



खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 2, No-24**

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

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# खनिज समाचार

# KHANIJ SAMACHAR



A FORTNIGHTLY NEWS CLIPPING SERVICE  
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INDIAN BUREAU OF MINES  
VOL. 2, NO-24, 16<sup>TH</sup> – 31<sup>ST</sup> DECEMBER, 2018

BUSINESS LINE DATE : 17 /12/2018 P.N.11

GLOBAL	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1908	-2.2	-0.9	-6.1	2603	1907
Copper	6128	-0.3	0.3	-9.4	7324	5820
Iron Ore	68	2.3	-7.0	2.2	77	58
Lead	1941	-2.1	0.5	-22.1	2683	1867
Zinc	2569	-4.2	0.1	-19.4	3619	2285
Tin	19369	1.9	0.2	2.1	22104	18400
Nickel	11010	1.5	-2.0	-0.8	15749	10704

BUSINESS LINE DATE : 24 /12/2018 P.N.11

GLOBAL	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1908	0.0	-1.8	-10.6	2603	1907
Copper	5968	-2.6	-4.8	-15.3	7324	5820
Iron Ore	70	2.2	-5.5	0.4	77	58
Lead	1961	1.0	-1.0	-21.4	2683	1867
Zinc	2554	-0.6	-4.1	-21.1	3619	2285
Tin	19375	0.0	0.6	-0.1	22104	18400
Nickel	10796	-1.9	-1.4	-10.1	15749	10704

BUSINESS LINE DATE : 31 /12/2018 P.N.11

GLOBAL	Change in %			52-Week		
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1857	-3.7	-3.5	-18.4	2603	1880
Copper	5987	-0.1	-4.1	-17.5	7324	5820
Iron Ore	70	1.2	8.2	2.3	77	58
Lead	2052	4.7	7.5	-18.5	2683	1867
Zinc	2493	-4.3	-2.0	-24.9	3619	2285
Tin	19525	1.3	7.1	-2.4	22104	18400
Nickel	10647	-2.0	-0.7	-13.4	15749	10644

## वेदांता का स्टरलाइट प्लांट तमिलनाडु में फिर शुरू होगा

एजेंसी | नई दिल्ली वेदांता ग्रुप की कंपनी स्टरलाइट के तूतीकोरिन स्थित कॉपर प्लांट को बंद करने के तमिलनाडु सरकार के फैसले को नेशनल ग्रीन ट्राइब्यूनल (एनजीटी) ने शनिवार को निरस्त कर दिया है। प्लांट बंद करने को अनुचित बताते हुए तमिलनाडु प्रदूषण नियंत्रण मंडल को नया सहमति पत्र जारी करने का



आदेश दिया है। राज्य के मुख्यमंत्री ई पलानीसामी ने इस फैसले को सुप्रीम कोर्ट में चुनौती देने की बात कही है। एनजीटी चेयरपर्सन जस्टिस आदर्श कुमार गोयल की बेंच ने वेदांता लिमिटेड को अगले 3 साल में कल्याणकारी गतिविधियों पर 100 करोड़ रुपए खर्च करने को कहा है। सालाना 6 लाख टन कॉपर उत्पादन करने वाले स्टरलाइट प्लांट को मई में बंद किया गया था। वेदांता लिमिटेड की तमिलनाडु में स्टरलाइट कॉपर फैक्टरी को दोबारा खोलने पर फैसला करने के लिए एनजीटी ने समिति बनाई थी जिसने राज्य सरकार के फैसले को गलत बताया था। कंपनी ने मई में राज्य सरकार की ओर से फैक्टरी बंद करने के आदेश को चुनौती देने वाली एक याचिका दायर की थी।

प्रदूषण के विरोध में प्रदर्शन के दौरान फायरिंग में 13 की मौत हुई थी : मई में प्लांट के विरोध में हिंसा हुई थी, जिसमें 13 लोगों की मौत हो गई थी। 22 मई को तूतीकोरिन में प्लांट का विरोध कर रहे प्रदर्शनकारियों के पथराव और आगजनी करने पर पुलिस ने फायरिंग कर दी जिसमें 13 लोगों की जान गई थी।

प्रभात	589-2	128-1
प्रभात नाईट	139-3	559-9
मणिपुर मॉर्निंग	130-4	130-4
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कल्याण	136-0	466-6
राजधानी	--	--
कुबेर	--	--

NAVBHARAT DATE : 16 /12/2018 P.N.9

## फिर खुलेगा स्टरलाइट का कॉपर प्लांट

एजेंसियां | तूतीकोरिन स्थित वेदांता ग्रुप की कंपनी स्टरलाइट के कॉपर प्लांट को बंद करने के तमिलनाडु सरकार के फैसले को नेशनल ग्रीन ट्राइब्यूनल (एनजीटी) ने निरस्त कर दिया है। इसके साथ तमिलनाडु पलूशन कंट्रोल बोर्ड को नया सहमति पत्र जारी करने का आदेश दिया है। एनजीटी ने स्टरलाइट बंदी को अनुचित बताया है। इस बीच राज्य के मुख्यमंत्री ई पलानीसामी ने इस फैसले को सुप्रीम कोर्ट में चुनौती देने की बात कही है। एनजीटी चेयरपर्सन जस्टिस आदर्श कुमार गोयल की बेंच ने वेदांता लिमिटेड को अगले 3 साल में कल्याणकारी गतिविधियों पर 100 करोड़ रुपये खर्च करने को कहा है। सालाना 6 लाख टन कॉपर उत्पादन करने वाले स्टरलाइट प्लांट को मई में बंद किया गया था।

ज्ञात हो कि मई में प्लांट के विरोध में भारी हिंसा हुई थी, जिसमें 13 लोगों की मौत हो गई थी। तूतीकोरिन में प्लांट का विरोध कर रहे लोग 22 मई को जब पथराव और आगजनी का सहारा लेने लगे तो पुलिस ने फायरिंग कर दी जिसमें अब 13 लोगों की जान चली गई थी।



**RESUMPTION** of operations at the Thoothukudi facility could add 4% to operating margins and raise EPS, say analysts

# Vedanta Rallies After NGT Stays Copper Plant Closure

Our Bureau

**Mumbai:** Shares of Vedanta rallied as much as 7% on Monday after the National Green Tribunal (NGT) on Saturday set aside the Tamil Nadu government order for closure of mining company Vedanta Copper plant at Thoothukudi.

Resumption of operations at the plant will add 4% upside to Vedanta's operating margin or earnings before interest, tax, depreciation and amortisation (EBITDA) in FY20 and 8% to revenues during the same period, according to analysts.

Analysts expect an EPS increase from ₹33.1 to ₹35.8 in FY20 and from ₹34.4 to ₹37.8 for FY21. Copper smelting operations contributed ₹ 1,700 crore to FY18 EBITDA and accounted for 8% of consolidated EBITDA. The contribution from copper operations would have declined in FY19-21 in Vedanta's earnings due to volume ramp-up in other operations.

"If Vedanta's copper smelter restarts in early FY20, our consolidated EBITDA estimate can increase by 5% and earnings by 8%," said Abhishek Poddar, analyst, Kotak

## Brokerage Calls

Firm	Recommendation	Target Price (₹)
Kotak Securities	Buy	330
Axis Capital	Buy	258
IIFL	Buy	273
ICICI Securities	Buy	247
Morgan Stanley	Equal weight	235
JP Morgan	Overweight	345
Macquarie	Outperform	260



Securities. "Our positive view on the stock reflects strong volume growth pipeline in zinc and oil and gas operations over FY 2020-21, improving outlook of global aluminum markets led by a persistent deficit in world ex-China markets."

The Tamil Nadu government, however, might challenge the NGT's final order in the Supreme Court. The restart of the copper smelter may be contingent upon the court's verdict.

Vedanta has been among the worst performing metal stocks in the Nifty so far this year with 39% decline as against 4% increase in the index.

Vedanta currently trades at 4 times FY20 estimated EV/EBITDA.

"Vedanta offers a high beta play on the commodity outlook. We expect the underlying business to improve from here," said Pinakin Parekh, analyst, JP Morgan India.

Vedanta's copper smelter is not in operations since March 27, 2018 due to non-issuance of consent by Tamil Nadu Pollution Control Board.

"The restart will add 4% and 8% upside risk to our FY20 EBITDA and earnings estimates, respectively," said Ashish Jain, analyst, Morgan Stanley India.



# Tata Steel & Thyssen Announce Leadership Team for Europe JV

Thyssenkrupp's  
steel division CEO  
Andreas Goss  
named CEO-elect

Our Bureau

**Kolkata:** Tata Steel and Thyssenkrupp on Monday announced the top leadership team for their proposed joint venture in Europe. Andreas Goss, CEO of Thyssenkrupp's steel division, has been designated the CEO elect of Thyssenkrupp Tata Steel, the name of the proposed JV and will also serve as chairman of the management board.

Hans Fischer, currently CEO of Tata Steel Europe, has been named deputy CEO & chief technology officer of the JV, an official statement said. Sandip Biswas, currently Tata Steel's group executive vice president, finance, will be the CFO, while Premal Desai, currently CFO of Thyssenkrupp Steel Europe, will be the chief strategy officer of the JV. The two companies are slated to announce the next level of management early in the new year.

The European Commission is currently conducting an in-depth investigation into the proposed joint venture, which is subject to merger control clearance in several jurisdictions besides the European Union. Tata Steel had recently said it expects the proposed merger related formalities to be done by March 2019.

In June 2018, Tata Steel and Thyssenkrupp signed definitive agreements to combine their European steel businesses into a 50:50 joint venture. The proposed new company to be headquartered in the Amsterdam area is tipped to be Eu-



rope's second largest steel company.

"This marks an important step forward in our preparations towards establishing the planned joint venture," said TV Narendran, CEO and managing director of Tata Steel.

"I am fully convinced that this board will successfully lead the integration of the joint venture, given their extensive technical and operational expertise as well as their broad intercultural experiences. They will optimally set up the joint venture to address future challenges of the industry and meet the needs of the customers," said Guido Kerkhoff, CEO of Thyssenkrupp.

"Both companies remain committed to constructive engagement with the European Commission as part of the ongoing regulatory review process. Both parties are working together to ensure the success of this transaction as soon as possible," an official statement from the steelmakers said.

