



खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-19

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खनिज समाचार

KHANIJ SAMACHAR



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Cement, coal, gas push August core sector growth by 11.6%

Base effect impact too, as most sectors had contracted last Aug due to Covid

OUR BUREAU

New Delhi, September 30

Aided by some base effect and a strong show by cement, coal, and natural gas sectors, the core industries' output grew 11.6 per cent in August, official data released on Thursday showed.

This was better than the 9.9 per cent growth recorded by the eight core industries — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — in July.

In August 2020, the core sector output had contracted 6.9 per cent due to the Covid-19 pandemic.

May number revised

The Ministry of Commerce and Industry has revised downwards the May output number to 16.4 per cent from the provisional 16.8 per cent announced earlier.

The eight core industries account for 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP).

On the sectoral front, August cement production surged a robust 36.3 per cent (contraction of 14.5 per cent in August 2020), followed by coal output 20.6 per cent (3.6 per cent in August 2020); natural gas 20.6 per cent

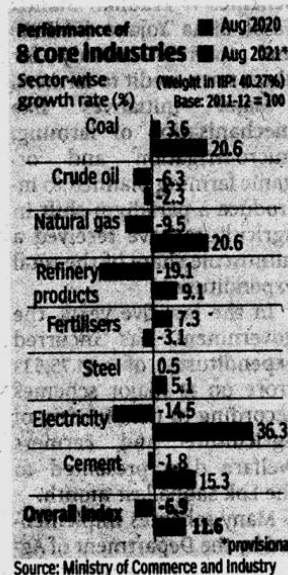
(-9.5 per cent) and electricity generation 15.3 per cent (-1.8 per cent). Refinery products grew 9.1 per cent (-19.1 per cent) and steel 5.1 per cent (0.5 per cent).

However, fertilisers contracted 3.1 per cent (7.3 per cent) and crude oil 2.3 per cent (-6.3 per cent).

Impact on IIP

Madan Sabarwal, Chief Economist, CARE Ratings, said the core sector data continues to be driven by base effect and noted that IIP growth is expected to be 11-12 per cent this month.

"On the whole core sector growth rate is encouraging as it points to further acceleration during the course of the year as the government gets down to spending more



as indicated to all ministries.

"Also, private sector investment in some pockets would increase sustaining the tempo," he told BusinessLine.

Aditi Nayar, Chief Economist, ICRA, said that core sector growth has accelerated for the second consecutive month, despite a normalising base, although the 11.6 per cent August print "modestly trailed our expectations led by cement."

Lull in rains helped

The pick-up to 11.6 per cent in August from 9.9 per cent in July was due to the lull in rains, which supported growth in coal, cement and electricity, as well as higher mobility that propped up the growth in petroleum refinery products, she said.

"Although core sector growth has improved, the weak trend in auto production is likely to weigh upon the manufacturing output in August, resulting in an IIP growth of around 11-12 per cent, similar to the July print," she said.

April-Aug fiscal deficit contained at 31.1% of BE

OUR BUREAU

New Delhi, September 30

Revenue rising over 100 per cent and a tight rein on expenditure restricted the fiscal deficit to 31 per cent of the Budget Estimate (BE) in the April-August period.

Now, experts see tax collections for full fiscal year exceeding ₹2-lakh crore, and

expect the fiscal deficit will be lower than the BE.

Latest data released by the Controller of General Accounts (CGA) showed the total revenue (from tax and non-tax sources) topping ₹7.93-lakh crore in April-August against ₹3.7-lakh crore in the corresponding previous period, a growth of over

114 per cent. However, the total expenditure exceeded ₹12.77-lakh crore against ₹12.48-lakh crore in the same period, a growth of just 2.3 per cent.

Net tax collection grew 70 per cent to ₹8.6-lakh crore during the first five months of FY22.

Details p3

'Need to harness full potential of mines & minerals in Vid'

■ Business Bureau

HOLDERS of mining and quarry leases, mineral traders and mineral consuming industries are facing problems in procuring environment, forest and other statutory clearances.

To address these issues, Vidarbha Economic Development (VED) Council invited experts from environment, forest and mining sector and requested them to address issues of stakeholders. The experts felt that there is need to harness full potential of mines and minerals in Vidarbha by resolving various issues from the Government.

A meeting on these issues was held recently at the office of VED. Experts and consultants on mining, environment and forests attended the meeting.

S N Agrawal, forest consultant, suggested how the lengthy procedure for procuring forest clearance could be shortened.

A R Khan, retired officer from the Forest Department explained in details the procedure for



obtaining forest clearance for undertaking mining operations in forest areas. Khan also pointed out the mandatory distance which a project proponent has to keep from national parks, sanctuaries, and ecological sensitive zones and areas for undertaking mining operations.

Rajendra Choudhary, retired Senior Deputy Director, DGM-Government of Maharashtra, informed participants about the procedure of acquiring 'Trade License' under provisions of 'Prevention of Illegal Mining, Transportation and Storage Rule-2001' and penalties for illegal mining, transportation and storage of major minerals in Maharashtra.

Arun Deoras, alumnus of the National School of Mines explained the difficulties lessees face in submitting drafts of mining plans online.

P Maheshwari, Vice-President, VED Council said that the State/Central Governments should come with an Amnesty Scheme similar to Income Tax, VAT and other numerous statutes, so that closed mines where mining operations had been suspended for minor reasons could be reopened and mining operations resumed.

MS Waghmare, Retired Deputy Controller of Mines, IBM discussed the amended provisions of Mines and Minerals (Development and Regulation)

Act-2015/2021, and cautioned stake-holders to pay attention to the amended provisions of law and to act accordingly. He cautioned stake-holders to pay attention to amended provisions of law and to act accordingly.

B K Shukla, Mineral Law Consultant and Chairman - Mines and Mineral Committee of VED Council, explained how the procedure adopted for the auction of mineral blocks are not in the interest of the mineral development of the nation.

He mentioned that out of the 153 mineral blocks auctioned so far (up to June 2020), only 24 mineral blocks (other than coal) could start production and dispatch minerals.

At the commencement of the meeting, Shivkumar Rao, President, VED said, "VED will make every effort to harness the mines and minerals potential of Vidarbha which could be good business if supported by the Government."

P Maheshwari proposed the vote of thanks.

LOKMAT DATE : 1/10/2021 P.N.6

कोराडी वीज केंद्रात अनेक दिवसांपासून कोळशाची हेराफेरी कार्यकारी अभियंत्याला मिळालेल्या नोटीसमुळे खळबळ

लोकमत न्यूज नेटवर्क
नामपूर : कोराडी औष्णिक वीज केंद्रात कोळसा वाहतुकीत घोटाळा झाल्याचे उघडकीस आल्यामुळे खळबळ उडाली आहे. केंद्रातील एका कार्यकारी अभियंत्याला नोटीस जारी करून हे प्रकरण दडपण्याचा प्रयत्न करण्यात सुरू आहे. परंतु मागीलच कोळसा बदलण्याचे हे रिकेट अनेक दिवसांपासून सुरू असल्याचा दावा सूत्रांनी केला आहे. निष्पक्षपणे या प्रकरणाचा तपास झाल्यास अधिक सत्य बाहेर येण्याची शक्यता आहे. या घोटाळ्यामुळे वीज उत्पादनावर परिणाम होत आहे.

कोराडी औष्णिक वीज केंद्राच्या युनिट क्रमांक १० मध्ये कोळशाचा तुटवडा असल्यामुळे हे युनिट बंद आहे. या वाहतुकीत घोटाळा झाल्याचे उघड झाल्यानंतर व्यवस्थापनाने कोळशाची आढक वाढविण्याचा भरपूर प्रयत्न केला. परिणामी स्टॉक ३४ वरून ५१ मेट्रिक टनावर पोहोचला

आहे. परंतु हा स्टॉक युनिट क्रमांक १० सुरू करण्यासाठी पुरेसा ठरला नाही.

कंपनीचे वरिष्ठ अधिकारी कोराडी येथे पोहोचले आहेत. एका कार्यकारी अभियंत्याला नोटीस देऊन हे प्रकरण दडपण्याचा प्रयत्न करण्यात येत असल्याचा आरोप होत आहे. या प्रकरणाचा निष्पक्षपणे तपास करण्याची मागणी आहे. तर कोळशाची वाहतूक करणाऱ्या वाहनाला जीपीएस तंत्रज्ञान लावले असताना केंद्रात बसलेल्या अधिकाऱ्यांना ट्रक तासनतास एकाच ठिकाणी थांबल्याची माहिती कशी मिळाली नाही, असा प्रश्न उपस्थित झाला आहे.

याउलट वाहन पकडण्याचे काम अधिकाऱ्यांनी करावे, ते सामाजिक कार्यकर्त्यांना पुढाकार घेऊन का करावे लागले, असा प्रश्नही उपस्थित होत आहे.



अनेक बड्यांचा सहभाग

कोराडी औष्णिक वीज केंद्रात कोळसा वाहतुकीत अनेक मोठ्या व्यक्तींची नावे आहेत. वाहतूक करणाऱ्या वाहनात जीपीएस यंत्रणा बसविली असतानाही वरिष्ठ अधिकाऱ्यांच्या आशीर्वादाने ही वाहने तासनतास थांबलेली असतात. यादरम्यान केंद्रात आणला जाणारा चांगल्या दर्जाचा कोळसा बदलतून निवृद्ध कोळसा या वाहनामध्ये भरला जातो, अशी माहिती आहे.

छोटी इकाइयों पर संकट गहराया, रोलिंग मिलों ने घटाया उत्पादन

कोयले की कीमतों में इजाफा

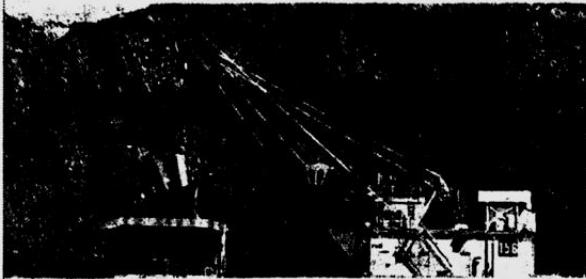
■ नागपुर, व्यापार प्रतिनिधि. कोयले की कीमतों में पिछले 3 माह में 3,000 रुपये प्रति टन की तेजी दर्ज की गई है. कोयले की कीमतों में आई तेजी से छोटे-छोटे सैकड़ों उद्योगों के संकट खड़ा हो गया है और कई उद्योग बंदी के कागार पर पहुंचने लगे हैं. स्टील रोलिंग मिल वालों ने उत्पादन कम करना शुरू कर दिया है क्योंकि उन्हें ऊंची कीमतों पर माल बेचने में काफी दिक्कतों का सामना करना पड़ रहा है.

जानकारों ने बताया कि विदेश से आने वाले कोयले की कीमतों में जबरदस्त उछाल दर्ज किया गया जिसके बाद उद्योग घरेलू कोयले की तरफ मुड़ने लगे लेकिन उन्हें यहां पर भी कोयला मिलने में दिक्कत आने लगी. परिणामस्वरूप ई-ऑक्शन में कोयले की कीमतों में जोरदार इजाफा होने लगा. अब तक कोयला मिलना भी मुश्किल हो गया है.

