of the industry also as it gets the talent pool of its choice which otherwise ITIs cannot generate on its own.

As many as 1,396 ITIs were earmarked for the scheme under which the industrial unit would get ₹2.5 crore interest-free loan for sprucing up the ITI infrastructure. India has a total of about 13,000 ITIs.

Industry too had welcomed the scheme as it could produce the workforce as per their needs by tweaking the curriculum to meet their requirements. The ITI's infrastructure including equipment is not up to the mark to keep pace with technological advancements in the industry.

KP Krishnan, secretary, ministry of skill development and entrepreneurship, told HT, "We are revisiting the policy of handing over of ITIs to private players. My team is studying the loopholes in the policy."

Krishnan said the private sector connect with ITIs was an absolute necessity as it helps meet industry needs and produces workforce, without which the whole purpose of training youths is a waste. "But tax payers may raise the issue and ask why the government sets up ITIs with huge capital investment but hand them over to private players. We definitely want industry connect but do not want to abdicate too. If they (industry) want to produce their own people, they can have their own set up," said Krishnan.

He said the methods were being explored on how to maintain industry connect with ITIs without handing over the infrastructure to it. He said, "We would soon reach out to industry to get their feedback in terms of what it wants." However, apex industry body Confederation of Indian industries (CII), the member companies of which have adopted 398 ITIs, is not amused with the proposed move.

CII has expressed concern over the potential effect on the job prospects of the trainees if adoption policy is withdrawn.

"The industrial units that adopt ITIs help trainees not only with training on advanced technological advancements but also add to the infrastructure of these institutes. The trainees of such ITIs stand better chance of being absorbed in these companies and at better remunerations," said a senior CII functionary on condition of anonymity.

## **Andhra Pradesh likely to bag Rs 10,000-crore Kia project**

South Korea's Kia Motors may put in as much as Rs 10,000 crore in one of the biggest foreign direct investment projects in India, with the Hyundai Motor unit selecting Andhra Pradesh for its maiden facility after a two-year, four-state search in Asia's third-largest car market.

Two persons aware of the development told ET that Kia, a unit of South Korea's biggest carmaker, has chosen Penukonda in Anantapur district in southern Andhra Pradesh, which is starting the process of buying land for the factory. Kia's choice of Andhra Pradesh — amid intensifying interstate rivalry to draw investments as part of the Make-in-India initiative — helps reinforce N Chandrababu Naidu's credentials as a business-friendly chief minister.

"The car manufacturing facility, a first for Andhra Pradesh, will involve two phases with a cumulative investment of \$1.6 billion, or Rs 10,300 crore, with first phase of investment amounting to about Rs 6,000 crore," said one of the persons mentioned above. "The first phase of the production facility will have an installed capacity to produce 3 lakh units a year." In February 2016, ET was first to break the news of Kia's plans to set up a plant in India. Its parent company, Hyundai, has been in the country since the late 1990s.

Kia's decision on the plant comes amid India's growing stature as a manufacturing hub, with several overseas companies responding to the federal government's Make-in-India initiative.

## **TReDS: How the system meant to help MSMEs get capital works**

The Reserve Bank of India (RBI) has allowed three players to launch Trade Receivables Discounting System (TReDS) — a digital platform where small businesses (MSMEs) can get access to capital by auctioning their trade receivables. Here is a detailed explanation of the concept of TReDS:

### *What is TReDS?*

It is an electronic platform that allows auctioning of trade receivable. The process is also commonly known as 'bills discounting', a financier (typically a bank) buying a bill (trade receivable) from a seller of goods before it's due or before the buyer credits the value of the bill. In other words, a seller gets credit against a bill which is due to him at a later date. The discount is the interest paid to the financier.

### *Who are the various stakeholders in the ecosystem?*

Seller, say, for instance, a garment manufacturer or an automobile spare parts manufacturer; buyer, say, for instance, a big retailer like Pantaloons or D-Mart or a bike manufacturer like Honda or Bajaj; financier, mostly a bank or a factoring company which gives an advance to the seller against a bill due to him from the buyer; and discounting platform provider. As per RBI TReDS guidelines, only MSMEs can participate as sellers, while banks, non-banking financial companies and factoring companies are permitted as financiers.

### *How does the system work?*

A seller has to upload the invoice on the platform. It then goes to the buyer for acceptance. Once the buyer accepts, the invoice becomes a factoring unit. The factoring unit then goes to auction. The financiers then enter their discounting (finance) rate. The seller or buyer, whoever is bearing the interest (financing) cost, gets to accept the final bid. TReDs then settle the trade by debiting the financier and paying the seller. The amount gets credited the next working day into the seller's designated bank account through an electronic payment mode. The second leg of the settlement is when the financier makes the repayment and the amount is repaid to the financier.

### *What are the discounting rates?*

The financiers can't bid below marginal cost of funds-based lending rate (MCLR) rate set by the RBI. Typically, for buyers with good credit ratings, financiers bid near the MCLR rate. The spread widens depending upon the buyers' credit rating.