It further added that until the completion of the JV process, Thyssenkrupp Steel Europe and Tata Steel in Europe will continue to operate as separate companies and as competitors and the incumbent organisation of the respective companies will continue to operate as currently.

THE HINDU  
DATE : 18 /12/2018 P.N.13

## Goss is CEO for Tata Steel JV in Europe

SPECIAL CORRESPONDENT  
MUMBAI

Andreas Goss will be the chief executive officer of Thyssenkrupp Tata Steel B.V., the proposed joint venture between Tata Steel and Thyssenkrupp.

Mr. Goss is currently the chief executive officer of Thyssenkrupp's steel division.

He would chair the management board of Thyssenkrupp Tata Steel B.V., according to a statement from Tata Steel. Hans Fischer, now the CEO of Tata Steel Europe, would be the deputy CEO and chief technology officer of the JV. Tata Steel and Thyssenkrupp on Monday had decided on the members of the future management board for the JV to be headquartered in Amsterdam.

BUSINESS LINE  
DATE : 18 /12/2018 P.N.4

## NMDC challenges Karnataka's demand for higher revenue from Donimalai ore

REUTERS

New Delhi, December 17

Iron ore miner NMDC Ltd on Monday sued Karnataka to block demands for a bigger share of revenue from the sale of iron ore from a local mine, said a senior state-level official.

Rajender Kataria, the State's Mining Secretary, told Reuters a court will hear the matter on January 10.

Karnataka plans to auction the Donimalai iron ore mine as NMDC, majority owned by the Indian government, refused to pay an additional levy on ore sales from the mine, he said.

Karnataka levied the additional fee when it renewed NMDC's licence for the Donimalai mine last month, and the state-owned miner contested it.



## Cement price may see upward revision

SPECIAL CORRESPONDENT  
HYDERABAD

Cement consumers may well brace to pay more with manufacturers of the commodity planning to take a review of the price in the coming months in the wake of volatility in the input costs.

A review is on the cards in

next 3-4 months, a representative of the industry told media persons at a briefing on the two-day Cement Expo international conference and exhibition beginning in the city on December 20.

Cement companies would like to review the prices once the coal and fuel prices sta-

bilise. They would also prefer to wait for the Union Budget before taking a decision, said Atul Priyadarshi, Senior AGM of Kalburgi Cement Pvt Ltd (formerly Vicat Sagar Cement).

Holding to the prices beyond a point and sustaining in the backdrop of rising

input costs, however, would be difficult for the industry, he said, adding that the price per bag of cement in Telangana was in the ₹280 to ₹320 band.

In TS and AP, there are around 25-30 cement companies, of varying sizes, dealing in around 70 brands.

## Tata Steel's petition: NCLAT reserves order on Bhushan Power

OUR BUREAU

Mumbai, December 20

The National Company Law Appellate Tribunal (NCLAT) has reserved order on Bhushan Power and Steel Ltd (BPSL), and directed both JSW Steel and Tata Steel to file written submissions, if any, by next Wednesday.

A two-member Bench headed by Justice SJ Mukhopadhyaya on Thursday completed the hearing in the case filed by Tata Steel alleging that lenders of BPSL allowed rival JSW Steel to revise its bid upward twice after Tata Steel was declared the highest bidder.

Initially, JSW Steel had placed a bid of ₹11,000 crore for BPSL while Tata Steel bid ₹17,000 crore. Late entrant Liberty House bid ₹18,500 crore. Subsequently, JSW Steel revised its bid to ₹19,700 crore, pipping

both its rivals to win the two-thirds vote of BPSL lenders.

BPSL owes over ₹48,500 crore to a consortium of lenders led by Punjab National Bank, and is one of the 12 large companies identified by the RBI for early resolution. It operates a 3.5 million tonne steel plant in Odisha.

Meanwhile, BPSL promoter Sanjay Singal has challenged the Insolvency and Bankruptcy Code (IBC) in general and Section 29A in particular. The section bars defaulting promoters from bidding for stressed assets.

Singal has also questioned the retrospective applicability of Section 29A on BPSL's resolution since an amendment was introduced in November last year, while the steel company was admitted for insolvency in July. He claims the clause viol-

ates his right to equality before law.

### 'Discount sale'

In his petition, Singal also said that by excluding the promoter from bidding for his own asset, BPSL's resolution process has been converted into its sale at a huge discounted rate based on its liquidation value of ₹9,700 crore, instead of its going concern value of ₹25,000 crore.

# Steel companies staying off Karnataka's 'overpriced' ore

Supplies dry up as NMDC halts mining over 80% royalty fiat

SURESH P IYENGAR

Mumbai, December 20

Steel companies in Karnataka have urged miners and the State government to price iron ore inventory on the basis of 'value-in-use' rather than pegging to prices prevailing in other States.

The Karnataka Iron and Steel Manufacturers Association has said the inventory pile-up of about two million tonne of low-grade iron ore in the State was the result of over-pricing, given the low iron content.

## Supply shortage

There has been a huge shortage of iron ore in the State after NMDC stopped supply from the Donimalai mine following the government's decision to enhance the premium to 80 per cent on lease renewal of the mine to the public



The Karnataka government and miners recently appealed to the Centre to allow iron ore exports so that the inventory can be cleared REUTERS

sector mining major, it said. The State government and miners recently appealed to the Centre to allow iron ore exports so that the inventory can be cleared.

JSW Steel, one of the largest steel companies with 12 million tonnes per annum capacity at Vijayanagar in Karnataka, has been importing iron ore from Australia and blending it with supplies from Odisha and Chhattisgarh.

Seshagiri Rao, Joint Managing Director, JSW Steel, told *Business Line* that it is cheaper to import iron ore from Australia than buying it from the State if one considers 'value-to-use' pricing model. Depending on the alumina content in the ore, globally miners give up to \$20 a tonne discount. But in India the ore is hardly priced on quality and even if it is done the quality delivered is suspect, he added.

Many of the small sponge iron ore manufacturers have already shut shop or are on the verge of closing down their business due to iron ore shortage in the State, he said.

## NMDC suit against govt

Meanwhile, NMDC has filed a case in Karnataka High Court against the State government claiming 80 per cent share of revenue from the sale of iron ore from the Donimalai mine. The matter is posted for hearing on January 10.

NMDC should price the Donimalai iron ore so high that it should cover the cost and make some profit after paying 80 per cent of the revenue to the State government, said an analyst. The huge premium assigned for renewing the Donimalai mine lease to NMDC comes even as the State government has enriched its coffers through royalty collection and miners' contribution to District Mineral Foundation, he added.



## Near-term view is negative for MCX-Lead



GURUMURTHY K

BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange fell in the past week as expected. The contract has declined decisively below the key 21-day moving average support level of ₹139 per kg. It is currently trading at ₹137 per kg.

The near-term bias is negative. A crucial support is in the ₹132.5-133 region, which is likely to be tested in the coming days. Whether or not the contract breaks below ₹132.5 will be key to deciding the direction of the next move.

If the MCX-Lead futures contract manages to bounce from the ₹132.5-133 support zone, the downside pressure would ease. In such a scenario, a relief rally initially to ₹138 is possible. A further break above ₹138 will then increase the likelihood of the upmove extending towards ₹143 thereafter.

On the other hand, if the MCX-Lead futures contract breaks below ₹132.5, the downside pressure will increase. Such a break can take the contract initially lower to ₹130. A further break below ₹130, will then increase the possibility of the contract tumbling towards ₹125 or even ₹122 over the medium term.

Traders can stay out of the contract until a clear trade signal emerges.

### Global trend

The Lead (three-month forward) contract on the London Metal Exchange is continuing to trade in a sideways range. The contract has been stuck between \$1,900 and \$2,020 per tonne over the past few weeks. Within this range, the contract fell to a low of \$1,922 and has bounced from there. It is currently trading at \$1,964 per tonne.

The LME-Lead contract is likely to retain its sideways move for some more time. An upmove to test \$2,000 and \$2,020 — the upper end of the range is likely in the near term. A breakout on either side of \$1,900 or \$2,020 will determine the direction of the next move.

THE HITAVADA DATE : 21 /12/2018 P.N.9

## Crude steel output falls by 1.3% in Nov

- Crude steel production for the 64 countries reporting to WSA was 148.617 MT in Nov 2018, a 5.8 pc increase compared to Nov 2017
- China's crude steel production for Nov 2018 stood at 77.62 MT, a hike of 10.8 pc compared to 70.024 MT in year-ago month

NEW DELHI, Dec 20 (PTI)

INDIA'S crude steel output dipped by 1.3 per cent to 8.49 million tonnes (MT) in November, according to the World Steel Association. The country had produced 8.60 MT of crude steel during the same month a year ago, the global industry body said in its latest report.

In October, India registered a marginal growth in its crude steel output at 8.77 MT.

The country has set an ambitious target of ramping up its production capacity to 300

MT by 2030.

"Crude steel production for the 64 countries reporting to the association was 148.617 MT in November 2018, a 5.8 per cent increase compared to November 2017," it added.

China's crude steel production for November 2018 stood at 77.62 MT, an increase of 10.8 per cent compared to 70.024 MT in the year-ago month. Japan's output fell 0.5 per cent to 8.66 MT in the reported month.

The US produced 7.42 MT of crude steel, a rise of 11.8 per cent as compared with 6.64 MT in November 2017. In the European Union, the Association said France produced 1.4 MT crude steel, Italy 2.2 MT and Spain produced 1.3 MT in November 2018.

While Turkey's crude steel production was at 3.1 MT, Ukraine produced 1.7 MT. The World Steel Association members represent about 85 per cent of the world's steel production, including over 160 steel producers with 9 of the 10 largest steel companies, national and regional steel industry associations, and steel research institutes.



# Sterlite applies to State pollution control body to reopen TN plant

Will restart operations in two months if given the go-ahead

## OUR BUREAU

Chennai, December 20

Following the recent National Green Tribunal (NGT) directive to reopen the Sterlite copper plant in Thoothukudi, the company has reapplied with the Tamil Nadu Pollution Control Board (TNPCB) for consent to operate (CTO).

If given permission, the company will be able to restart operations in two months after some basic maintenance work, said P Ramnath, CEO, Sterlite Copper. It's a big 'if', as the State government has announced it will appeal against the NGT order in the Supreme Court.