वेकोलि के पंकज बक्शी ने बताया कि 3 माह पूर्व तक आयातित कोयला गुजरात बंदरगाह में 8,000-9,000 प्रति टन पर मिल रहा था लेकिन अभी इसकी कीमत 12,000 रुपये प्रति टन तक पहुंच गई है. इसका परिणाम यह हुआ है वेकोलि के ई-ऑक्शन में कोयले की कीमत 5,000-5,500 से बढ़कर 8,000-8,500 रुपये प्रति टन के स्तर पर पहुंच गई. छोटे-छोटे उद्योगों को बढ़ी हुई कीमतों पर कोयला लेना मुश्किल हो रहा है जिसका सीधा असर फैक्ट्री के संचालन पर पड़ने लगा है.



3,000 रुपये प्रति टन की तेजी 3 माह में	8,000-9,000 से	5,000-5,500 से
12,000	8,500	
छ. प्रति टन पहुंचा	छ. प्रति टन पहुंचा	देसी कोयला



लिकेज में 125 उद्योग

वेकोलि के साथ कोयला लिकेज में लगभग 125 उद्योगों का करार है. इन्हें लगभग 3,500-4,500 रुपये प्रति टन कोयला मिलता है लेकिन खदानों में पानी भरने का कहना बनाकर कोयला उपलब्ध नहीं कराया जा रहा है. लिकेज वाले भी परेशान हो गए हैं. मुख्य रूप से स्टील, पावर और टेक्स्टाइल सेक्टर की इकाइयों को भारी समस्याओं का सामना करना पड़ रहा है.

परेशानी में स्टील उद्योग



कच्चे माल की बढ़ती कीमत के कारण स्टील सेक्टर खासी परेशानियों का सामना कर रहा है. एक ओर कोयले की कीमतों ने हलाकाल कर दिया है, वहीं कच्चे लोहे की कीमतों में भी भारी इजाफा हुआ है. 8-10 दिनों में स्थिति स्पष्ट होने की संभावना है. अन्यथा कई मिलें बंदी के कागार पर होंगी.

उद्योग को दें प्राथमिकता



वास्तव में सरकार पावर सेक्टर के पीछे पड़ती है, जबकि उद्योग को मद्दत में छोड़ दिया जाता है. हजारों करोड़ निवेश करने वाले उद्योजक संकट में आ जाते हैं. छोटों की हालत और खराब होती जाती है. स्थिति के मद्देनजर सरकार को इसे गंभीरता से लेना चाहिए.

- योगेश मानवानी, अध्यक्ष, स्टील मैनुफैक्चरर एसो. ऑफ़ महाराष्ट्र

ई-ऑक्शन में कोटा हुआ कम

बक्शी ने बताया कि वेकोलि 3 माह पूर्व तक प्रति माह लगभग 5 लाख टन कोयले का ऑक्शन करता था जो उद्योगों की जरूरतें थीं. लेकिन पिछले 3 माह में ई-ऑक्शन के जरिए कोटे

को घटाकर लगभग 3.5 लाख टन कर दिया गया है. इसलिए उद्योगों के बीच कोयले को लेकर मारामारी हो गई और कीमतें बढ़नी शुरू हो गईं. जानकारों का कहना है कि ई-

ऑक्शन में कोयले की उपलब्धता बढ़ाई जाती है तो कीमतों में अंतर देखने में मिल सकता है लेकिन नीति ठीक नहीं होने के कारण समस्या बढ़ती ही जा रही है.

BUSINESS LINE

DATE : 2/10/2021 P.N.2

Tata Steel sells S'pore unit NatSteel

Mumbai: About 17 years after it acquired NatSteel Singapore, Tata Steel has sold the business for Rs 1,275 crore (\$172 million), reports **Reeba Zachariah.**

However, it has retained NatSteel's wires unit in Thailand. Singaporean alloy trader TopTip Holding, which has a turnover of over \$1 billion, has acquired NatSteel's two Singapore facilities and one Malaysia unit. The business, which posted Rs 2,852 crore in revenue FY21, had a negative net worth as on March 31, 2021. Negative net worth means an excess of liabilities over assets. **TNN**

Full report on www.toi.in

Coal price increase will be balanced judiciously: CIL

SHOBHA ROY

Kolkata, October 1

At a time when power plants in the country are facing an acute shortage of coal on the back of a sudden spurt in demand and regulated intake by power utilities, Coal India Ltd has ramped up supplies to restore "normalcy". The State-owned miner, which has been witnessing gradual scaling up in power generation and increased demand, is looking to increase coal prices, albeit "judiciously", so as to ensure that it does not hurt demand.

In an exclusive interview with *BusinessLine*, Pramod Agrawal, Chairman & Managing Director, CIL, talks about production and offtake targets for the current fiscal, the possibility of a price hike and the traction it has been witnessing on e-auction platform. Excerpts:

There are talks of a possible price hike of coal. By how much do you see prices

increasing this fiscal? What will be the impact on demand?

Most input costs have gone up significantly and it is time we review our pricing structure. Price increase will be balanced judiciously. While protecting our bottom line, we will also consider the impact on the price of energy in the country, because a price increase will influence various commodities. We will not rush, but rather plan the process slowly, taking the views of all our stakeholders and getting them on board. It should not impact demand much.

How do you see your production and offtake this fiscal, given that there has been a surge in power demand on the back of a recovery in economic activities post the second wave?

Production and off-take tar-

gets for the current fiscal are 670 mt (million tonnes) and 740 mt respectively. Power generation scaling up is a good sign for coal demand. If the demand sustains then our output and supply will witness a positive jump.



CIL has envisaged a capex of over ₹17,000 crore this fiscal. Do you think this is an achievable target? What are your capital investment plans in the next one to two years?

CIL's major capex components include land acquisition and purchase of heavy earth moving machinery sourced from abroad. Spending on evacuation infrastructure

build up like rail lines also forms a major head. If State governments facilitate acquisition of land as scheduled, equipment is delivered on time and the coal demand sustains as expected then our capex is surely achievable. Primarily capex is driven by coal demand.

We have more than doubled our capex to close to ₹13,284 crore in FY21 compared to ₹6,270 crore in FY20, an increase of around 112 per cent even amid Covid slump. During Q1 of the current fiscal, CIL's capex witnessed a robust two-fold increase to ₹1,840 crores, on a year-on-year comparison, logging 118 per cent growth. This represents 94 per cent achievement of the progressive target of

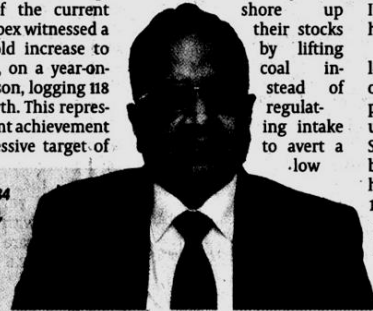
₹1,960 crore for April-June. It would be premature to predict capex plans of the ensuing years.

A number of Gencos have been facing trouble because of low coal stock. Was this in the offing? How do you see the situation moving forward? What is CIL doing in this regard?

[CIL had] envisaged such a situation and had been requesting Gencos, from October of last year, to shore up their stocks by lifting coal instead of regulating intake to avert a low

stock situation during monsoon. If you look at the beginning of this fiscal, power houses had a comfortable stock of 28.7 mt. Even at the end of July it was 24 mt, at par with the stock position of the previous five years as of that date. With the sudden spurt in power generation, demand for coal peaked in the second half of August. We have also been requesting power utilities to maintain the CEA prescribed 22-day normative stock at their end. Ideally, power houses should have built up coal stocks.

Despite monsoon challenges and non-payment of outstanding dues, CIL supplied 243 mt of coal to power utilities during April-September 2021 (till September 28), almost 24 per cent higher as compared to the 196 mt supplied to power utilities during the same period last year. Coal supply to the power sector during said period is also higher by 11 per cent compared



We have increased our capex to close to ₹13,284 crore in FY21 compared to ₹6,270 crore in FY20, an increase of around 112 per cent even amid the Covid slump.

PRAMOD AGRAWAL
Chairman & Managing Director, CIL

Coal India CMD

mon-begin-power portable at the mt, at tion of s as of sudden ration, ked in ist. We esting ntain 22-day ir end. should ks.

Your e-auction sales witnessed good growth during the first quarter of this fiscal. Do you see the momentum continuing moving forward?

Till August 2021, we booked 53.3 mt under e-auction, registering a 42 per cent growth over the same period last year. This is more than a two-and-half fold increase compared to the nearly 20 mt booked during pre-pandemic April-August 2019.

With power generation showing signs of recovery, economic activity gathering pace, and ascending international coal prices showing no signs of relenting so far, indications are clear that there would be preference for domestic coal. In this scenario, e-auction bookings are bound to increase and sustain moving forward. We are

fairly confident of eclipsing the FY21 all-time high e-auction bookings of 124 mt this financial year. Having said that, we hope there would not be a recurrence of Covid which could be potentially detrimental to our sales.

How do you see import substitution happening in the next one to two years?

Presently, with international coal prices climbing up sharply, consumers are opting for domestic coal. Till August, under special spot e-auction for coal importers, 74 per cent of the offered quantity or 2.3 mt of coal was booked with 44 per cent add-on over notified price. But overseas coal prices are highly pliable in nature and price dynamics may change rapidly. So, we prefer to keep watch on a month-to-month basis. We could only hazard a guess as to how the import substitution scenario will turn out twelve or twenty-four months down the line.

कोळसा वाहतूक गैरप्रकाराच्या चौकशीसाठी समिती स्थापन महानिर्मितीकडून तातडीने गंभीर दखल



फॉलो अप

लोकमत न्यूज नेटवर्क

कोराडी : कोराडी औष्णिक विद्युत केंद्राला रस्ते वाहतुकीच्या माध्यमातून होत असलेल्या कोळसा पुरवठ्यातील गैरप्रकाराची चौकशी करण्यात येणार आहे. यासाठी महानिर्मितीच्या वतीने संचालक (खनिकर्म) पुरुषोत्तम जाधव यांच्या अध्यक्षतेत तीनसदस्यीय समिती नेमण्यात आली आहे. यात कार्यकारी संचालक अभय हरणे, कार्यकारी संचालक (माहिती व तंत्रज्ञान) नितीन चांदुरकर तसेच सुरक्षा विभागाचे मुख्य महाव्यवस्थापक राजू मालेवार यांचा समावेश आहे. या समितीला आठ दिवसांत चौकशी अहवाल सादर करायचा आहे. या घटनेची जबाबदारी निश्चित करून अशा घटना घडू नयेत म्हणून समितीला उपाययोजनाही सुचवायच्या आहेत.