### *Who are the discounting platform providers in the country?*

RBI has given license to three entities and they are governed by the Payment And Settlement

Systems Act. These are Receivables Exchange of India (RXIL), which is a joint-venture between National Stock Exchange and SIDBI; A Treds, a joint-venture between Axis Bank and Mjunction Services; and Mynd Solution. RXIL was the first one to go live on January 9.

### *How are the volumes on these platforms?*

The concept is still at a very nascent stage and all the three players are trying to empanel more corporates and financiers in order to succeed.

### *What are the teething issues faced by the platforms?*

All the transactions undertaken on the TReDS have to be registered with the Central Registry of Securitization and Asset Reconstruction and Security Interest of India. The registration charge goes up to Rs 750, which discourages small-ticket sellers from using the platform. Also, TReDS providers want the KYC (know your customer) related regulations to be streamlined. Further, they want more players to be allowed as financiers. Currently, only banks and certain NBFCs are allowed to be financiers. Experts say even other participants like high networth individuals should be allowed to act as a financier to expand the market.

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## **International News..**

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### **Cadillac Casting Recognized by Meritor With Supplier Partner Award**

Cadillac Casting (Cadillac, Michigan) was one of 21 companies recognized by Meritor (Troy, Michigan) with a Supplier Partner Award. Cadillac was honored because it exceeded Meritor's requirements for excellence in quality, delivery, cost savings and innovation.

"Cadillac Casting is very proud to receive recognition from Meritor as the 2016 Foundry Supplier of the Year," said Kyle Klein, vice president business development, Cadillac.

"This award validates Cadillac Casting's outstanding efforts to support our customers with quality, delivery, and customer service. Our partnership with Meritor continues to strengthen, and we are very appreciative of their continued support."



## Government Schemes

### Bank Credit Facilitation Scheme

To meet the credit requirements of MSME units NSIC has entered into a Memorandum of Understanding with various Nationalized and Private Sector Banks. Through syndication with these banks, NSIC arranges for credit support (fund or non fund based limits) from banks without any cost to MSMEs.

Furthermore the MSMEs can upgrade their competence in terms of business and technologies by getting rated through independent, renowned and professional rating agencies empanelled with NSIC. The empanelled rating agencies are CRISIL, ONICRA, SMERA-D&B, CARE, India Ratings, BRICKWORK and ICRA.

The MSE's which get rated under NSIC-Performance and Credit Rating Scheme not only has a liberty to get rated from any one of rating agencies of its preference but it also invariably increases their creditability in business and help them in getting timely credit from banks at liberal rates of interest. All documentations pertaining to completion and submission of a credit proposal to banks shall be undertaken by NSIC thereby saving cost and time to MSME.

For more information on the scheme, please click on the following link

<http://www.nsic.co.in/bankfaci.asp>

### Notifications/ Circulars

#### Ministry of Finance, Dept. of Revenue, CBEC

Notification No. No. 10/2017-Central Excise (N.T.), 13.04.2017

Seeks to amend CENVAT credit Rules, 2004 to allow the importer of the goods to take Cenvat credit on basis of the challan of payment of service tax by the said importer on the services provided by a foreign shipping line to a foreign charterer w.r.t. goods destined for India.  
<http://cbec.gov.in/resources/htdocs-cbec/excise/cx-act/notifications/notfns-2017/cx-nt2017/cent10-2017.pdf>

#### Ministry of Finance, Dept. of Revenue, CBEC

Notification No. 33/2017-Customs (NT)/ 06.04.2017

Rate of exchange of conversion of the foreign currency with effect from 7th April, 2017

<http://cbec.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2017/cs-nt2017/csnt33-2017.pdf>

#### Ministry of Finance, Dept. of Revenue, CBEC

Step by Step Guide for GST Enrolment for existing Central Excise / Service Tax Assesseees

<http://cbec.gov.in/resources/htdocs-cbec/gst/user-guide-for-migration.pdf>

### Upcoming Indian Events

	<b>ALUCAST-2018</b> 06 - 08 Dec., 2018 Delhi/ NCR, India <a href="http://www.alucast2016.com/">http://www.alucast2016.com/</a>
	<b>66<sup>th</sup> Indian Foundry Congress</b> 10-12 January 2018 Gandhinagar, Gujarat

### Upcoming International Events

	<b>CHINA DIECASTING 2017</b> From.: 19 <sup>th</sup> to 21 <sup>st</sup> July, 2017 Venue: SHANGHAI URL: <a href="http://WWW.DIECASTEXPO.CN/EN/">HTTP://WWW.DIECASTEXPO.CN/EN/</a>
	<b>THE 73RD WORLD FOUNDRY CONGRES</b> From.: 23rd to 27th Sept., 2017 Venue: Poland URL: <a href="http://WWW.73WFC.COM/">HTTP://WWW.73WFC.COM/</a>

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