In February, the TNPCB rejected



P Ramnath, CEO of Sterlite Copper, at a press conference in Chennai on Thursday M VEDHAN

ted the company's CTO application for 2018-2023 due to its alleged failure to comply with the conditions imposed at the time of the previous renewal of consent order. This was the start of a series of events that led eventu-

ally to the closure of the plant.

On May 23, the TNPCB ordered the closure of the Sterlite plant with immediate effect, and directed Tamil Nadu Generation and Distribution Corporation (Tangedco) to disconnect power supply to the unit. This came two days after 15 people were killed in police firing on anti-Sterlite protesters.

Speaking to newsmen here on Thursday, Ramnath said the first thing the company needs is permission to enter the premises to examine the plant and take up various maintenance works. "Once done, we will be able to start the plant in two months," he said.

Asked if the TN government's stiff opposition would come in the way of reopening, he said: "We will abide by the court decision. We heard that the State

government plans to approach the Supreme Court against the NGT order. We will face that."

The six-month shutdown of the plant has impacted various stakeholders, including the VOC Port, which saw a significant decline in cargo throughput, he said. The closure also hit over 1,000 truck operators, he said.

## 'Green' Thoothukudi

Ramnath also announced plans to invest ₹100 crore to set up a 'smart' school and a hospital in the port town of Thoothukudi. He further said the company proposes to turn Thoothukudi into a 'clean and green' city by planting one million trees.

It plans to set up a desalination plant that was originally planned five years ago at a cost of ₹150 crore but stalled due to non-availability of land.

# Aluminium Stocks Tank On US Move to Lift Rusal Curbs; It's a Non-event, say Analysts

Sanam.Mirchandani@timesgroup.com

**Mumbai:** The weakness in metals stocks on news that the US would lift sanctions on Russian aluminium producer United Company Rusal, is unlikely to last for too long as the development was largely priced in, said analysts. The Nifty Metal index fell 1% to 3177.90, ending as one of the worst performing sectors on Thursday.

London aluminium prices fell to a 16-month low on Thursday following the news of US intending to remove the sanctions on the company, which is owned by Russian billionaire Oleg Deripaska. The US treasury notified the Congress of its intent to terminate the sanctions after divestment by Deripaska.

National Aluminium Company's shares fell 3.5% to ₹61.85 and Vedanta fell 2% to ₹202.65. Hindalco Industries' shares declined 1.5% to ₹223.65. These three were the worst hit in the metal index.

"This development was already in the price. What we are seeing in the stocks is a sentimental impact. There may be near term pressure, but I don't expect a long-term impact," said Sanjay Jain, senior vice-president, Motilal Oswal.

Edelweiss Securities views the potential annulment of sanctions as a non-event. "We view the potential annulment of sanctions as a non-event considering: 1) Rusal's Q3CY18 Al sales jumped 34% QoQ (quarter-on-quarter) upon extension of its gen-

eral licenses; 2) tepid LME Al price reaction, implying the market had already factored in the removal of sanctions; 3) formidable cost-push in Al is likely to cushion prices; and 4) low inventory at LME and SHFE (Shanghai Futures Exchange)," said Edelweiss.

Hindalco Industries is a preferred pick among aluminium producers for analysts thanks to its steady earnings. "Hindalco is our top pick in metals space as it has strong India business and strong overseas business with Novelis," said Jain of Motilal Oswal.

Edelweiss, too, has a buy on the stock with a target price of ₹307.

Bloomberg data showed that 26 of the 29 analysts tracking Hindalco have a buy rating on the stock with consensus target price at ₹310.7.



## District Mineral Fund collections top ₹22,800 cr

Slow pace of utilisation raises fears of diversion

**TWESH MISHRA**

New Delhi, December 21

The Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKY) has accrued ₹22,859 crore till November, but what has been utilised is around ₹5,529 crore. The slow pace of District Mineral Fund (DMF) utilisation has fed fears of these funds being diverted by State governments for being spent in other regions or for other purposes too.

The condition worsens in States like Jharkhand where ₹471.98 crore were collected from Chatra district till October but have translated into sanctioned expenditure of just ₹93.46 crore and an incurred expenditure of ₹28.73 crore.

The highest DMF contributions have been reported from Odisha at ₹5,599.5 crore. Chhattisgarh comes second at ₹3,223.80 crore and Jharkhand comes third at ₹3,319.01 crore. The PMKKY was launched in September 2015 to provide for the welfare of areas and people affected by mining related operations, using the funds generated by DMFs. The DMFs were to be funded by earmarking 10 per cent or 30 per cent of the

royalty proceeds from the minerals that were produced in these districts.

Of all the funds accrued, 60 per cent have to be spent for drinking water supply, health care, sanitation, education, skill development, women and child care, welfare of aged and disabled people, skill development and environment conservation.

The balance funds are to be spent on making roads, bridges, railways, waterways projects, irrigation and alternative energy sources.

**The highest DMF contributions have been reported from Odisha at ₹5,599.5 crore.**

According to officials in the Ministry of Mines, the pace of DMF utilisation is expected to improve as mineral rich state governments are now assured of collectively getting

around ₹700 crore every month through the DMF.

"The sustained income for States can help better planning of fund expenditure by the state governments," a Mines Ministry official told *BusinessLine*.

"The DMF is meant to foot the bill for development activities in mining affected districts. That diversion of funds will not be allowed without the approval of the centre and such a situation will arise only when all development activities of a district have been completed," he added.



COMES AFTER NOD FOR COAL SWAPPING AMONG STATE-RUN POWER PLANTS

# Coal swapping scheme extended to pvt power producers, cement, steel sectors

'Bilateral arrangements' between two willing consumers for swapping coal approved by IMTF

AMITAV RANJAN  
NEW DELHI, DECEMBER 22

AFTER ALLOWING coal swapping among state-run power plants, the inter-ministerial task force (IMTF) has decided to extend the supply rationalisation scheme to private power producers and non-regulated cement and steel sectors who are importing coal or have domestic supply linkages.

On November 26, the IMTF approved "bilateral arrangements" between two willing consumers for swapping "full or part of their entitled quantity" for a "minimum tenure of swapping/rationalisation of six months".

"Maximum tenure in case of swapping between two linkage holders shall be lesser of the remaining tenure of the contracts of the willing participants."

"In case a plant — which is importing coal — is one of the willing participants, the maxi-

EXPLAINED

E

## Coal swapping extension to ease supply constraints

THE PROPOSAL to extend the coal swapping among state-run power plants to private power producers and non-regulated cement and steel sectors that are importing coal or have domestic supply linkages is a move that could ease supply constraints.

Consumers would benefit too as savings accruing due to swapping by a power producer would be passed on to them in the form of an adjustment in power tariff while the savings from non-regulated sectors would be deposited in a fund to be created by Indian Railways. The rationalisation of coal sourcing for 19 thermal plants of public sector undertakings last year had resulted in annual savings of Rs 3,354 crore by reducing supply distances and transport costs.

imum tenure could be up to the tenure of the Fuel Supply Agreement (FSA) of the linked consumer," the IMTF decided.

Savings accruing due to

swapping by a power producer would be passed on to the consumers in the form of an adjustment in power tariff while the savings from non-regulated

sectors would be deposited in a fund to be created by Indian Railways, it said.

Last March, Coal minister Piyush Goyal told parliament that the rationalisation of coal sourcing for 19 thermal plants of public sector undertakings had resulted in annual savings of Rs 3,354 crore by reducing supply distance and cutting transport costs.

In the current scenario, coal supplies are based on allocations made over the years to power plants and they are not necessarily the shortest distance between the mines and the generation units.

Coal currently travels 477 km from a mine to a plant, with some power stations located up to 1,000 km away.

The IMTF also approved creating a committee comprising officials from Ministries of Power, Coal and Steel and from Coal India Ltd and Indian Railways to "oversee the implementation of the policy recom-

mendations and addressing key issues".

This committee will also consider "on case to case basis" requests of transfer from a specified end-use consumer under the SHAKTI B and non-regulated sector linkage schemes to any other plant.

An electronic platform would be created for the participants to register and enter the details of their quantity, tenure, FSA tenure or import arrangement.

"While the registration shall be a continuous process, the application window shall be opened periodically as per the schedule decided by the Committee," it said.

Coal India would be the nodal agency for the swapping arrangement.

In the event of any breach of any of the terms, Coal India shall have to right to take necessary actions, including termination of the Fuel Supply Agreement.



# GST on cement may dip before polls

## Under-Construction Flat Buyers Could Also Incur Reduced Burden Of 5%

TIMES NEWS NETWORK

**New Delhi:** The government is expected to lower goods and services tax (GST) on cement before next summer's general elections, while lowering the burden on home buyers opting for under-construction apartments to 5% when the GST Council meets in January.

Cement currently faces a 28% levy and a decision on the issue was postponed on Saturday as the Centre and the states did not want to take an annual hit of Rs 13,000 crore. In case of under-construction residential units, a decision has been taken in principle although the modalities are yet to be finalised.

Sources said two options were being looked at, with the first one being allowing

### CLEARING THE AIR

#### PROCEDURAL SIMPLIFICATION DECIDED ON SATURDAY

- A single cash ledger for each tax head, instead of 20 at present
- Improved refund mechanism planned for speedier clearance
- New monthly returns to be introduced from April, to be mandatory from July
- Deadline for filing the annual returns, reconciliation statement for FY18 extended till June 30, 2019
- A National Authority for Advance Rulings to decide on contradictory orders issued by different state authorities



the payment of 5% GST without offering the benefit of input tax credit to builders. But to keep a check on cash transactions, the builder will have to certify that 80% of the inputs — such as cement, steel, paints and other building material — have been purchased from entities

that are registered for GST payment. This will ensure that the claim can be verified by the authorities and help check leakage, a government official said.

The other option is to allow 12% GST but with input tax credit, which will reduce the actual incidence, given

that a set-off is allowed for the value of the land. This mode will ensure that the chain is not broken and those selling goods and services are part of the GST value chain.

The change in the taxation regime for under-construction residential real estate has been necessitated by market conditions as home buyers are preferring to opt for constructed units, which are free from the GST burden on receipt of a completion certificate. In this case, the sale is treated as a transfer of property that only attracts stamp duty and is outside the ambit of GST.