एकीकडे कोळशाच्या उपलब्धतेसाठी महानिर्मितीची झुंज सुरू आहे. अचानक उद्भवलेल्या कोळसा पुरवठ्याच्या संकटाने महानिर्मितीसमोर दुहेरी संकट आले आहे. निकृष्ट कोळशाच्या पुरवठ्याने उत्पादनाचा वाढणारा दर तर कोळसा उपलब्ध नसल्याने संच बंद ठेवण्याची नामुष्की महानिर्मितीवर ओढवली आहे. ट्रकमालक-चालकांविरुद्ध गुन्हा

या घटनेत पकडण्यात आलेल्या ट्रकचालक संजय श्रावण साहू व राजन हरिलाल सिंग व ट्रकचा मालक छबीनाथ सिंग यांच्याविरुद्ध खापरखेडा पोलीस स्टेशन येथे गुन्हा



दाखल करण्यात आला आहे. या घटनेचे फिर्दादी खापरखेडा पोलीस स्टेशनचे उपनिरीक्षक राजेश पिसे हे आहेत परंतु या घटनेत महानिर्मितीच्या वतीने देण्यात आलेल्या तक्रारीची अजून तरी फारशी दखल घेतली नाही. अधिकार्यांना वाचविण्याचा प्रयत्न

कोळसा खदान येथून कोराडी वीज केंद्रापर्यंत कोळशाची रस्त्याने वाहतूक होत असताना देखरेख व नियंत्रणासाठी वीज केंद्राच्या सुरक्षा विभागाच्या वतीने एक बोलेरो गाडी ठेवण्यात आली आहे. यामध्ये कनिष्ठ सुरक्षा अधिकार्यांसह खासगी पहारेकरी असतात. म्हणजे ज्या ठिकाणाहून कोळसा निघतो तेथून वीज केंद्रापर्यंत पोहोचेपर्यंत देखरेखीची जबाबदारी यांना देण्यात आली आहे. तसेच कोळसा हाताळणी विभागाच्या वतीनेही रस्त्याच्या वाहतुकीने होणाऱ्या कोळशाच्या वाहतुकीवर देखरेख ठेवण्यासाठी काही व्यक्तींची नियुक्ती करण्यात आली आहे. अशा फसवणुकीच्या घटना रोखण्यासाठीच जीपीएस प्रणाली असतानाही हा प्रकार घडत होता. या प्रकरणी केवळ पहारेकऱ्याला जबाबदार धरून इतर व्यक्तींना वाचवण्याचा तर महानिर्मितीचा प्रयत्न नाही ना, अशी चर्चा महानिर्मितीच्या मोठेत रंगली आहे.

CHINA'S EVERGRANDE AND POWER CRISES

Commodities market likely to be volatile until early 2022

Demand may be hit in the long term as construction, smelter activities could stop

SUBRAMANI RAJANCOMBU

Chennai, October 1

The commodities market — mainly industrial metals, coal and soyabean — is likely to be volatile for the remaining part of the year as also at the start of the New Year due to the power crunch and the Evergrande crisis in China, according to analysts.

This is in view of China being the world's largest consumer and producer of industrial metals and coal, making up over 50 per cent of the global demand. "While China largely determines the physical demand of metals and coal, news coming out of the

country also affects speculative demand," said Fitch Solutions Country Risk and Industry Research (FSCRIR) in its note on weekly commodities strategy.

"The power crunch and supply woes are dominating the metals complex. The power shortage in China continues to escalate and hit producers along the supply chain disproportionately," said Dutch multinational investment bank ING's economic and financial analysis arm Think.

Fitch Solutions said it sees a sharp rise in risks to metal price forecasts as it continues to monitor the situation in

China, especially the two biggest developments being Evergrande's financial issues and the acute power shortage being faced by the country.

Double-edged sword

ING Think said the power issue could be a double-edged sword. "This is positive for metals prices. However, it is also affecting semi-fabricating and downstream consumers, which is negative for prices," it said.

"Uncertainty surrounding Evergrande issue continues to stoke volatility despite prices having recovered since then," FSCRIR said.

Long-term effects

However, FSCRIR said it expects metals price volatility to



Piles of aluminium ingots at a stockyard in Wuxi, Jiangsu province, China. The nation's energy crunch has had a mixed impact on the base metals market, as supply disruptions have helped underpin a rally in aluminium. BLOOMBERG

remain until the Evergrande issue is officially resolved. "Beyond short term price volatility, there are a number of ways the Evergrande situation will affect metals de-

mand and prices in the medium to long term," it said.

In the long term, this could affect construction activities and metal demand, FSCRIR said, adding that the episode

could lead to a dampening outlook for construction and its metal demand for five years as more regulations on credit and local governments spending may be imposed.

Fitch Solutions said the acute power shortage in China is having repercussions in global metals markets with prices of aluminium — the most-affected by the crunch — rallying and other metals gaining support such as steel and copper over the past week.

ING Think said the power crunch in particular has affected smelters, affecting supplies.

FSCRIR also said the power crisis has affected downstream activities, resulting in lower off-take of metals in recent months.

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BULLION CUES

Gold struggles to find direction

AKHIL NALLAMUTHU

BI Research Bureau



SHORT SILVER

Traders can short silver futures if it recovers to the price area of ₹61,500 and ₹62,500 and place stop-loss at ₹63,700

The spot gold exchange, which was under debate for quite some time, seems to be finally taking shape. Last week, the market regulator SEBI came up with a framework through which all recognized stock exchanges can launch instruments through which spot gold can be traded. These are called Electronic Gold Receipts (EGRs) which will be considered as securities, similar to stocks held in dematerialised form. This is expected to make India a price-setter of gold, from being a price-taker. The hope is that supply-demand dynamics in India will have larger influence on domestic price discovery in local exchanges and can improve transparency.

EGRs will be issued by vault providers, who will come under SEBI regulations. They will issue e-receipts i.e., EGRs against the physical gold that they hold and these EGRs will be traded on the proposed gold exchange. An EGR holder can continue to hold it in the electronic form, sell it through the exchange or opt to take delivery of his holdings. The settlement process will be done by clearing corporation just like for stocks.

What it means to traders

Right now, the list of avenues available to take exposure to gold include Sovereign Gold Bonds (SGBs), gold derivative contracts and gold ETFs (Exchange Traded Funds), apart from digital gold and holding coins/bars. Digital gold is not well regulated. The addition of EGRs to this list is a welcome move. For one, it is spot gold, and this has the potential to become the benchmark price in India. Two, there will be no lock-in period and EGRs can be bought and sold at any time. Three, these are not derivative contracts, as in there will be no expiry date



like futures and options contract and can hence be held for as long as one wishes to. Four, EGRs, right from launch, will be under regulatory purview.

What it means to jewellery buyers

Should this initiative take off, there will potentially be a benchmark price for gold in the country; jewellery buyers can look forward to better pricing as it enhances transparency. For people who buy jewellery for immediate usage, EGRs may not be suitable. But consumers who plan to buy jewellery for future use can buy EGRs and take delivery of gold at the time of requirement and convert it to desired jewellery. That way, the risk of storage is avoided, and it can be a hedge against the possible increase in price. Through EGRs, one can also space out the investment rather than buying all the required jewellery at one go. One need not worry about safety and purity as these are standardised and are expected to be governed by strict regulations. Finer details like the unit size of the EGR, lot sizes (like 1 gm EGR, 10 gms

EGR etc.) and minimum quantity that one should hold to be able to take delivery etc. are yet to be known.

While the above were regulatory developments, on the trading front, gold and silver witnessed a volatile week and ended with a gain of 1 per cent each. On the MCX, gold futures closed the week at ₹46,506 (per 10 grams) as against previous weekly close of ₹46,079 and silver futures ended at ₹60,550 compared to preceding week's close of ₹59,955 (per 1 Kg).

MCX-Gold (₹46,506)

The December futures of gold on the MCX saw its price declining through the first half of last week. This resulted in the contract slipping below the key support of ₹46,000 briefly but recovered and closed at ₹46,506, thereby remaining within the range of ₹46,000 and ₹47,000. While the possibility of futures staying in range is high, there are some bearish indications. The contract is struggling to break past the falling trendline, and the price is below both 21-

and 50-day moving averages (DMAs) and bears seems to be constantly attempting to breach the support at ₹46,000.

So, traders can stay on the fence and initiate fresh short positions only if the contract slips below the previous low of ₹45,705. A dynamic stop-loss is recommended for this position i.e., keep initial stop-loss at ₹46,700 (21-DMA) and revise it down as and when 21-DMA moves lower; don't revise upwards.

A break down from ₹45,705 means the contract can touch the immediate support at ₹45,000. Subsequently, it could even depreciate to ₹44,200. But on the other hand, if the contract moves beyond ₹47,000, it can set its sight on the resistance band at ₹47,800 and ₹48,000.

MCX-Silver (₹60,550)

On Wednesday last week, the December futures of silver on the MCX breached the support at ₹59,200. This seemed like the bears have gained complete control and that the futures is heading for a free fall.

However, bulls fought back strongly and pushed the price upwards resulting in a weekly close at ₹60,550. Although this is does not mean a shift from medium-term downtrend, the chances of a minor recovery have not died out. Therefore, the contract can see a rally to the resistance band of ₹61,500 and ₹62,500.

So, traders can short silver futures if the price recovers to the price area of ₹61,500 and ₹62,500 and place stop-loss at ₹63,700 — its 50-DMA. The nearest supports from the above-mentioned price band i.e., ₹59,220, and ₹58,000, can be the possible targets for the shorts.

But note that if the contract decisively breaches ₹62,500, the short-term trend can turn bullish and therefore, the futures can rally to ₹64,200 and ₹65,500.



Scan & Share

JSW Steel acquires Neotrex Steel

Picks under-construction project from Jindal Family Trust

OUR BUREAU

Mumbai, October 2

JSW Steel has acquired Neotrex Steel, an under-construction project to produce Low Relaxation Pre-Stressed Concrete (LRPC) strands, from the JSW promoters-owned company Everbest Consultancy Services. Everbest Consultancy Services is wholly owned by Sajjan Jindal Family Trust. JSW Steel will make a strategic investment of ₹96 crore in the under-construction project to set up 1.44 lakh tonne per annum LRPC strands with an investment of ₹340 crore. The project is expected to be completed by April 2023.

LRPC strands

The project is being funded by ₹120-crore equity and a compulsory convertible debentures and remaining ₹220 crore will



be tied-up through external borrowings. JSW Steel will be contributing to 80 per cent of the equity and CCDs aggregating ₹96 crore.

LRPC strands are used in almost all types of heavy-duty industrial construction, high rise buildings and infrastructure projects.

The JSW Steel board approved the acquisition of 51 per cent stake in Neotrex Steel from Everbest Consultancy Services and its wholly owned subsidiary Neotrex Steel Wires by way of equity share and zero-coupon

CCDs at ₹11 crore, said the company. Following this, JSW Steel infused ₹33 crore in Neotrex Steel and received equity shares worth ₹1.45 lakh and zero-coupon CCDs of ₹32.54 crore, issued at par. JSW Steel owns 80 per cent in Neotrex Steel and made it a wholly-owned subsidiary. "JSW Steel will invest another ₹52 crore in one or two tranches by way of equity and CCDs during the project period," it said.

BusinessLine

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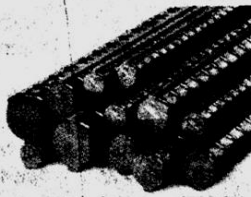
LOKMAT DATE : 4/10/2021 P.N.7

स्टीलच्या दरात विक्रमी तेजी; घरबांधणी महागणार

लोकमत न्यूज नेटवर्क

जालना : मध्यंतरी अडचणीत असलेल्या स्टील उद्योगाला दरवाढीने दिलासा दिला आहे. परंतु ही दरवाढ कोळसा आणि स्पॉज आयर्नचे दर वाढल्यामुळे निर्माण झाली आहे. सर्व करंसाहित किरकोळ बाजारपेठेत स्टीलचे भाव हे प्रथमच प्रतिटन साठ हजार रुपयांवर पोहोचले आहेत.