Given the situation, compounded by delays in delivery of flats, builders are complaining that they are unable to raise resources from flat buyers at a time

when fund flow from NBFCs is already choked. A final decision on the issue will be taken based on inputs from the states as well as GST authorities at the Centre.

A GST cut on cement is seen as another crucial move for the real estate sector, which is in the grip of a prolonged slowdown.

Mahendra Singhi, president of Cement Manufacturers' Association, and managing director & CEO of Dalmia Cement (Bharat), said, "A rationalised GST rate would definitely result in a higher number of houses, more roads and better infrastructure at the same cost. We hope the government would be taking up a lot of measures to speed up GDP to accelerate action for becoming a \$4-trillion economy by 2022."

THE HINDU

DATE : 24 /12/2018 P.N.5

## Nod for Steel Corporation plant in Rayalaseema

SPECIAL CORRESPONDENT  
KADAPA

Finally, the State government gave an overwhelming 'aye' to M. Kambaladinne village in Mylavaram mandal of Kadapa district for establishing the much-awaited Rayalaseema Steel Corporation plant.

Ahead of its unveiling by Chief Minister N. Chandrababu Naidu on Thursday, the pylon is being readied by Andhra Pradesh Mineral Development Corporation (APMDC) to be laid in the district, just 15 km from the Kurnool district border and 5 km from Anantapur border, thus truly representing the Rayalaseema heartland.

Collector Ch. Hari Kiran on Sunday inspected the arrangements.

# India's steel exports hit by US tariff hike

But robust demand within the country acts as safety net for domestic companies

SATYA SONTANAM

The effect of the trade war unleashed by US President Donald Trump early this year is beginning to impact the external trade numbers of countries across the globe. An analysis of the effects of the import tariff hike by the US on India's steel sector shows that while exports have taken a hit, domestic steel prices have not.

The US hiked import tariffs on aluminium and steel by 10 per cent and 25 per cent, respectively, effective March 23. Within a few months, countries such as Japan and Thailand were exempt (partially or fully) from the hikes. But India could not get a relaxation despite considerable efforts to negotiate with the US.

However, nine months after the imposition of the new tariffs, there has been no significant direct impact on India due to the small share of our exports to the US. But there has been an indirect impact—steel-exporting countries, unable to export to US due to the steep tariff,

have been dumping steel in India, changing the dynamics of the steel economy in the country.

## Imports vs exports

Korea, Japan and China are among the top 10 countries that exported to the US in 2017. Due to the trade restrictions, these countries have now redirected their supplies to India and other neighbouring countries.

Imports to the US from these countries in the quarter ended September 2018 fell to 0.99 million tonnes (mt), 33 per cent down from the quarter ended March 2018. During the same period, imports to India from these countries rose considerably by 55 per cent to 1.58 mt.

Though overall imports dipped 6 per cent in the first half of the year over the previous year, India has become a net importer of steel for the first time after almost two years.

Rahul Prithiani, Director, CRISIL Research, listed a few other factors for the rise in imports from FTA (Free Trade Agreements) partner-countries



BLOOMBERG

such as Japan and Korea: sharp rise in auto-grade steel imports, driven by 10-15 per cent growth in automobile production during April-November 2018; and landed prices that were cheaper than prevailing domestic prices.

The uncertainties created in the global market, combined with robust demand within the country, have led to Indian steel companies increasing their focus on the domestic market. For instance, JSW Steel's exports in the quarter ended September 2018 accounted for 17 per cent of its total sales, down from 26 per cent in the year-ago period. During the same period, Tata Steel's export volumes, too, declined about 23 per cent y-o-y.

This has resulted in India's total exports plummeting 22

per cent in the first half of FY19 to 4.24 mt from 5.45 mt a year ago.

"Contraction in exports was also driven by acquisition of assets by large steel players in the US and the European Union," said Prithiani.

## Domestic prices immune

Due to the hike in US import tariffs, international steel prices declined marginally for a while before recovering on account of favourable global demand for the commodity. International prices of HRC (hot-rolled coil) steel was at an average of \$586 per tonne in April 2018, down from \$594 per tonne in March 2018.

But it rebounded to \$598 per tonne in June 2018 and came down to \$577 per tonne in

September 2018. The recent downtrend is on account of seasonal impact and may not be due to uncertainties in the trade.

Domestic steel prices remained steady in this period. Average domestic HRC steel price in April 2018 was ₹44,700 per tonne, a 2 per cent increase over the previous month, on account of healthy demand. Consumption in the first half of the year was 47.68 million tonnes, an increase of good 8 per cent y-o-y against a world average of 5 per cent.

"The meltdown in landed steel prices made imports into India cheaper," said Jayanta Roy, Senior Vice-President, ICRA. Going ahead, he expects imports to come down if landed prices correct further below the floor price fixed by the government (around \$485/tonne), when anti-dumping duty kicks in and makes imports costlier. However, if international prices remain at a level higher than the floor or the minimum import price, there could be opportunistic imports, depending on the international as well as the domestic price trend.

(Steel prices were sourced from CRISIL Research.)



## Dumping ground

Steel-exporting countries, unable to export to US due to the steep import tariff, have been dumping steel in India



## Chhattisgarh to return Bastar land acquired for Tata Steel to farmers

**DIPANKAR GHOSE**  
RAIPUR, DECEMBER 24

AFTER THE farm loan waiver, the newly elected Congress government in Chhattisgarh has announced that it plans to begin the process of returning land acquired from tribal farmers in Bastar for a Tata Steel project which did not materialise.

Chief Minister Bhupesh Baghel is learnt to have instructed officials to begin the modalities of the process and submit an action plan before the next Cabinet meeting, which is likely to be held



**Baghel has told officials to start the paperwork**

after the swearing-in of additional ministers on Tuesday.

In its poll manifesto, the Congress had promised that in case of projects which fail to take off within five years of land acquisition, the land would be returned to their owners. Party president Rahul Gandhi had reiterated this promise to farmers

in the affected region in the run-up to the assembly elections.

In 2005, the then BJP government had signed a memorandum of understanding with Tata Steel for a Rs 19,500-crore integrated steel plant in Lohandiguda area of Bastar district. The acquisition of land — which belonged to tribals — began in 2008, and the government acquired 1,764 hectares from the 10 villages of Lohandiguda, Chindgaon, Kumhali, Beliyapal, Bandaji, Dabpal, Badeparoda, Belar, Sirsiguda and Takraguda.

**CONTINUED ON PAGE 2**

CONTD..ON PAGE 16

THE INDIAN EXPRESS  
DATE : 25 /12/2018 P.N.2

## Chhattisgarh to return Bastar land

While there was widespread debate among farmers and unrest over the land acquisition process, with activists calling the process exploitative and under duress, 1,165 farmers of the 1,707 farmers whose land was acquired accepted the compensation. The government maintained that the compensation for the rest had been deposited with the revenue deposit fund.

In 2016, even as the government hadn't yet "taken possession of the land", Tata Steel announced that it was pulling out of the project. Officials cited various reasons, including protests, procedural delays including in acquisition of land, and Maoist threat in the region.

The Congress, then the Opposition party, had said the acquired land should be returned to their owners. But the then BJP government had said the acquired land would go to a land bank, to be used for industrial purposes. Official sources had then indicated to The Indian Express that the land was likely to be given to NMDC.

With the Congress government now planning to return the land, senior officials said they were working overtime to finalise the modalities and would submit a consolidated document before the Cabinet.

Senior Congress leaders said the Cabinet's decision, when cleared, would be "historic". "If you look at the history of land struggles in India, this has rarely happened, whether it is Singur or Bhatta Parsaul. Even in Bastar, there was strong opposition to this acquisition, and reports that many youths got disenchanted with the government because of this. This shows the empathy of the Congress government towards the farmer, and will send a strong pro-farmer message, not just to Chhattisgarh but to the rest of the country," said a senior leader.

BUSINESS LINE DATE : 25 /12/2018 P.N.14

## Aluminium hits 16-month low on demand woes

REUTERS

London, December 24

Aluminium hit 16-month lows on Monday as investor worries over slowing global growth and tightening monetary conditions overshadowed news of smelter cuts in China.

Chinese aluminium producers are set to cut at least another 800,000 tonnes per year of smelting capacity in the coming months, while Beijing plans to ratchet up support for the economy in 2019 by cutting taxes and keeping liquidity ample.

Investors are, however, fretting that the global economy is slowing just as monetary conditions the world over are tightening, with political instability in the United States leaving open

the possibility of a prolonged government shut-down.

There are also signs the US trade dispute with China is hurting growth in the world's top metals consumer. "At the moment, there's too many headwinds on the demand side for people to be concerned about supply," said Colin Hamilton, head of commodities research at BMO Capital Markets.

However, he added that the aluminium market globally had a reasonably substantial deficit, while it also appeared that Beijing was looking for more consolidation in China's aluminium sector.

Aluminium was down 0.6 per cent at \$1,898.50 a tonne by 1124 GMT, having hit its lowest since mid July at \$1,896.50. The metal hit 16-month lows last week after the US lifted sanctions Russia's Rusal, the world's second largest aluminium producer.

China has cut more than 3 million tonnes of aluminium smelting capacity so far this year, but this has been offset by the resumption of some production and new production lines.





## BUSINESS LINE

DATE : 26 /12/2018 P.N.3

## SAIL supplies 35,400 tonnes for Bogibeel Bridge



## OUR BUREAU

New Delhi, December 25

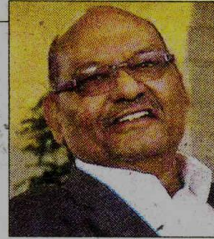
Steel Authority of India Ltd (SAIL) has supplied around 35,400 tonnes of steel for the construction of Bogibeel Road-cum-Rail Bridge on the river Brahmaputra. This quantity is little more than 50 per cent of the total quantity of steel supplied for the bridge.

"SAIL has also supplied TMT re-bars, plates and structural for this 4.94-km-long bridge, which has composite welded steel truss girders in its structures. Earlier, SAIL had supplied 90 per cent steel for the construction of the Dhola-Sadiyabridge, which is India's longest bridge," a company statement said. The 4.9-km-long bridge on the Brahmaputra river is Asia's second longest rail-cum-road bridge. It has a serviceable period of 120 years.