कोरोना काळात बंद झालेले बांधकाम क्षेत्र आता नव्याने उभारी घेत आहे त्यामुळे स्टीलचे उत्पन्न वाढले होते असे असतानाही दर हे साधारणपणे ४२



हजार ते ५० हजारांच्या दरम्यान प्रतिटन होते. चीनमधून झालेले निर्यात संकट हे देखील दरवाढीमागील एक प्रमुख कारण मानले जाते आहे. स्टीलच्या निर्मितीसाठी लागणारे स्पॉज आयर्न आणि कोळशाच्या

भारनियमनाची पुन्हा शक्यता

वीजनिर्मितीसाठी लागणारा कोळसा पुरेशा प्रमाणात उपलब्ध होत नसल्याने विजेचे उत्पादन प्रभावित आहे. भविष्यात पूर्वीसारखे भारनियमन लागू होण्याची दाट शक्यता सूत्रांनी वर्तविली आहे. परंतु, अद्याप वीजवितरणकडून मात्र याबाबत अधिकृत माहिती दिलेली नाही. हे कोळसा संकट टाळण्यासाठी केंद्रीय कोळसा राज्यमंत्री रावसाहेब दानवे यांनाही उद्योजकांचे शिष्टमंडळ भेटणार असल्याचे सांगण्यात आले.

किमती वाढल्या आहेत. इंडोनेशियामधून येणाऱ्या कोळशाची किंमत ही गेल्या आठवड्यात साठ हजार रुपये टनांवरून १६ हजार रुपये प्रतिटन एवढी झाली आहे. स्पॉज आयर्नचे भावही ३२ हजार

रुपये टनांपर्यंत पोहोचले आहेत. या सर्व बाबींचा स्टीलच्या दरवाढीवर परिणाम झाला आहे.

देशातील स्टील निर्मितीसाठी जवळपास १५ लाख टन कोळसा लागतो.

५ जुलैनंतर हा कोळसा पाहिजे त्या प्रमाणात मिळत नसल्याने कोळशाच्या किमती आठ हजार रुपये टनांवर गेल्या आहेत. परदेशातून येणारा कोळसा हा ओला आणि पाहिजे तेवढा दर्जदार नसल्याचेही सांगण्यात येत आहे.

स्टीलचे मूळ दर हे आजघडीला जालना बाजारपेठेत ४७ हजार २०० ते ४८ हजार रुपये आहेत. यावर जीएसटी आणि अन्य कर मिळून स्टीलचे हे दर प्रतिटन ६० हजार रुपयांवर पोहोचले आहेत. हे दर कमी होण्याची शक्यता नसल्याची माहितीही सूत्रांनी वर्तविली आहे.

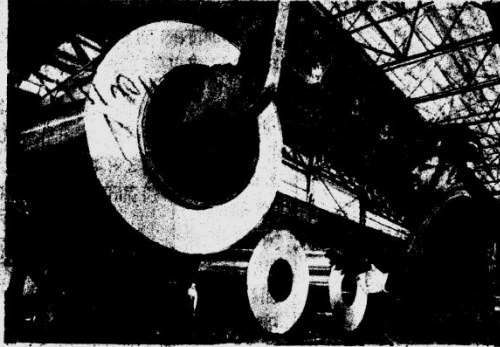
निज भाषा से ही देश की प्रगति संभव : कुमार



नागपुर। महानियंत्रक (प्रभारी) भारतीय खान ब्यूरो के निर्देशानुसार भारतीय खान ब्यूरो (मुख्यालय) नागपुर में ऑनलाइन हिंदी पखवाड़ा का आयोजन किया गया। अध्यक्षता पी.एन. शर्मा, मुख्य खान नियंत्रक (प्रभारी) भारतीय खान ब्यूरो ने की। हिंदी निबंध, टिप्पण, आलेखन, हिंदी अनुवाद, राजभाषा हिंदी प्रश्नोत्तरी एवं हिंदी शुद्धलेखन प्रतियोगिताओं का आयोजन ऑनलाइन और ऑफलाइन रूप से किया गया। ऑनलाइन हिंदी कार्यशाला में 17 अधिकारियों एवं कर्मचारियों ने हिस्सा लिया। सचिव, नराकास-2, वेस्टर्न कोलफिल्ड लिमिटेड नागपुर के मनोज कुमार ने हिंदी भाषा और उसके प्रयोग विषय पर व्याख्या में हिंदी का प्रयोग रोजमर्रा के कामकाज में करने पर जोर दिया। उन्होंने राजभाषा से संबंधित लीला एप के की जानकारी देते हुए कहा कि देश की वास्तविक प्रगति निज भाषा से ही संभव है। कार्यशाला की सफलता हेतु अभय अग्रवाल, क्षेत्रीय खान नियंत्रक एवं राजभाषा अधिकारी, अभिनय कुमार शर्मा, सहायक संपादक एवं हिंदी अनुभाग की प्रशंसा की। सफलतार्थ हिंदी अनुभाग के मिताली चटर्जी, वरिष्ठ अनुवाद अधिकारी, असीम कुमार, कनिष्ठ हिंदी अनुवाद अधिकारी, किशोर डी. पारधी, कनिष्ठ अनुवाद अधिकारी, प्रदीप कुमार सिन्हा, अवर श्रेणी लिपिक तथा श्री एन.एम. मोरे, प्रेसमैन ने योगदान दिया।

डिमांड नहीं, स्टील का उत्पादन भी मिरा

25,000
टन प्रति दिन था पहले
15,000
टन पर आया उत्पादन



350 मेगावॉट बिजली
खपत हुई कम

मानवनी ने कहा कि उत्पादन में कटौती करने से राज्य में प्रति दिन बिजली की खपत 350 मेगावॉट कम हो गई है। पूरी क्षमता से फैक्ट्री चलने में ज्यादा बिजली खपत होती थी जिससे राज्य सरकार को भी आमदनी होती थी लेकिन राज्य सरकार को भी राजस्व का नुकसान उठाना पड़ रहा है। पूर्ण क्षमता में उत्पादन आने में अभी काफी समय लग सकता है। विदर्भ में छोटी-बड़ी 85 कंपनियां कार्यरत हैं जहां पर हजारों लोगों को रोजगार मिला हुआ है लेकिन परिस्थिति अनुकूल नहीं बन पा रही है।

■ नागपुर, व्यापार प्रतिनिधि. एक ओर कच्चे माल की बढ़ती कीमत और दूसरी ओर डिमांड नहीं रहने से स्टील उत्पादों के उत्पादन में भारी कटौती हुई है। एक अनुमान के अनुसार राज्य में प्रति दिन 25,000 टन सरिया का उत्पादन हो रहा था जो वर्तमान में घटकर 15,000 टन पर आ गया है। इसकी मुख्य वजह कोयला, कच्चे माल और बिजली की दरों में वृद्धि बताई जा रही है। महाराष्ट्र स्टील मैनुफैक्चर्स एसोसिएशन के अध्यक्ष योगेश मानवनी ने बताया कि राज्य के अधिकांश स्टील उत्पादकों के समक्ष गंभीर संकट खड़ा हो गया है।

अधिकांश बड़ी कंपनियों ने उत्पादन में 20 से 40 फीसदी तक की कटौती कर दी है। विदर्भ के उद्योगों पर भी विपरीत असर देखने को मिल रहा है। उनका कहना है कि प्रोजेक्ट नहीं आ रहे हैं और जो चल भी रहे हैं वहां पर डिमांड नहीं है जिसके कारण उत्पादन में कटौती के लिए बाध्य होना पड़ा है। दशहरा के बाद डिमांड बढ़ने की संभावना है तब जाकर फैक्ट्रियों में उत्पादन सुचारु हो पाएगा।

लागत हुई अधिक

उन्होंने कहा कि आज स्थिति ऐसी हो गई है कि कीमतें कम हो रही हैं, जबकि लागत अधिक बढ़ रही है। कच्चा माल, कोयला और बिजली की बढ़ी हुई दर से उत्पादन महंगा पड़ने लगा है। कच्चा माल पहले 38,000 रुपये टन था जो वर्तमान में 45,000 रुपये टन पर पहुंच गया है। इसी प्रकार राज्य में सब्सिडी योजना दोबारा लागू नहीं की गई है जिसके कारण उद्योगों को अधिक भुगतान करना पड़ रहा है। बिजली की दरें बहुत ज्यादा हो गई हैं। कोयला भी खुले मार्केट से लेना पड़ रहा है जो प्रति टन में 3,000 से 5,000 रुपये तक तेज है। ऐसे में 54,000-55,000 रुपये टन सरिया बेचना कंपनियों को नहीं पूरा रहा है।

COMMODITY CALL

Go long on zinc



AKHIL NALLAMUTHU

BL Research Bureau

Zinc was volatile for the first couple of months this year and consequently, its continuous contract on the Multi Commodity Exchange (MCX) saw considerable amount of price swing. But towards the end of March, the contract stabilised and began moving upwards.

As a result, the futures made a fresh high of ₹262.85 during the final week of September. However, over the past one year, the contract slid and now it is hovering around ₹254.

In the forthcoming sessions, the contract may not see further decline as it has good support in the price range of ₹250 and ₹252. At these price levels, both 21- and 50-day moving averages (DMAs) coincide making the support stronger.

Hence, zinc futures can be expected to go up in the coming sessions and retest the previous high of ₹262.85. A breach of this level can intensify the rally wherein it could touch ₹270, which can act as a resistance. Subsequent resistance is at ₹275.

Considering this, traders can go long at current levels with stop-loss at ₹245. Revise the stop-loss upward to ₹255 if the contract decisively breaches ₹263 and look for targets at ₹270 and ₹275. On the other hand, if the contract slips below ₹250, it can fall to ₹245 – a strong support.

THE ECONOMIC TIMES DATE : 6/10/2021 P.N.9

The Coal Crisis

India is facing its worst ever coal crisis due to alarmingly low levels of fuel stocks at the coal power stations. As on September 30, an unprecedented 77% of the country's installed coal power capacity were operating on critical stock. Average coal stock at the power plants remaining low at 7.4 days against a norm of 13 days. Spot average power prices have risen to over ₹12 a unit. A similar crisis in China has pushed up international coal prices making imported coal-based power prohibitive. A look at the crisis that started unfolding since mid- August.

COAL SUPPLIES
USUALLY HIT DURING
MONSOONS

Low rainfall in the monsoon season has led to a sharp decline in coal supplies. Power plants' annual production is also hit by the monsoon.

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ACUTE 2021 CRISIS

On Sep 30,
127 Gw
plants had
7 days' stock

Average stock on Aug 1 was
13 days (23.97 MT) vs
Sept 30, 4 days (8.08 MT)

Of 135 monitored
plants, 72 have
less than 3 days' stock

Combination of adverse factors

1] Situation worse
this year as rains
continued through
September

2] Power
consumption has
surged Post-Covid
in Aug- Sep'21 vs
Aug-Sep'19 Power
consumption - 124.2
BU per month vs
106.6 BU per month

Up to 70% demand
being met by coal-
fired stations

3] Power plants
did not build
stocks due to
Covid stress

4] Coal supply
regulation to
defaulting state-
run power plants

5] Power plants
allege CIL supply,
rake loading
inadequate

6] Less wind,
hydro generation

7] Historic global
coal, gas prices have
ruled out imported
fuel-based power

Indonesian coal
prices \$200/ton in
Sep- Oct (5000 GAR)
vs \$60/ton in Mar

Brent crude at
decade high price -
\$80 a barrel

17 Gw imported
coal capacity under
shut down

IMPACT OF
COAL CRISIS

Power plants
are facing
critical stock

GOING
FORWARD

Crisis likely
to ease with
monsoon

Power plants
are facing
critical stock

Power plants
are facing
critical stock

Power plants
are facing
critical stock

Power plants
are facing
critical stock

STEPS
TAKEN

Power plants
are facing
critical stock

Power plants
are facing
critical stock

Power plants
are facing
critical stock

Power plants
are facing
critical stock

Power plants
are facing
critical stock

Coal Crisis, Global Energy Spike Risks to Inflation: Economists

Rise in communication, lighting, transport costs may put price pressure

Kirtika Suneja & Bhavya Dillipkumar

New Delhi | Mumbai: The high commodity prices globally, rising crude, and domestic coal supply constraints that has spiked electricity may cause inflation to accelerate, which could dampen the demand recovery that is underway across sectors, independent economists said.

A \$10 per barrel increase in crude prices will add 30-40 basis points (bps) to inflation directly while the attendant rise in lighting, transport and communication costs will add up to significant price pressure. "Higher global energy prices, including oil, present an upside risk to the inflation trajectory over the coming months. Greater pass through to pump prices in the absence of any reduction in excise duties, electricity and other inputs costs could lead to a more broad-based increase in inflation," said Sakshi Gupta, economist at HDFC Bank.

The bank expects 4.4% retail inflation in September and 5.4% in FY22.

Higher inflation would dampen demand, and the impact would be magnified if the interest rates begin to rise in response to the price pressures.

INFLATION WORRIES

Higher global energy prices an upside risk to inflation

\$10 per barrel crude price rise to add 30-40 bps to inflation

Greater pass through, coal crisis to up electricity costs

High coking coal prices push steel costs by ₹9,000-10,000 a tonne

Vegetable oil, retail fuel bear brunt of energy crisis

Low oilseed output to increase India's edible oil imports



Imported inflation another concern

No impact of coal shortage on car cos yet

nified if the interest rates begin to rise in response to the price pressures.

Due to rising iron ore prices, which have just softened, and skyrocketing coking coal prices, Indian steel mills witnessed a jump of at least ₹9,000-₹10,000 a tonne of increase in the cost of production. "Since the beginning of October, we are witnessing a demand recovery as the construction activity has picked up and the festive season is around the corner," said Ranjan Dhar, Chief Marketing Officer, AMNS India. The steel industry may still be seeing high demand due to economic recovery, but these higher prices could raise costs for their users pushing up final product prices.

The Reserve Bank of India (RBI) has month raised the inflation forecast for this fiscal to an average of 5.7% from 5.1%, earlier, noting that the current trend is driven by "exogenous and largely temporary supply shocks."

"The core inflation is remaining sticky and ele-

vated the overall headline still is expected to undershoot RBI's projections in the near term. However, the recent energy crisis emanating from oil and coal price surge poses a significant upside risk," said Kotak Mahindra economist Upasna Bhardwaj.

High inflation in edible oil is adding to the consumer already feeling the pinch from pricier fuels. Greater spending on fuel and food items would dent discretionary consumption when the economy is opening and the services sector seeing some traction. The government's first advance estimates peg oilseed production to be marginally lower than last year, adding to the woes caused by the already soaring edible oil prices. "Oil and metals have been pushing inflation and going ahead, we expect our edible oil imports to increase, adding to a rise in imported inflation," said Madan Sabnavis, chief economist at CARE Ratings.

LOKMAT DATE : 6/10/2021 P.N.2

चार दिवस पुरेल इतकाच देशात कोळसा साठा वीजनिर्मितीचे मोठे संकट



इन डेथ स्टोरी

कमल शर्मा

लोकमत न्यूज नेटवर्क

नागपूर : महाराष्ट्रासह संपूर्ण देशातील औष्णिक वीज प्रकल्पांसमोर मागील चार दशकांतील सर्वात मोठे कोळसा संकट उभे ठाकले आहे. देशातील औष्णिक वीज प्रकल्पांमध्ये सरासरी चार दिवस पुरेल इतका कोळसा साठा शिल्लक आहे. महाराष्ट्रात तर परिस्थिती गंभीर आहे. या कोळसा संकटावर मंथनासाठी संसदीय सल्लागार समितीची उच्चस्तरीय बैठक २९ ऑक्टोबरला आयोजित केली आहे. या बैठकीला केंद्रीय कोळसामंत्री, राज्यमंत्री, दोन इझनांहून अधिक खासदार, कोळसा सचिव, कोल इंडिया व कोळसा कंपन्यांचे व्यवस्थापकीय संचालक यात सहभागी होतील. यादरम्यान झारिया आराखड्यावर चर्चा होईल. यावेळी वेस्टर्न कोलफिल्ड लिमिटेडच्या अनियमिततेचा मुद्दा उपस्थित करू, असे रामटेकचे खा.

■ देशाच्या वीज उत्पादनात औष्णिक विजेचे प्रमाण सध्या ६६ टक्के आहे. एकूण ३,७४,९९९.०४ मेगावॅटपैकी २,३९,३२०.७२ मेगावॅट वीज याच प्रकल्पांमधून येते. यात कोळशावर आधारित प्रकल्पांची संख्या ५३,३४ टक्के आहे. कोळशाच्या कमतरतेतून किती मोठे संकट उभे राहू शकते, हे यातूनच स्पष्ट होत आहे. आण्विक ऊर्जेतून देशाला १.८९ टक्के, हायड्रोतून १२.२९ व अपारंपरिक ऊर्जास्रोतांमधून २४.९६ टक्के वीज मिळते आहे.

कृपाल तुमाने यांनी स्पष्ट केले. वीज प्रकल्पांमध्ये ६० ते ८० हजार टन कोळशाची कमतरता आहे. अनेक युनिट ठप्प पडले आहेत. स्टील व अल्युमिनियम उद्योगांचा कोळसा वीज केंद्रांना देण्यात येत आहे. अतिवृष्टीमुळे बहुतांश ओपन कास्ट खाणीत पाणी भरले असून उत्पादनाला फटका बसला आहे. देशाच्या काही वितरण कंपन्यांनी महाग वीज खरेदीचे कारण देत वीज दरांमध्ये वाढीची मागणी केली आहे.

वीज प्रकल्प	उपलब्ध साठा
खापरखेडा	१ दिवस
कोराडी	१.५ दिवस
चंद्रपूर	१.५ दिवस
पारस	अर्धा दिवस
परळी	२ दिवस
नाशिक	१ दिवस
भुसावळ	अर्धा दिवस

नागपुरात होणार मंथन



महाराष्ट्रात आणखी संकट, दोन दिवसांचाच कोळसा

महाराष्ट्रात स्थिती आणखी गंभीर आहे. कोराडीत कोळसा वाहतुकीत झालेल्या गडबडीमुळे व्यवस्थापनाचा ताण वाढला आहे. प्रकल्पांमध्ये दोन दिवसांचाच कोळसासाठा (१ लाख ४० हजार टन) शिल्लक आहे. पारस व भुसावळमध्ये केवळ अर्धा दिवसाचाच कोळसा आहे. अशात वाहतुकीची समस्या झाली तर प्रकल्प बंद होईल. सध्या राज्यात लोडशेडिंग नाही. परंतु जर स्थितीत सुधारणा झाली नाही तर लोडशेडिंग होण्याची शक्यता अधिकाऱ्यांनी वर्तविली आहे.

SECTOR WATCH THERMAL POWER PLANTS

To fix coal crunch, captive mines' 50% output get sale nod

ENSECONOMIC BUREAU
NEW DELHI, OCTOBER 5

EXPLAINED To help boost production

IN A move expected to help address the ongoing coal shortage at the country's thermal power plants, the government on Tuesday notified rules allowing the sale of up to 50 per cent of the annual coal and lignite output of captive mines.

The move to amend the Mineral Concession Rules, 1960 is expected to benefit operators of 100 coal and lignite blocks, with an annual production capacity of 500 tonnes. Captive mines are operated by end-users of coal, including steel and power sector firms. A government release said the amended rules "paved the way for releasing of additional coal in the market by greater utilisation of mining capacities of captive coal and lignite blocks, which were being only partly utilised, owing to limited production of coal for meeting their captive needs."

Lessees of such captive mines will be required to pay additional premiums to state governments above the ones paid for coal that they sell after meeting their own requirements. The move is expected to motivate lessees of captive mines to boost production beyond their own requirements.

Thermal plants are currently dealing with a coal shortage due to a sharp uptick in power demand, lower levels of coal production and fewer despatches due to disruptions during the monsoon, and low accumulation of stock in the April-June period.

As many as 17 thermal power plants, with a generation capacity of 21,325 MW, had zero days of coal stock as of October 3. Another 40 plants with a generation capacity of

LESSEES OF captive mines selling coal will have to pay the state additional premiums over what they pay for coal they use themselves. The move is expected to motivate lessees of captive mines to boost production beyond their own requirements.

52,510 MW have stocks of one or two days. On average, the stocks of coal available with thermal power plants are sufficient for only 4 days of operations, compared to recommended stock level of 14 days.

The shortage was seen to be more acute in non-pithead plants or the ones that are not located close to coal mines, with such plants accounting for 97 of the 107 plants seen to have critical levels of stock i.e. under 8 days. As much as 131 GW of the total 165 GW of capacity for which stocks are monitored daily is currently facing "critical" or "super critical" levels of coal inventory.

The share of coal-based power in the electricity mix has risen to 66.4 per cent from 61.9 per cent in 2019, leading to an 18 per cent increase in coal consumption in August and September, as against the corresponding period in 2019.

A total of 263 rakes of coal were dispatched from coal mines on Monday, up from 248 on Sunday, with the number set to increase further, according to a government release. Coal India has increased offtake in the September quarter by 9.7 per cent to 147.3 million tonnes (mt), up from 134.3 mt in the year-ago period with a view to help address the shortage.

Vedanta Group looking to bid for govt's stake in Hindustan Copper

The PSU is one of the companies identified for divestment this fiscal

OUR BUREAU

Mumbai, October 5

After submitting its interest to acquire Shipping Corporation of India, Vedanta Group is eyeing the government's stake in Hindustan Copper Limited.

The government is yet to announce a schedule for the stake sale but the public sector company is one of the companies identified for divestment as part of the plan to raise ₹1.75-lakh crore from stake sale in public sector

companies and financial institutions, including 2 PSU banks and one insurance company, in the current fiscal.

The Government has been reducing its stake in Hindustan Copper through the open market over the last two years.

Offer for sale

Recently, the government sold 10 per cent stake in Hindustan Copper through an offer for sale at ₹116 a share. Life Insurance Corporation of India had acquired the bulk of shares



Anil Agarwal, Chairman, Vedanta Group

sold by the Centre through the offer for sale, increasing its stake in the company to 14.98 per cent. The Government now holds about 62 per cent stake in the company.