## Vedanta to set up 4.5-MT steel plant in Jharkhand

KOLKATA, Dec 25 (PTI)

NATURAL resources major Vedanta Ltd on Tuesday said it will set up a new steel plant in Jharkhand with a capacity of 4.5 million tonnes (MT) per annum at an investment of USD 3-4 billion. The plant will be



Anil Agarwal

part of the company's newly-acquired Electrosteel Steels Ltd (ESL) at Bokaro, Vedanta Resources Chairman, Anil Agarwal told reporters here.

"This would be a new steel plant under ESL and in the same location at Bokaro... So it's a brownfield investment per se. The amount is likely to be to the tune of USD 3-4 billion for a capacity of 4.5 MT," Agarwal said.

Vedanta would initially invest about USD 300 million to augment capacity of ESL to 2.5 MT from the existing 1.5 MT.

Once the new facility is commissioned, the total capacity of ESL would be around 7 MT, he said without elaborating on the timeframe. The plant would create 1,20,000 jobs in the form of

direct and indirect employment, Agarwal said. "We have about 2,200 acres at ESL and are scouting for a little more... The Jharkhand Government has been very cooperative in this regard," he said. In March, Vedanta was declared as the suc-

cessful resolution applicant for ESL under the corporate insolvency resolution process.

The company has acquired control of ESL through its wholly-owned subsidiary Vedanta Star Ltd, and a new board of directors has been put in place. Agarwal said in the next three years, Vedanta would invest a total of about USD 8 billion across its major sectors such as oil and gas, aluminium, zinc and silver. He also urged global oil companies to invest in India, as the country has an "easier clearance process" for the sector. On controversy surrounding Sterlite Copper plant in Tamil Nadu, he said facility is one of world's best copper plants and it will be in India's interest if the unit is operational again.



# Vedanta to invest \$3 bn in Electrosteel

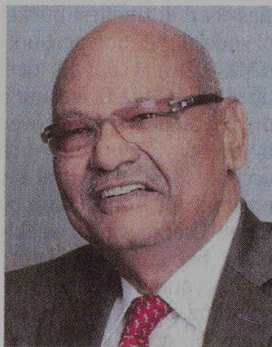
Funds to be spent on expanding Jharkhand plant capacity from 1.5 mn tonnes now

SPECIAL CORRESPONDENT  
KOLKATA

Vedanta Ltd., the Indian subsidiary of Vedanta Resources Plc., is planning to invest more than \$3 billion to expand the capacity of Electrosteel Steel's plant in Jharkhand whose possession it secured earlier this year through an insolvency resolution process.

The investment is proposed to be made in two tranches.

Talking to the media here, Vedanta Resources Ltd. executive chairman Anil Agarwal said an initial investment of about \$300 million would be made to increase Electrosteel's capacity from the current 1.5 million tonnes. "It has an inherent capacity of 2.5 million tonnes," he



Anil Agarwal

said, adding that this was likely to be done in two years.

This is proposed to be followed by another investment of between \$3-4 billion to set up a 4.5 million tonne plant in the same area. Beginning with a feasibility report, this may be completed

in four years with a direct employment potential of 60,000. Talks are on with firms in Korea, Japan and China for technology and equipment for this modern plant which would be like a 'second Bokaro Steel Plant'.

## 'Part of \$8-bn plan'

This would be part of the \$8 billion that Vedanta Ltd. plans to invest mainly in India (and in Africa) over the next three years, Mr. Agarwal said.

Funding would be mainly through internal resources – about \$6 billion, while the rest would come from loans.

To questions on the Sterlite plant at Tuticorin, he said the National Green Tribunal had given a green chit to the company on this plant

which was shut down due to complaints on environmental pollution. He indicated that resumption of operations would have to wait.

He said the investment climate was conducive in West Bengal now and the Deocha Pachami coal block (in Birbhum District) could be a game changer for the State.

He said while the group's hands were full now, Vedanta Ltd. may put in a bid as and when the government floats tenders for the block.

To questions on his budget expectations, he said restricting imports, improving farmers' incomes and a uniform GST rate would be good.

He also said that autonomy should be accorded to public sector units.

THE HITAVADA DATE : 26 /12/2018 P.N.3

# Rat-hole mining rampant in Meghalaya despite NGT ban

■ By D Banjap Mukhim  
SHILLONG, Dec 25 (PTI)

THERE seems to be no hope at the end of the tunnel for the 15 labourers trapped in a coal mine a fortnight ago, as search operations have been suspended by the Meghalaya Government for want of high-powered pumps to flush out water from the pit.

Four years after the National Green Tribunal ordered a ban on coal mining in Meghalaya, illegal practices continue unabated in the State, putting lives at risk every day.

A top police officer told PTI that it took them long to locate the quarry as local people were scared to divulge information, fearing a backlash from mine owners.

Sylvester Nongtynger, the East Jaintia Hills Superintendent of Police, said that he came to know about the accident from Rajabala



MLA Azad Aman. "It took the police hours to locate the mine as the villagers feigned ignorance about the accident. They are afraid that mine owners might cause them harm. Some who consider mining to be their only means of livelihood fear

Rat-hole mining involves digging of narrow tunnels, usually 3-4 feet high, for workers to enter and extract coal. The horizontal tunnels are often termed 'rat-holes', as each just about fits one person. 4 years after the NGT ordered a ban on coal mining in Meghalaya, illegal practices continue unabated, putting lives at risk

police action may add to their woes," he said.

A month ago, rights activist Agnes Kharshiing and her companion were attacked by a group of people who were suspected to be members of coal mining mafia in East

Jaintia Hills district.

Kharshiing had reportedly captured photographs of illegal rat-hole mining in the district and was stopped by miscreants on their way back. Rat-hole mining involves digging of narrow tunnels, usually 3-4 feet high, for workers to enter and extract coal. The horizontal tunnels are often termed "rat-holes", as each just about fits one person.

According to Government reports, the coal mining industry was among the biggest revenue earners for the State, generating about Rs 700 crore annually, prior to its ban in 2014. The NGT had cited safety of miners as one of the reasons when it clamped down on coal mining in the State.

Heaps of freshly dug coal could be seen dumped on both sides of the road that approaches Lumthari village, where the miners were trapped on December 13, from

Khliehriat, the district headquarters of East Jaintia Hills.

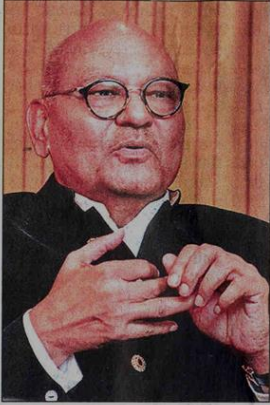
District Deputy Commissioner F M Doph told this PTI correspondent to take security cover if he intended to tour the village as local people are agitated over incident. Three from village are among the 15 labourers who got trapped in the mine when water from nearby Lytein river gushed into it.

A senior Home Department official said that the district police force do not have adequate personnel to deal with the problem.

"There are less than 100 police officers posted in the district. East Jaintia Hills, spanning an area of 2,000 sq km, has only 26 armed constables, 31 unarmed constables, 12 sub-inspectors and three inspectors. That isn't enough to curb a menace, which has only grown in proportions over the years," he said.



# Vedanta gets ready to bet big on steel



Anil Agarwal in Calcutta on Tuesday. A Telegraph picture

**ASTAFF REPORTER**

**Calcutta:** Vedanta, a globally diversified natural resources company, plans a bigger play in steel manufacturing following the acquisition of Electrosteel Steels earlier this year.

Vedanta Star Ltd, a wholly owned subsidiary of Vedanta Ltd, has paid an upfront amount of Rs 5,320 crore for Electrosteel Steels. The investment is a combination of equity of Rs 1,765 crore and inter-corporate loan of Rs 3,555 crore.

Vedanta Resources executive chairman Anil Agarwal on Tuesday said the company had earmarked an investment of \$300 million in scaling up the capacity of Electrosteel Steels and was open to setting up additional capacity in Jharkhand on land adjacent to the existing facility. The company plans to have a total capacity of around 7 million tonnes.

"Electrosteel is producing about 1.5 million tonnes. It has an inherent capacity to produce 2.5 million tonnes with investment of about \$300 million. The scale-up is expected in two years," said Agarwal, who is on a trip to the city with his family.

Vedanta Foundation is setting up an educational institute — Vedanta College — in Calcutta. Agarwal also had an interactive session at the Bharat Chamber of Commerce.

Besides scaling up capacity at Bokaro, the company plans to have another project of 4-5 million tonnes capacity involving an investment of \$3-4 billion.

However, while Electrosteel's planned expansion is set to be completed in a couple of years, the new project could take longer, at least three years after obtaining the necessary clearances.

The company will undertake a

feasibility study and has started discussions with Korean, Japanese and Chinese companies for machines and technology.

"We have just acquired Electrosteel Steels and at the moment we are busy scaling up the capacity to 2.5 million tonnes," said Agarwal.

"We will be doing it (new project) in the same area because it is always good to have synergy. We have some land with us and we may have to acquire little more, but that will not be difficult," he added.

The company also expects to obtain clearances on an iron ore mine, which will act as a raw material source.

## Bengal plans

For Bengal, the company has not entirely shelved its plan to set up an aluminium smelter in Burdwan. The unit, planned in 2008, got delayed be-

cause of several factors, including the availability of coal. "We are still working on the feasibility," he said.

The company is also open to evaluating other business opportunities in the state, including mining. The state government is keen to explore commercial mining for the Deocha Pachami coal block with estimated reserves of 2,102 million tonnes. Agarwal said the block had the potential to unlock substantial revenue for the state government.

Agarwal also said the group was committed to investing \$8 billion across its businesses, including oil, aluminium, copper, zinc, steel and silver over the next three years. The investment will be primarily through internal accruals, Agarwal said.

He added the government had to address the issue of continuous import of resources such as oil, gold, coal and iron ore.

## WCL gets fast track approval for expanding mines

Shishir.Arya@timesgroup.com

**Nagpur:** Western Coalfields Limited (WCL), the mining PSU from city battling past years' losses, has secured fast track approval from the ministry of environment and forests (MoEF) to expand capacity of two mines. The approval was granted in a record two months. There was a time when it took as much as a year to get the approvals, said sources. The nod for expansion is expected to improve the company's finances from the current fiscal.