In 2019, Vedanta Chairman Anil Agarwal had urged Prime

Minister Narendra Modi to divest a stake in at least five state-owned companies, which included Hindustan Copper. Vedanta had earlier acquired the government's 64.9 per cent stake in Hindustan Zinc (HZL) during 2002-2003.

BusinessLine had recently reported that Agarwal is also in the race to acquire Shipping Corporation of India Ltd (SCI) from the government.

The billionaire founder of Vedanta Resources is believed to have carried out due diligence of India's biggest ocean carrier, along with three other bidding groups.

THE HITAVADA DATE : 6/10/2021 P.N.7

Vedanta eyes buying Govt stake in Hindustan Copper

NEW DELHI, Oct 5 (PTI)

MINING giant Vedanta Group will look to bid for buying the Government's stake in Hindustan Copper Ltd as when the state-owned firm is put up for privatisation, its billionaire founder Anil Agarwal has said.

He said that the company is doing its due diligence for the same. "Yes we are looking (at) Hindustan Copper. We are doing the due diligence...The dates have not come...As soon as they announce the date, things will be much more exciting and people will start believing that the process is going on in India," Agarwal said when asked whether he is looking at participating in the Government's disinvestment process.

Talking about the progress with regard to Konkola Copper Mines in Zambia, he said the Government of this African country is in the process of working

with company on the matter.

The previous Government, a few years back, "has taken away this asset from us. They have already announced that they are in the process of working, because they want to have the best relationship with the Indian Government...I hope that in very short time, we will get back this asset and we are going to invest a lot of money into this to make it modernise and create employment there," he told PTI.

When asked about its plans to delist its American depositary shares from the NYSE (New York Stock Exchange), Agarwal said that they have already applied for the same.

He added that American depositary shares were announced about 15 years back and till that time, there was no movement and there were a lot of expenses to continue the listing and had to file a lot of documents every year for that.

COMMODITY CALL

Bet short on MCX nickel



AKHIL NALLAMUTHU

BL Research Bureau

The continuous contract of nickel on the Multi Commodity Exchange (MCX) was on an uptrend since April last week. Intermittent price corrections were there, but the overall trend remained up, marking a high of ₹1,554.7 last month. But, the contract started to weaken and has been on a decline for nearly a month now.

Last week, the contract slipped below a rising trendline and the support at ₹1,400. Notably, it has formed a double-top chart pattern on the daily chart with its neckline at ₹1,400. Since the futures has breached this level, the pattern now stands confirmed, indicating further fall. In addition, affirming the bearish bias, the relative strength index (RSI) and the moving average convergence divergence (MACD) indicator on the daily chart remain in a bearish territory. Also, the 21-day moving average (DMA) is on the verge of slipping below the 50-DMA - signs there could be a potential shift in medium-term trend to bearish.

Going ahead, the contract can fall further. While ₹1,350 is the nearest support from current levels, it is likely to go below this level and touch ₹1,300 - a key support. Subsequent support is at ₹1,270. Hence, traders can consider initiating fresh short positions with stop-loss at ₹1,430. Revise the stop-loss to ₹1,400, when the contract goes below ₹1,350 and look for a target at ₹1,300.

Govt amends rules to allow 50% sale of coal from captive mines

NEW DELHI, Oct 5 (PTI)

THE Government on Tuesday said it has amended rules with a view to allow 50 per cent sale of coal from captive mines.

The move is likely to benefit over 100 captive coal and lignite blocks with over 500 million tonnes per annum peak rated capacity as well as all coal and lignite bearing states.

"The Ministry of Coal has amended Mineral Concession Rules, 1960 with a view to allowing sale of coal or lignite, on payment of additional amount, by the lessee of a captive mine up to 50 per cent of the total coal or lignite produced in a financial year, after meeting the requirement of the end use plant linked with the mine," the Coal Ministry said in a statement.

Earlier this year, the Mines and

Minerals (Development & Regulation) Amendment Act had been amended to this effect.

This is applicable for both the private and public sector captive mines.

With this amendment, the Government has paved the way for releasing of additional coal in the market by greater utilisation of mining capacities of captive coal and lignite blocks, which were being only partly utilised owing to limited production of coal for meeting their captive needs.

Availability of additional coal will ease pressure on power plants and will also aid in import-substitution of coal.

The allowance for sale prescribed quantity of coal or lignite shall also motivate the lessees to enhance the production from the captive mines.

Coal Ministry seeks World Bank guidance for a robust mine closure framework

OUR BUREAU

New Delhi, October 6

The Coal Ministry is in consultation with the World Bank for obtaining support in the process of finalising a robust mine closure framework, the Government said Wednesday in a press release.

A Preliminary Project Report (PPR) for the proposed engagement with the World Bank has been submitted to the Finance Ministry for approvals, it added. The mine closure framework will focus on three major aspects of institutional governance, people and communities and environmental reclamation and land repurposing on the principles of just transition, according to the release.

'Repurposing mine sites'

"The process of repurposing of closed mines sites has

already been set in motion by the Sustainable Development cell of the Coal Ministry. Several rounds of meetings have been held with coal companies and the Coal Controller Office to discuss various aspects relating to the envisaged programme. Inter-ministerial consultations have also been made with ministries concerned and the NITI Aayog to obtain their views and suggestions," the release said.

The Coal Ministry has envisaged to build an all-inclusive comprehensive India-wide mine closure framework to cover legacy mines, recently closed mines and mine closures scheduled to happen in the short-term. The entire exercise will have two important components - phase-1 which involves comprehensive mapping of the Indian coal



The Coal Ministry plans to build an all-inclusive India-wide mine closure framework to cover legacy mines

ecosystem to establish a detailed baseline in respect of current and pending coal mine closures etc and phase-2 - the actual implementation of mine closure programme as per finalised roadmap etc.

As per the release, Phase-1 of the programme, which is likely to continue for 10-12 months, is expected to start shortly. A Special Purpose Entity (SPE) under the administrative control of the

Coal Controller Office will be set up to oversee the implementation of both the phases.

'Learning phase'

"It is expected that continuous learning during the next 3-4 years will lead to development of a comprehensive mine closure framework, adequate strengthening of institutions and much improved policy needed to support mine closures that will happen in the medium to longer term," the release said.

It further added that the most important outcome of the programme will be sustainable remediation of all legacy mine sites, which have been lying unattended for a long time, and providing for the livelihood of families dependent on mines.

Coal shortage may lead to rise in steel prices: JSPL

PRESS TRUST OF INDIA

New Delhi, October 6

Steel prices are expected to increase in the coming months as companies are buying coal at three times the rates a month ago, a top industry executive said on Wednesday.

A tonne of coal, which was in the range of ₹4,000-6,000 a tonne, now costs ₹8,000-12,000 a tonne, Jindal Steel and Power Ltd (JSPL) Managing Director VR Sharma told PTI in a telephonic interaction.

He made the remarks while responding to a question related to supply of coal in India.

"Steel in India at present is in the range of ₹50,000-55,000 a tonne. Shortage of coal has led to an increase in its prices that will have an impact on steel which may also go up due to this unprecedented rise," he said.

Sharma did not elaborate as to what extent the steel prices may go up in the future.

Sharma, who has over 35 years of industry experience, said India consumes 1,200 million tonnes of thermal coal or steam coal per year.

However, State-owned Coal

India Ltd (CIL) produces 800 mt annually, a shortfall of 400 mt.

The domestic steel industry alone consumes 150 mt of coal per year, he said adding that for 120 mt or 80 per cent of the requirement, the players remain dependent on CIL. Steel players use coal as fuel to produce power to run plants and produce steel through the directly reduced iron (DRI) route.

E-auction route

"CIL is asking the players to come through e-auction to buy the coal. One month earlier, per mega/cal of coal was between 0.70 paise to ₹1. Yesterday (on Tuesday), it was at ₹2.8 per mega/cal. Nearly three times higher," Sharma said.

It means a tonne of coal, which was earlier in the range of ₹4,000-6,000 per tonne, is now at ₹8,000-Rs 12,000 per tonne, he added.

Sharma further said the crisis can be managed if CIL increased its production. The company must produce 100 MT coal per month to meet the annual demand of 1,200 MT, which comes from various industries like power, aluminium and copper.



BUSINESS LINE DATE : 7/10/2021 P.N.8

Aluminium needs to top ₹235 for next rally

AKHIL NALLAMUTHU

BL Research Bureau

Aluminium prices have been on a rise since May last year and this year too, the metal seem to be witnessing good gains. As a result, the continuous contract of aluminium on the Multi Commodity Exchange (MCX) has been producing good gains during this period.

Even though the contract witnessed consolidation phase in July and August, the major uptrend remained intact. Thus, the futures broke out of the range of ₹200 and ₹208 towards the end of August and continued its rally. Consequently, it reached ₹235 by mid-September.

Since then, it has not been able to move beyond this level, raising doubts whether the rally can sustain. But notably, the contract did not see a drop in price and is largely held between ₹222

and ₹235. There are factors that support bullish bias - the relative strength index and the moving average convergence divergence on the daily chart remain in the bullish zone and the price continues to stay above the 21-day moving average. But unless the contract breaks out of

₹235, the next leg of rally will remain doubtful. On the other hand, the bull trend will stay valid so long as ₹222 holds.

The direction of the breakout can give a hint about the direction of the next leg of trend. Until this occurs, traders can consider implementing range trading strategy.

If the uptrend regains traction and ₹235 is breached, the contract can touch ₹245 and ₹250 whereas a break below ₹222 can drag it to ₹216 and ₹208.



'Govt should extend PLI scheme for tyres, steel sectors'

NEW DELHI, Oct 7 (PTI)

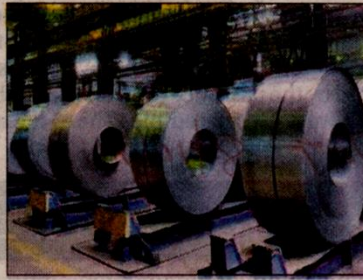
EXTENDING the benefits of production-linked incentive (PLI) scheme to sectors like tyres and steel will further help in linking India to the global value chains and will give companies a competitive edge in the world market, newly appointed President of industry chamber PHDCCI Pradeep Multani said on Thursday.

Under the PLI scheme, the Government is providing incentives to 13 sectors at present. It includes textiles, automobiles, white goods, pharmaceuticals, specialty steel, telecom, food products, high efficiency solar PV modules, and advanced chemistry cell (ACC) batteries.

He said that the PLI scheme will incentivise large domestic and global players to boost production, build a competitive ecosystem and would lead to a more inclusive growth.

It will also provide a huge impetus to global companies looking for options to set up facilities beyond China.

"Extending sectors like tyres and steel under the ambit of PLI scheme would further help link India to global value chains, encourage exports,



give companies a competitive edge in the global market and make India a global manufacturing hub in the coming times," Multani told PTI.

He is also the Chairman of Multani Pharmaceuticals.

Talking about India's economic growth, he said that the GDP (Gross Domestic Product) growth rate of around 10.25 per cent in 2021-22 and around 9-10 per cent for 2022-23 is expected.

The improvement in key economic indicators is signalling broad-based recovery in the coming months which will be higher than the pre-COVID economic activity, he said.

"Lead economic and business indicators such as steel, merchandise exports, external commercial borrowings and Sensex have shown a noteworthy improvement in recent

months due to significant pick-up in the economic activity and accelerated vaccination drive in many parts of the country," he added.

The Indian economy grew by a record 20.1 per cent in the April-June quarter, helped by a very weak base of last year and a sharp rebound in the manufacturing and services sectors in spite of a devastating second wave of COVID-19 cases.

When asked about foreign direct investment (FDI) in the coming months, Multani said India has attracted FDI worth USD 81.4 billion in the last fiscal due to trust, opportunity and amicable business environment provided by the country.

"Entire FDI pockets are getting widened in India as states are taking effective initiative for ease of doing business. International investors remain confident of India's growth prospects in the coming months due to political and economic stability," he said.

He added that further streamlining institutional stability such as regulatory clarity and efficient judicial redress and mechanisms, would further support the growth of FDI in India.

क्रूड और कोयला दे सकते हैं दोहरा झटका



■ दिल्ली, नवभारत न्यूज नेटवर्क. इंटरनेशनल मार्केट में क्रूड ऑयल के दाम में तेजी और देश में कोयले की किल्लत महंगाई बढ़ाते हुए तेज आर्थिक तरक्की की राह में रोड़ा अटका सकती है. ये बातें काफी अहम हैं क्योंकि इसी हफ्ते भारतीय रिजर्व बैंक (आरबीआई) की पॉलिसी मीटिंग होने वाली है जहां ब्याज दरें बढ़ाए जाने का अनुमान पिछले कुछ दिनों से लगाया जा रहा था. देश में लगभग 70% बिजली कोयले से बनाई जाती है और लगभग 85% क्रूड का इंपोर्ट किया जाता है. कोयले की कमी फैक्ट्रियां बंद करा सकती हैं जो दिक्कत वाली बात है. ऐसे में क्रूड ऑयल का इंपोर्ट बढ़ सकता है. वह भी तब जब इंटरनेशनल मार्केट में उसकी कीमत 7 साल के ऊंचे स्तर पर चल रही है और इकोनॉमी पर दबाव बना रही है.



बजट घाटे के साथ बढ़ सकता है व्यापार घाटा

नोमुरा होल्डिंग्स इंक की चीफ इकोनॉमिस्ट (इंडिया और एशिया) सोनल वर्मा कहती हैं कि दोनों घटनाएं देश के लिए आर्थिक झटका हैं. उनके चलते महंगाई बढ़ सकती है. इकोनॉमिक ग्रोथ कम हो सकती है और बजट घाटे के साथ व्यापार घाटा बढ़ सकता है. महंगाई का दबाव बढ़ते रहने से मांग में कमी आना शुरू हो जाता है. डोएचे बैंक के मुताबिक खुदरा महंगाई दर फिलहाल आरबीआई के कंपर्ट जोन (4% से 2% ऊपर या नीचे) यानी 2% से 6% की रेंज में है लेकिन कोर इनफ्लेशन के कम से कम अगले 6 महीनों तक 6% के पास बने रहने की आशंका है. कोर इनफ्लेशन में तेज उतार-चढ़ाव के जोखिम वाले खाने-पीने के सामान और ईंधन में महंगाई शामिल नहीं होती.

Gold, silver set to shine

Bullion has started October on the front foot after remaining weak last month

AKHIL NALLAMUTHU
BL Research Bureau



TRADE TIP

The gold futures contract is expected to rise past the immediate resistances at ₹47,800 and ₹48,000, and touch ₹48,300

Investors seem to be scaling down their gold exposure as overall fund flows into gold exchange traded funds (ETFs) remained negative in September, a second consecutive month of outflows. The data by the World Gold Council (WGC) shows that net outflows from ETFs stood at 15.2 tonnes following net outflows of 22.4 tonnes in July. The loss in interest can be attributed to the performance of gold as it lost about 4 per cent last month. According to WGC, higher US yields were a major driver in gold weakness, with the dollar strength also impacting to some extent. That said, investors in India seem to be capitalising on lower gold prices as domestic gold ETFs have seen an inflow of ₹446 crore in September.

The central bank's buying of the yellow metal saw a slowdown in August, latest WGC data shows. Net central bank purchases in August were at 28.4 tonnes, the second lowest level of net monthly purchases so far this year. Thus, at the broader level, September remained a bad month for gold.

On the trading front, bullion closed flat in terms of dollar - gold closed at \$1,756.7 versus previous close of \$1,760.4 whereas silver ended at \$22.66 as against the prior week's close of \$22.52. But on the Multi Commodity Exchange (MCX), gold futures (October expiry) appreciated 1.1 per cent for the week as it ended at ₹47,037 (per 10 grams) while silver went up 2.1 per cent and



closed at ₹61,801 (per 1 kg).

MCX-Gold (₹47,037)

After remaining choppy since mid-September, gold futures on the MCX seem to be attracting the attention of the bulls as they rallied last week gaining 1.1 per cent. While there are hurdles ahead, bulls are clearly at an advantage and therefore more gains, at least in the short-term, can be expected.

The rally last week has resulted in the contract closing above the range of ₹46,000 and ₹47,000, creating a positive undertone. Supporting the same, the relative strength index (RSI) is now showing an uptick and has moved into the positive terrain and the moving average convergence divergence (MACD) is charting an upward trajectory and is on the verge of entering the territory of bulls. The average directional index

(ADX) is suggesting that the bulls have an edge over the bears. The price is now above the 21- and the falling trendline; it is now testing the 50-day moving average as well. Besides, the outstanding open interest (OI) of all active futures of gold on the MCX has gone up to 14,615 as on Friday compared to 13,908 contracts a week ago.

Against this backdrop, the gold futures contract is expected to continue the rally and rise past the immediate resistances at ₹47,800 and ₹48,000 and touch ₹48,300. A breach of this level can lift the contract to ₹49,000 in the short run. Hence, traders can go long and place stop-loss at ₹46,600. As long as the price stays above 21-DMA, which now lies at ₹46,200, the short-term trend will remain positive. But if the contract loses traction and slips below 21-DMA, the possibility of the con-

tract touching ₹46,000 can go up significantly.

MCX-Silver (₹61,801)

While the silver futures (December) contract was flat for most part of last week, it gained on Friday to close the week on positive note, opening the door for further strengthening. Thus, the bounce from ₹58,150 in the week before last week gathered further momentum and this is likely to turn the short-term trend bullish.

Affirming the positivity, the contract has gone past the 21-DMA and the 23.6 per cent Fibonacci retracement level at ₹62,000. Like in gold futures, the RSI and the MACD on the daily chart are showing bullish signals. Besides, the contract is now testing the falling trendline that connects prior highs, and the price action indicates that the rally has the potential to take the contract further up in the upcoming sessions.

Immediate resistance can be spotted at ₹63,000 where the 50-DMA coincides. Taking this into consideration, although there are positive indications, traders can wait for now and initiate fresh long positions once ₹63,000 is decisively breached. Stop-loss can be placed at ₹61,000. Once ₹63,000 is breached, the contract can be expected to touch ₹65,600 with a minor pause at ₹64,300. A breach of ₹65,600 can open up the possibility of the futures price rising to ₹67,700.

On the other hand, if the contract reverses from here, the price level at ₹61,500 can offer strong support. Subsequent support is at ₹60,000.



Scan & Share

THE HITAVADA DATE : 10/10/2021 P.N.1

Ministry of Coal to launch auction of 40 coal mines from October 12

NEW DELHI, Oct 9 (ANI)

THE Ministry of Coal is set to launch the next round of auction process for 40 new coal mines for sale of coal on October 12.

"Since the Ministry has entered into a rolling auction mechanism, the coal mines rolled over from the previous tranche will also be on offer. Union Minister of Coal, Mines and Parliamentary Affairs Pralhad Joshi will be the chief guest of the launch event to be held on October 12 in the Ministry," stated the official release by the Ministry of Coal. The release further stated that the Ministry of



Coal and the Government of India, under the leadership of Prime Minister Narendra Modi, are on a continuous journey to reform the coal sector and unlock value for the nation's economy.

"The success of these auctions will help in further strengthening the vision of Aatma Nirbhar Bharat as it will help reduce India's coal imports and ensure energy security," it said.

MARGIN CRIMP for steelmakers likely as they may be unable to pass on costs to sectors like construction that are cooling

Iron Ore's 50% Surge Latest to Fuel Inflation Fears

Bloomberg

Iron ore has suddenly gone from commodity laggard to a top performer, with resurgent prices further fanning inflation fears that are rippling across the world.

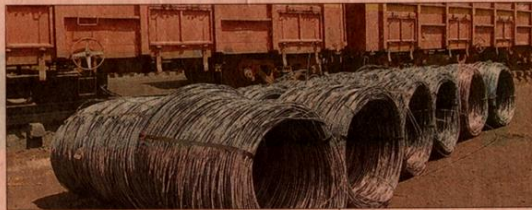
Futures have climbed 50% in just three weeks, joining gains in aluminium to energy as rising demand, stalled supply lines and climate policy send an index of raw materials to the highest ever. Surging iron ore prices are likely to crimp margins at steel mills, which may be unable to pass on the higher costs to downstream sectors like property and construction that are cooling.

The widespread commodities rally, as well as an increasingly severe and costly power shortage, is already rattling carmakers to supermarket shoppers. It also complicates the outlook for global

policy makers, who are seeking to balance the withdrawal of emergency stimulus measures with concerns that growth may be slowing and stubbornly high prices.

Front and centre for investors now is an energy crisis stretching from Asia to Europe, that's shutting factories, boosting power bills and threatening to derail the global recovery from the pandemic. China said it will allow power prices to rise by double the current limit and costs for the most energy intensive industries — which includes metals producers — won't be subject to a cap.

The country's power shortage is likely to persist into winter and lead China into a short period of stagflation, with elevated producer-price inflation and growth pressures, Citigroup Inc analysts, including Tracy Liao, wrote in a report. "China may also export



inflation as the disruptions ripple through global supply chains."

Iron ore has climbed 16% this month on expectations some Chinese steelmakers will resume operations after achieving deeper-than-expected production cuts. The market has been whipsawed this year as China's pledge to cap annual steel volumes played out: prices spiked to a record in May as mills front-loaded output, then tumbled through September as authorities stepped up measures

to curtail supply and fears about the property market weighed on demand.

"Steel output is reportedly set to increase in October in some parts of China, like Tangshan, Jiangsu, Zhejiang and Anhui, after these regions exceeded steel production cuts in September," Vivek Dhar, commodities analyst at Commonwealth Bank of Australia, wrote in a note. "The impacted mills may see November output either match or exceed October levels."

Iron ore in Singapore gained 10% to \$137.60 a tonne, while futures in Dalian closed 4.6% higher. In other markets, Chinese thermal and coking coal futures rose to a record on Monday as heavy rain and flooding expand mine shutdowns in the country.

The higher power prices come as the global shipping industry already faces supply line turmoil and, along with rallying commodity prices, is expected to push China's factory inflation 10.5% higher in September, the steepest monthly increase since 1995, according to a Bloomberg survey of economists ahead of official data on Thursday.

Citigroup said there's further upside for fuel prices as colder weather approaches, while metal and steel prices may stop rising given a looming demand shock from China's power rationing in sectors such as construction and manufacturing.