One of the mines — Penganga opencast, in Wani area of Chandrapur district — is a greenfield project. The mine could be started only after chief minister Devendra Fadnavis did away with restrictions under river regulatory zone (RRZ).

Under RRZ rules, no mining or industrial project co-



uld come up within 2.5km of a river bank. The norm was done away with in 2015. This also benefited WCL and paved the way for expansion of mines.

The Penganga project had original permission to mine up to 4.5 MT of coal, which has been now been increased to 6.3 MT. Any further mining at Penganga will happen away from the river bank.

A permission has also been secured for expansion of the Umrer opencast mine near Nagpur. As against 3.5 MT earlier, the mine has got approval to extract coal to the tune of 4.9 MT.

► Continued on P 8

CONTD..ON PAGE 20

THE TIMES OF INDIA DATE : 27 /12/2018 P.N.8

## WCL has target of mining 52 MT coal

Shishir.Arya@timesgroup.com

This gives an extra 3.2 MT to WCL. Company CMD RR Mishra said it is planned to mine the additional quantity within the current financial year itself. "WCL has set a target of mining 52 MT of coal. Not only will the target be met, it is expected to be exceeded," said Mishra.

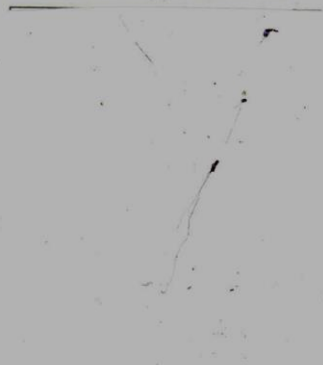
The new efforts are being taken under the company's 'Mission WCL 2.0' which are paying off. This is a participative management initiative in which steps are being taken to revive the company. Better

production will not only provide enough coal but also help the company achieve good financial results after suffering losses in last two years, he said.

Sources said stepping up production will provide much needed help to the company. WCL, a subsidiary of Coal India Limited (CIL), has seen losses of over Rs2,000 crore in last two years. This had shrunk the net worth to Rs863 crore at the beginning of the financial year. The company has been able to post profit before tax (PBT) in last two quarters of the fiscal. This has helped take the net

worth to Rs1,149 crore.

Officials said the development has saved WCL from being declared a sick company if the trend of losses had continued.





# NDRF hints Meghalaya miners may be dead, rescue pumps of no use

NDRF officials have sought more powerful machines to pump out water from flooded mine but state govt yet to act

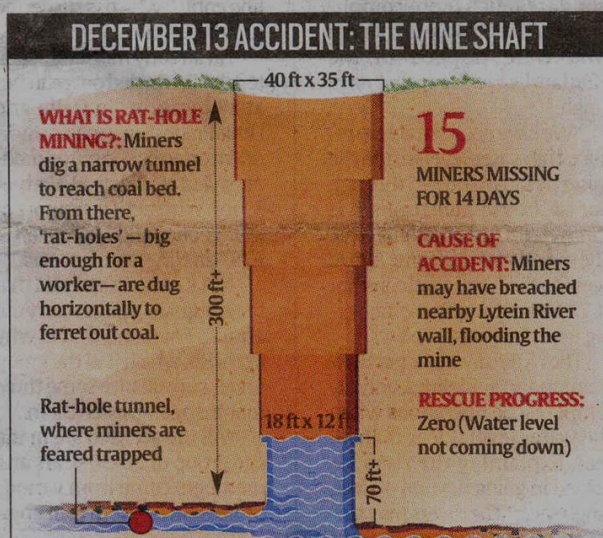
**ABHISHEK SAHA**

SAIPUNG (MEGHALAYA),  
DECEMBER 26

FOR A fortnight now, 15 miners have been trapped inside a coal mine at Ksan, in Saipung area of East Jaintia Hills district in Meghalaya. And for the first time on Wednesday, the National Disaster Response Force (NDRF) divers, who have been carrying out search operations, reported a "foul odour".

"That is not a good sign," says Santosh Singh, NDRF Assistant Commandant, who is heading the rescue work. While he declines to comment further, NDRF personnel discuss that the "foul odour" could indicate that the miners are dead and the bodies are beginning to decompose.

The workers were trapped in the 'rat-hole' mine on December 13, after water from the nearby Lytein river gushed into it. While the water level in the mine has not receded, the rescue personnel have not attempted to pump out any water since Monday, as the two 25-HP pumps have



proved ineffective.

The NDRF has asked the district administration for at least ten 100-HP pumps. The request has been forwarded to the state government, but no action has been taken so far. The NDRF has 70 personnel while the State Disaster Response Force (SDRF) has 22 at the spot.

In the last 14 days, only three

helmets have been recovered. Rescue officials say they have not been able to find any clue on the status of the trapped miners, or spot their location in the over 300-feet pit and adjoining 'rat-hole' sized tunnels.

On Wednesday afternoon, as three NDRF divers get ready to be lowered into the pit to check

**CONTINUED ON PAGE 2**

CONTD.. ON PAGE 22

THE INDIAN EXPRESS DATE : 27 /12/2018 P.N.2

## NDRF hints Meghalaya miners may be dead, rescue pumps of no use

the level of water, which is currently about 70-feet deep, Singh briefs them. "Please check whether the water level has gone down. I don't think it will happen without fresh pumping. Check for the water's odour and if you see anything floating on the surface," he says.

The crane lowers the men down. After 15 minutes, they whistle, and are lifted up. The divers tell Singh that for the first time, there is a "foul odour".

"Miracles do happen. As rescue personnel, we keep our hopes up till the last minute. But practically speaking, in this case, the chances of rescuing the men are very slim. Here, the conditions are much more complicated than the rescue of children who were trapped in the Thailand cave recently," says Singh.

"We have not been able to reduce the water level inside the mine because the pit, through one of the rat-hole tunnels, is connected to the adjoining river. The river water is seeping into it, keeping the water level constant at 70 feet, although we are trying to pump it out," he says.

The NDRF divers, as per their training and guidelines, only attempt rescue operations when the water level is less than 40 feet. Explaining the risks involved in going beyond 40 feet, Singh says: "The divers may suffer nose bleed. Our body cannot take that kind of pressure".

"Since we have not been able to go inside, we don't know the answers to three main questions: how many rat-hole sized tunnels have been dug at the base of the pit to extract coal; what is the size of the base area; and what is its depth," says Singh, emphasising the need for more powerful pumps.

The entire area of around 5 sq km surrounding the Lytein river is dotted with at least 80 abandoned coal mines. Singh says they don't know whether the water entered through a rat-hole tunnel of this mine, or of an adjacent mine. "Underneath, it's a labyrinth of rat-hole tunnels of the multiple small mines," he says.

Despite being banned by the National Green Tribunal in 2014, the 'rat-hole' technique is a prevalent practice in Meghalaya. It involves digging of very small tunnels, usually only 3-4 feet high, through which workers enter and extract coal.

Meanwhile, Meghalaya Chief Minister Conrad Sangma tweeted on Wednesday evening: "NDRF and state government have been continuously working on the rescue operations. Scale of operation is a major challenge as water from a river has entered the mines. Govt was very prompt in sending their best people to help in the rescue operations."

BUSINESS LINE DATE : 28 /12/2018 P.N.3

## SAIL sees stability in steel prices

New Delhi, December 27



Any further decline in the prices of steel products does not seem feasible, according to Steel Authority of India (SAIL). "Taking a cue

from the international market, the domestic steel prices, particularly for flat products, were under pressure for some time. The recent trend, both in the Chinese and other global market, is showing stability in prices. There is also an increasing trend in raw material prices, both for coal and iron ore," SAIL said. The company also stated there are strong indications that the domestic prices have already bottomed out for two reasons. Firstly, there is substantial de-stocking in the market and secondly, domestic demand is coming back on track with improvement in the liquidity position, it added. OUR BUREAU



PAGE 1  
ANCHOR

## Mining Ban, Moving Allowed, In Between The Tragedy

Since '14 ban, NGT teams report illegal mining in Meghalaya, local officials say no way to check if coal is old or new

ABHISHEK SAHA  
KHLIEHRIAT (MEGHALAYA),  
DECEMBER 27

TRAVELLING TO reach the flooded coal mine on a remote hillock in Meghalaya's East Jaintia Hills district, where at least 15 workers are trapped for 15 days now and feared dead,

you need to take a left from the main road near the police station at district headquarters Khliehriat.

On the two-hour-long journey on that route to reach the site, Ksan, both sides of the road are dotted with so many heaps of coal you lose count. At several deposits, the heaps are loaded into waiting trucks, to be sent off

BUSINESS AS USUAL

By UNNNY



Coal piled up along the road leading to the mine. Abhishek Saha

to a destination in neighbouring Assam or beyond.

For anyone travelling through the area for the first time, the sight of such large coal deposits and trucks being loaded with coal might come as a jolt considering that the National Green Tribunal (NGT) had in 2014 banned "illegal" mining of coal (especially mentioning the popular rat-hole technique) in the state.

But the reason one sees so many coal-laden trucks on the roads of Meghalaya is because, in at least seven consequent or-

ders, the NGT and then the Supreme Court, hearing petitions by coal-mine owners, allowed the transportation of coal mined prior to the implementation of the ban on April 17, 2014. And as per the latest SC order dated December 4, transportation of coal mined prior to the ban was extended to January 31, 2019.

CONTINUED ON PAGE 2

## Mining ban, moving allowed, in between the tragedy

It's this window — four years and counting — that Meghalaya activists allege has been exploited by a slew of miners to carry out illegal mining with authorities looking the other way.

When the NGT ban was ordered, Meghalaya's annual coal production was nearly 6 million tonnes.

Said environmental activist HH Mohrmen, who is based in Jowai, West Jaintia Hills district: "Just as the ban came, miners exaggerated their declared amounts of previously mined coal and then the freshly mined coal was transported. That has continued. It is impossible that this huge deposits were all extracted prior to 2014," he said.

Mohrmen isn't off the mark. A three-member NGT

team that visited the East Jaintia Hills last month found evidence to back this. Committee chairman Justice (Retd) B P Katakey told the press after his visit that they found "freshly mined coal, certainly not the ones that were mined way back in 2014".

Additional District Magistrate of East Jaintia Hills S S Syiemlieh said that as per the administration's assessment, all coal being transported was mined prior to the 2014 ban. But he admits that "we do not have any scientific method to check the time when it was extracted. We rely on written declarations by mine owners."

Activists point to the accident at Ksan and the assault on leading anti-mining activist Agnes Kharshiing and her col-

league in November as evidence of illegal mining. On Thursday, the two primary accused in the attack, including a local leader of the ruling National People's Party (NPP), surrendered before police.

In fact, violations were reported earlier too. Way back in March 2015, the NGT noted that three of its Commissioners inspected areas in East Jaintia hills of Meghalaya and "specifically recorded that they found fresh coal extracted and being carried in the garb of transportation. Inter-alia they noticed that top most layer was fresh and dark in colour."

When the NGT allowed transport of coal, it set guidelines — permits that would be checked at state exit points, a cap of 9 tonnes per truck and

stickers saying "coal transported under NGT order".

These are being flouted, said activist Kharshiing. "Fresh black colour coal - evident that it is freshly mined - is being transported. Amounts much more than 9 MT is transported and most trucks do not have any stickers. Moreover, so many trucks are detained for having the challan (travel permit) which all those who had paid royalty for coal mined before the ban have," Kharshiing said.

"Moreover, the workers - many of them non-tribals who migrated from other states - are paid very less and there is no system of any insurance for them. Serious labour exploitation is going on," Kharshiing added.

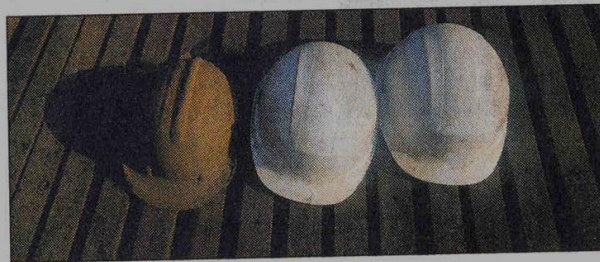


# Beyond the tragedy, for Meghalaya's politicians, mining their own business

Many named in report to SC, say they own mines but have stopped after ban

**ABHISHEK SAHA**  
GUWAHATI, DECEMBER 28

TWO WEEKS after 15 workers in Meghalaya were trapped while mining coal using the "rat-hole technique," and are feared dead now, Lok Sabha MP from Shillong constituency Vincent H Pala (50) told the House Thursday this should be "regularised". This method — with narrow tunnels dug in mountains for workers to move through and extract coal — was slammed as illegal, unscientific and harmful, and banned by the



So far, only three helmets have been recovered from the site of the collapsed mine at Ksan, in Meghalaya. *Abhishek Saha*

National Green Tribunal (NGT) on April 17, 2014.

Pala made this demand but

what he did not spell out was that he was also a prominent coal businessman in the state.

The Congress MP, a native of East Jaintia Hills district and an engineer by qualification, has been vocal about lifting the NGT ban on illegal coal mining in the state.

In fact, Pala isn't the only one.

About a dozen politicians allegedly own coal mines themselves or have relatives as mine owners and were named by a Citizens' Report prepared by civil society groups in Meghalaya and submitted to the Supreme Court earlier this month.

The report, submitted through the amicus curiae in the case, Colin Gonsalves, lists

**CONTINUED ON PAGE 2**

CONTD.. ON PAGE 25

THE INDIAN EXPRESS DATE : 29 /12/2018 P.N.2

## For Meghalaya's politicians, mining their own business

Pala, four ministers in the Conrad Sangma-led government and seven MLAs alleging these men or their relatives are coal-mine owners. "This is just a sample from the political class — an independent audit of coal mines will reveal that many bureaucrats, technocrats, police people are involved in mining business," the report said.

Alleging collusion between politicians, the state machinery and mine owners, the report cited this as a primary reason for illegal mining in the state despite the ban.

"NGT ruling has been flouted as there is a serious conflict of interest with many ministers, MLAs, MDCs, Administrators who are involved in coal mining. For eg, in the current govt as well as previous govt and currently in the opposition, (there are) MLAs and ministers (who) are coal miners, weigh-bridge owners and operators and /or transporters."

When asked about his involvement in coal mining, Pala told The Indian Express, "I had 30-40 coal mines but I have stopped mining in them since the NGT ban. Actually, most miners have stopped fresh mining after the ban but there are few who are doing it. Of course, so much of already extracted coal was lying near the mines sites in the jungles when the ban came, that mine owners appealed for allowing its transportation. Now the coal you see by the side of roads and being loaded into trucks is the coal that was mined before the 2014 ban."

Coal mined prior to April 2014, can be transported upto January 31, 2019, the Supreme Court said in another order this month allowing the state to continue extending transport permits.

The Indian Express tracked down some of the politicians named in the report and their refrain was they owned mines but have stopped mining after the ban.

■ Kyrmen Shylla, MLA from Khliehriat (the headquarters of the EJH district) and a cabinet minister in charge of, among others, the Disaster Management Department and the Social Welfare Department. When contacted, Shylla said: "We had around 15 mines, and we abandoned them after the ban." A reason why illegal mining still goes on, according to Shylla, is probably many people have no other option to earn their livelihood than to be in the coal business.

■ Lakmen Rymbui, Cabinet Minister holding the environment and forest portfolio. Rymbui said: "Yes, we had several mines — but that was before the ban."

■ Comingone Ymbon, Cabinet Minister holding PWD portfolio. Ymbon said: "Our

family had many mines but we stopped all mining in 2013, before the NGT ban came. The accident is a proof that illegal mining is going on."

■ Sniawbhalang Dhar, Cabinet minister with Commerce and Industries and Transport portfolios, his brother-in-law Wailadmiki Shylla, an MLA, and nephew Dasakhiat Lamare, an MLA. Dhar could not be contacted despite multiple calls on both his available numbers.

Pala defended his demand to revoke the ban saying, "I stand for regulation of coal mining in Meghalaya. It should be regulated in such a way that the environment and ecology is preserved and people also get a chance to mine coal, like they have in the past 50-60 years." His declared assets, according to affidavits, was over Rs 49 crore in 2014. In the "non-agricultural land ownership" category of immovable assets, he had declared property worth over Rs 39 crore.

"How can a Parliamentarian even say that rat-hole mining should be legalised? Does he not know how dangerous a process it is? It's all big money at play here in this coal mining business — election is near," said prominent activist Agnes Kharshiing, who survived an attack on her life last month when she was trying to track the origin of a truck laden with what she claimed to be freshly-mined coal in East Jaintia Hills district.

The NGT's 2014 order had noted that the counsel for the petitioners had explained to the court how "rat-hole mining operations have been in practice in the Jaintia Hills of the State of Meghalaya many years without being regulated by any law and extraction of coal has been made by unscrupulous elements in a most illegal and unscientific manner". "It is also informed that there are umpteen number of cases where by virtue of rat-hole mining, during the rainy season, water flooded into the mining areas resulting in death of many number of individuals

including employees/workers," the order said.

Pala, however, said the laws which regulate mining in other parts of the country cannot be followed in Meghalaya because the nature of coal deposit is very different from what we find in other parts of the country. "The coal seam is thin, its location is deep and the overburden on top is large. Coal mining gives government huge revenue — so it should be regulated and not banned. Techniques similar to rat-hole mining is practised in parts of our neighbouring state of Assam also, but the NGT has not banned that. I feel the NGT order is biased against our state," he said.

In fact, the Bharatiya Janata Party (BJP), which is now in coalition in the state government, had said in its vision document for the last Assembly elections in Meghalaya that it will "put back on track the coal mining issue in 180 days of forming the government". The National People's Party (NPP) heads the ruling Meghalaya Democratic Alliance (MDA) government, with the BJP as a coalition partner.

Meanwhile, a 15-member Indian Navy diving team from Visakhapatnam will help rescue operations Saturday. The team, a statement said, will have specialised equipment including a recompression chamber and remotely operated search vehicles.



## मेघालय की कोयला खदान में 18 दिन से फंसे मजदूरों को बचाने का अभियान जारी

### ■ आज खदान में उतरेगी बचाव टीम

एजेंसी/शिलांग. मेघालय के अवैध कोयला खदान में 18 दिन से फंसे 15 मजदूरों को बचाने का अभियान शनिवार को भी जारी रहा। खदान से पानी निकालने का काम तेज हो गया है। बचावकर्मी खदान में भरे पानी का स्तर का पता लगाने में जुटे हैं। इसके लिए नैवी और एनडीआरएफ के बचावकर्मी शनिवार को खदान में उतरे। खदान में फिलहाल 77 से 80 फीट पानी होने का अनुमान है। बचाव कर्मी रविवार को दोबारा

खदान में उतरेंगे। एनडीआरएफ के असिस्टेंट कमांडेंट संतोष कुमार सिंह ने यह जानकारी दी। सिंह ने कहा, 'नौसेना के गोताखोर के साथ मैं खुद खदान के अंदर उतरा और बचाव के लिए ट्रायल किया गया। मुझे उम्मीद है कि रविवार सुबह सभी बचाव एजेंसियां ऑपरेशन शुरू कर देंगी।' मेघालय के पूर्वी जयंतिया हिल्स जिले के अवैध खदान में 13 दिसंबर को 20 मजदूर कोयला निकालने 370 फीट गहरे खदान में उतरकर सुरंग में गए थे। इसी दौरान गलत जगह खुदाई होने से खदान में पास की नदी का पानी भरने लगा।

## पन्ना में खदान से मिला हीरा

## 2.55 करोड़ में बिका

नवभारत समाचार सेवा

पन्ना. मध्यप्रदेश में हीरा खदानों के लिये मशहूर पन्ना जिले के दो खदान मजदूरों के लिये शनिवार का दिन खुशियों से भरा साबित हुआ। मोतीलाल को कुछ माह पहले खदान में खुदाई के बाद मिला बेशकीमती हीरा 2.55 करोड़ रुपये में बिका तो वहीं जनकपुर के मजदूर राधेश्याम सोनी को 18.13 केरेट का नायाब हीरा मिला है। इसकी अनुमानित कीमत एक करोड़ रुपये से अधिक बताई जा रही है। पन्ना जिले के हीरा और खनन अधिकारी संतोष सिंह ने बताया कि राधेश्याम सोनी को कृष्णा कल्याणपुरा पट्टी क्षेत्र में 18.13 केरेट का नायाब हीरा मिला है। इस हीरे को हीरा कार्यालय में शनिवार को जमा कर दिया गया है और इसे अगली नीलामी में बिक्री

# 18.13



केरेट  
का

के लिये रखा जायेगा। इसके अलावा पन्ना के हीरा कार्यालय प्रांगण में चल रही खुली नीलामी में आज दूसरे दिन बहु प्रतीक्षित पन्ना का सबसे बड़ा दूसरा हीरा खुली बोली के लिए रख गया। इस हीरे के लिए कई बोलीदार बोली लगाते रहे लेकिन बोली अंत में उत्तरप्रदेश के हीरा कारोबारी राहुल अग्रवाल ने 2.55 करोड़ रुपये में इसे खरीदा। अब इस हीरे से प्राप्त राशि सभी कर और रॉयल्टी काटकर पन्ना के मजदूर मोतीलाल को दी जाएगी।

# 2018 took the sheen off base metals

The Bloomberg metal index declined 16%, in contrast to the rallies in 2016 and 2017

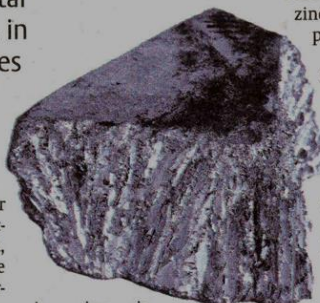
SATYA SONTANAM

The year 2018 was a rough and poor-performing one for base metals, both domestically and globally. In India, Multi Commodity Exchange (MCX) prices of all non-ferrous metals were largely impacted by global uncertainties due to ongoing trade tensions and movement of US dollar index, rather than by metal-specific trade dynamics within the country.

The price movement on MCX was in tandem with the London Metal Exchange (LME), a global benchmark for metal prices. However, the downfall of MCX prices was lower than that of LME prices on account of rupee's depreciation over the dollar.

The Bloomberg metal index has been down about 16 per cent since the beginning of 2018 in contrast to the rallies in 2016 and 2017. The fierce fall began in June when the US extended and intensified its import tariffs. Further, China — the largest consumer of most of the base metals — being in the spotlight for US tariff retaliations is causing uncertainties in the global trade.

Amongst the non-ferrous metals, prices of zinc fell the most, by 25 per cent, on LME and touched its two-year low.



As zinc is closely linked to steel, 25 per cent import tariff hike by the US on steel trembled the zinc price movement on LME. This is despite zinc's supply deficit in the global market and reducing inventories.

In case of aluminium, LME prices witnessed significant volatility during the year, beginning with US sanctions on Russian firm Rusal (in April), which contributed nearly 6 per cent to the world's aluminium output in 2017. This news spiked the aluminium LME prices to multi-year high, which was later mellowed by the imposition of US tariffs. It fell further when the US recently lifted the sanctions on Rusal.

LME prices of copper, too, faced headwinds in 2018. Prices spiked on news of closure of Vedanta's Sterlite plant that contributes nearly 45 per cent to India's copper output, but fell gradually with rise in trade uncertainties.

Here, we look at Indian fundamentals of the three most-

used and traded metals — zinc, aluminium and copper.

**Zn: LME -25%, MCX -16%\***

Zinc production in India during January-November 2018 was 662 kilo tonnes (kt), down 9.9 per cent compared with the same period a year ago. This has been due to the transition of a few open-cast mines to underground mines. Decrease in production, too, could have impacted consumption, which fell over 24 per cent y-o-y to 568 kt during the first 10 months of the year.

Global zinc market is most often in deficit. As India consumes less zinc than it produces, it has been a net exporter of the metal for the past few years. But with production loss in 2018, India became a net importer. During January-October 2018, zinc imports increased 9.9 per cent to 155 kt while exports fell 16.10 per cent to 186 kt compared with the same period the previous year.

Going ahead, ramping up of underground mining and higher grade quality are likely to resolve the concerns on the supply side.

**Al: LME -18%, MCX -8%\***

In India, production of primary aluminium increased 15.70 per cent y-o-y to

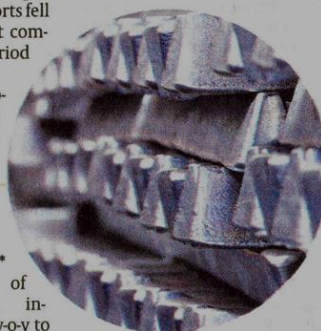
2,751 kt during January-September 2018 on account of better capacity utilisations and stable operations of aluminium makers.

During the same period, consumption rose 4.7 per cent y-o-y to 1,593 kt. The government's focus on infrastructure and electrification projects and growth in the auto industry augmented the consumption of the white metal.

Alu-

minium exports and imports rose 23.90 per cent and 9.3 per cent to 1,590 kt and 286 kt, respectively.

Low import duty on aluminium scarp (about 2.5 per cent) led to an increase of its imports. Domestic players have been demanding a relief from such imports, which is



taking away their market share. Going forward, the demand for aluminium in India is expected to be bright with healthy growth in the electrical and automobile segments.

Aluminium replacing copper in the electrical and consumer durable segments will be a positive for the industry.

However, increased cost of production of domestic producers is seen as an impediment.

**Cu: LME -17%, MCX -12%\***

The shutting down of Sterlite's copper plant changed the demand-supply dynamics of copper in the domestic market.

Refined-copper production in the country during January-November 2018 fell 34 per cent y-o-y to 509 kt.

In the first 10 months of the year, the country's imports rose threefold to 62 kt, and exports plummeted 66.9 per cent to 109 kt, compared with the same period the previous year, turning India into a net importer of the metal from being a net exporter earlier.

However, with the resumption of the plant on the cards, copper supply is expected to normalise, and imports are expected to come down.

(Production, consumption, imports and exports numbers were sourced from CARE Ratings. \*Annual returns)



## External factors

MCX prices of all non-ferrous metals were impacted by global uncertainties due to ongoing trade tensions and movement of US dollar index



## Uptrend in gold gains momentum

GURUMURTHY K

Gold extended its rally for the second consecutive week. The global spot gold prices surged 1.7 per cent and closed at \$1,278 per ounce.

Silver, on the other hand, broke its prolonged sideways consolidation between \$14 and \$15 per ounce. The global spot silver prices surged, breaking above \$15, in the past week, and closed on a strong note. Silver skyrocketed 5 per cent to close the week at \$15.38 per ounce.

A subdued US dollar index helped gold and silver prices gain strength last week. The dollar index fell within its sideways range and closed the week at 96.4, down 0.6 per cent for the week. Though the dollar index is retaining its broad 96-97.7 sideways range, the price action on the daily chart leaves the bias negative.

The index looks vulnerable to decline below 96 in the coming weeks. In such a scenario, the dollar index can fall to 95 or 94.8, which in turn may push gold and silver prices further high.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) snapped its two-week fall.

The contract surged in tandem with the global spot price and closed 1.3 per cent higher at ₹31,598 per 10 gm. The MCX-Silver contract rallied 3.9 per cent last week. The contract closed at ₹38,706 per kg.

### Gold outlook

The global spot gold (\$1,278 per ounce) rose, breaking above the key resistance level of \$1,275. As long as the yellow metal trades above \$1,275, an upmove to \$1,285 or \$1,290 is likely in the near term.

A further break above \$1,290 will then pave the way for the next targets of \$1,300 and \$1,305.

The downside is expected to be limited even if gold declines below \$1,275. The key supports at \$1,267 and \$1,255 are likely to restrict the downside in the short term.

The MCX-Gold (₹31,598 per 10 gm) has a key near-term support at ₹31,500. The downside is likely to be limited to ₹31,350 even if it declines below ₹31,500 in the coming days. The bias is bullish. A rally to ₹32,000 and ₹32,200 is likely in the coming weeks.

### MCX Gold

#### Supports

₹31,500/31,350

#### Resistances

₹31,800/32,200

### MCX Silver

#### Supports

₹38,800/38,000

#### Resistances

₹39,200/40,000

### Silver outlook

The strong surge last week ended the prolonged sideways consolidation movement between \$14 and \$15 per ounce. The global spot silver (\$15.38 per ounce) had been stuck inside this range since August. The region between \$15 and \$14.9 will now act as a strong support.

Dips to this support zone is likely to find fresh buyers coming into the market. An upmove to \$15.6 and \$15.7 is likely in the near term. A strong break above \$15.7 will then increase the likelihood of the prices extending its upmove to \$16 and \$16.15 thereafter.

The MCX-Silver (₹38,706 per kg) is also gaining strength. The immediate support is at ₹38,500. Though there is resistance at ₹39,000 and ₹39,200, the contract is likely to breach these hurdles in the coming days. A strong break above ₹39,200 will pave way for the next target of ₹40,000. It will also increase the possibility of the contract targeting ₹41,000 or even higher levels over the medium term.

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## Little progress in Meghalaya mine rescue operation

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SAIPUNG (MEGHALAYA),  
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A TEAM of six Indian Navy divers that went down the main shaft (over 300-feet deep) of the ill-fated coal mine in Meghalaya's East Jaintia Hills district on Sunday made little progress, as the multi-agency rescue work at the site entered its second day.

The effort of the Navy divers was to attempt to reach the base of the mine, crossing the water

column and find out how many "rat-hole" horizontal tunnels are there in which the workers are feared to be dead.

NDRF Assistant commandant Santosh Singh said Sunday evening the divers were not able to reach the bottom, but have surveyed the basement and will drop equipment to get an idea of the depth of the tunnel on Monday.

Meanwhile, a team of the Odisha Fire Services, which reached the spot on Saturday, began coordinating with the NDRF and the Navy.

The team from Odisha had brought 10 powerful pumps, which have not been set up yet.

"We couldn't use the pumps first because that would have released carbon dioxide and carbon monoxide in the shaft, which would have hindered movement of the Navy divers," said Sukanta Sethi, the Odisha team chief.

NDRF's Singh said its divers were not able to go inside since December 13 because the water level could not be reduced to less than 40 feet because the pumps did not have enough power.