Sluggish Demand Keeps Steel Output Flat in Sept Qtr

Rising coking and thermal coal prices also take a toll; domestic steel demand is expected to improve post-monsoon, say analysts

Bhavya Dilipkumar
@timesgroup.com

Mumbai: Sluggish demand and a jump in coking coal and thermal coal prices have resulted in top steelmakers reporting flat or lower crude steel production on a quarterly basis in the September quarter of FY22.

Tata Steel reported a crude steel production of 4.73 million tonnes, up 2% QoQ during the September quarter against 4.63 million tonnes in the first quarter of FY22. JSW Steel's crude steel production 4.07 million tonnes, which was flat as compared to last quarter.

"This is a seasonally weak quarter so there is slow growth in demand. The export market is not our priority so from next quarter

we will be getting back to domestic market as we see good demand coming in," said one of the top executives from a steel company requesting anonymity.

Naveen-Jindal led Jindal Steel and Power has reported a crude steel production of 1.93 million tonnes in Q2 of FY22, down 4% on a quarter-on-quarter basis. The company has increased its exports to 40% of sales due to lower demand.

"Exports continue to boost sales with a area of exports rising to greater than 40% in Q2FY22, from 34% in Q1FY22 and 38% in Q2FY21," the company said while announcing its production numbers.

The surge in exports helped some steelmakers to report healthy delivery volumes during the September quarter.

"Despite seasonal weakness,



overall deliveries increased by 12% QoQ on the back of economic recovery post 2nd wave of Covid-19," Tata Steel said in a media statement.

JSPL's Steel sales volume surged

32% Q-o-Q and 10% Y-o-Y to hit a record of 2.13 million tonnes during the quarter.

Steelmakers were hit by the rising metallurgical coking coal prices. While secondary steelmakers

had to cut production due to this, primary steelmakers may witness an impact on their costs.

"Coking coal price moved up sharply from April onwards, it has gone up from \$110 to \$400 which is an area of concern. Availability is fine so far. In October-November there will be an impact in terms of cost," Jayant Acharya, director JSW Steel's director - commercial and marketing told ET.

Steelmakers are witnessing better demand since the beginning of October.

"Demand has started picking up, we are seeing healthy demand from Electronic, White Goods, Yellow Goods and even Auto sector demand coming back. Going forward our Dolvi project will commission and H2 production will be better," JSW Steel's Acharya said.

"Since the beginning of October we are seeing a demand recovery as the construction activity picked up and the festive season around the corner," AM/NS India's chief marketing officer Ravi Dhar said.

Analysts also identified that the domestic steel demand is expected to improve post-monsoon and the price outlook is supported by firm international prices.

"Tata Steel would partly insulate from coking coal costs due to coking coal supply from mines," said Antique Stock Market in a report on Tuesday.

The surge in exports helped some steelmakers to report healthy delivery volumes during the quarter

Aluminium Notches New 13-Yr High on Supply Fears

Bloomberg

Aluminium climbed to a fresh 13-year high as fears over supply curbs outweighed concerns that a deepening energy crisis would hurt growth.

The light-weight metal has surged as the global economic recovery boosts demand, while electricity crises in Asia and Europe threaten to crimp supply. Aluminium reversed early losses after concerns eased that high energy prices could dent economic activity, reducing demand for industrial metals.



Aluminium rose as high as \$3,083 a tonne on the London Metal Exchange, the highest since July 2008

"We believe that the concerns about supply still predominate," Daniel Briesemann, an analyst at Commerzbank AG, wrote in a note.

Aluminium was one of the first targets in China's efforts to curb industrial energy usage. Even beyond the current power crisis, Beijing has placed a hard cap on future capacity that promises to end years of over-expansion and raises the prospect of deep global deficits.

Aluminium rose as high as \$3,083 a tonne on the London Metal Exchange, the highest since July 2008. By 1:27 pm local time, it was trading up 0.4%. Copper fell

'No coal notice' to hit metals and cement producers, affect recovery

CIL arm halts supplies to non-power sectors

SURESH PIYENGAR

Mumbai, October 13

Even as the supply of coal to power plants is being ramped up, the shortage of the fuel is beginning to impact non-power sectors, including steel, aluminium and cement, that could apply brakes on the nascent revival in the economy.

South Eastern Coalfield, a subsidiary of Coal India, has written to non-power sector companies that as coal production is yet to be normalised, there will be no supplies until further notice.

South Eastern Coalfield had already reduced coal despatch to the non-power sector from 45-50 rakes a day to 25-30. The acute coal crunch has especially affected the power intensive aluminium companies as the fuel accounts for 40 per cent of their production cost. Aluminium smelting requires uninterrupted quality power, which can be met only through in-house captive plants with Fuel Supply Agreement with Coal India and its subsidiaries for assured long term-coal supply.

"The decision to stop secured coal supplies and rakes for non-power sector is detrimental for the aluminium industry and will jeopardise the sustainability as these continuous process-based plants are not designed for ad hoc shut down and restart of operations," said an aluminium company official.

"Any power outage for more than two hours would result in



Coal India Ltd data painted a grim picture with 88 of the total 116 plants running on less than five days of stocks RITU RAJ KONWAR

freezing of molten aluminium in the pots which will lead to the shutting down of the plant for at least six months and require 60 per cent of the plant capex to restart production besides a year to get desired metal purity," he added.

Buying from grid

Most metal and cement producers had started buying electricity from the grid at four times the captive power cost. Import of coal is also not an option as it takes 45-75 days to get the consignment after placing the order, said a cement company executive.

Imported coal prices have touched \$240 a tonne (FOB Australia) against \$75 a tonne in October 2020 while shipping charges have also hit an all-time high, he added.

The entire industry has come to a standstill and left with no time to devise any mitigation plan for sustainable operations. The coal inventory at operational plants have depleted to 2-3 days against a high of 15 days in April and plants are forced to reduce generation with huge risk

of closure, said RK Sharma, Secretary-General, Federation of Indian Mineral Industries.

"Since September 2018, no exclusive coal linkage auction for CPP has been held while insufficient quantity of coal is being offered through spot e-auction by road mode. Following this, the premium in the recent auction skyrocketed making it unviable for NRS coal consumers," said Sharma.

Bad timing

The coal crisis comes at a time when the economy is beginning to pick up momentum. Most metals company have been projecting huge growth due to a rising demand. Now, metal prices, especially of aluminium, are at historic highs due to supply demand mismatch.

Coal Minister Pralhad Joshi set off on a two-day tour of Jharkhand and Chhattisgarh where a number of mines are located a day after stressing that dry fuel production will soon be ramped up to two million tonnes from the current overall dispatch of 1.95 million tonnes a day. However, Coal India Ltd

(CIL) data painted a grim picture with 88 of the total 116 plants running on less than five days of stocks against the normative requirement of 14 days' stock.

No shortage, insists FM

Finance Minister Nirmala Sitharaman, too, said dismissed reports of coal shortage as "absolute baseless". Speaking at Harvard Kennedy School in Boston, Sitharaman said, "There is no shortage of anything. In fact, if I recall the (Power) Minister's statement, every power producing installation has the next four days' stock absolutely available within their own premises and the supply chain has not broken at all."

Rating agency ICRA said it expects the coal availability to power plants to improve gradually "...with expected ramp-up in both coal production and dispatch, also given the seasonality in energy demand moderation expected from November," Sabyasachi Majumdar, Senior Vice-President & Group Head - Corporate Sector Ratings, ICRA, said.

India Ratings and Research said the current situation could be resolved only when coal production particularly from India and China is ramped up by opening new mines and the seasonal pickup or the power demand slows. "As we approach December, the demand is likely to moderate from industrial side. Hence, the combined impact of both a slight moderation in demand and better coal output could aid in the situation easing by December," Ind-Ra said.

With inputs from Delhi Bureau

BUSINESS LINE DATE : 14/10/2021 P.N.10

Go long on MCX zinc futures; stop loss at ₹255

COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

Zinc prices were volatile during the first two months of this year and as a result, the continuous contract of zinc on the Multi Commodity Exchange (MCX) saw zig-zag price movement with no definite trend.

Nevertheless, in April, the contract established a steady uptrend which has been pushing the price of the futures up with intermittent corrections. On this line, the contract, after hitting a high of ₹262.85, saw a decline in price. However, the support at ₹250 restricted the decline.

The price level of ₹250 is important as the 21-day moving average (DMA) coincided at this level, making the support stronger. So, the bulls were quick to respond resulting in a considerable bounce. Last week, the contract rallied past the previous high of ₹262.85. On Wednesday, the contract



moved above the ₹270, which has been giving some tough time to the bulls.

From here, the contract is likely to go up ₹285 initially. A clear breach of this level can make the job easier for the bulls to lift zinc futures to ₹300-mark. So, traders can go long at current level of ₹276 and accumulate more if it drops to ₹265.

Place stop-loss at ₹255 and aim to partially exit at ₹285. Carry the remaining for the target of ₹300 with the stop-loss revised upwards to ₹275.

If the contract rallies past ₹280 without declining to ₹265, place stop-loss at ₹265.

Aluminium industry rings alarm bells over coal shortage

Group sends SOS to Coal India chief

SPECIAL CORRESPONDENT
NEW DELHI

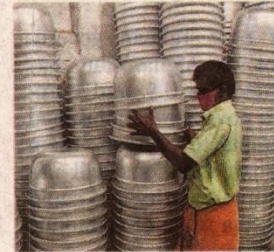
The aluminium industry has sent an SOS to Coal India, demanding the immediate resumption of supplies for survival of the industry that is facing an 'alarming' situation following coal shortage.

"The current acute coal crunch has created an immensely precarious situation, majorly for the highly power-intensive industries like aluminium wherein coal accounts for about 40% of the production cost," Aluminium Association of India president Rahul Sharma wrote in a letter to Coal India Ltd. (CIL) CMD Pramod Agrawal.

"Aluminium smelting requires uninterrupted quality power supply for production which can be met only through in-house captive power plants (CPPs) which operate 24/7 and 365 days, and have signed fuel-supply agreement with CIL and its subsidiaries for assured long term coal supply," he said.

The group noted that the recent decision to stop secured supplies and rakes for the non-power sector was detrimental for the industry and would jeopardise sustainability as these continuous process based plants were not designed for ad hoc shut down and start of operations.

"Any power outage/failure (2 hours or more) results in freezing of molten aluminium in the pots which will lead to shutting down of plant for at least six months rendering heavy losses and restart expenses, and once restarted



will take almost a year to get desired metal purity."

The industry had been brought to a standstill and left with no time to devise a mitigation plan.

"The coal stocks of operational plants have depleted to alarmingly low critical stocks of 2-3 days and plants are forced to operate at reduced power generation with huge risk of closure and threat of loss of huge employment and deterioration of MSMEs," it said, adding the ongoing global aluminium shortage due to supply-demand mismatch was also adding to the woes.

The group said import sourcing was completely unviable in this emergency situation to meet coal requirements on account of the exponential rise in global coal prices as well as ocean freight rates, which were at all-time high.

The industry group has sought immediate resumption of coal supply for CPPs against secured linkages for economically viable industry operations. It has also sought "rakes allocation on priority for optimum coal materialisation (and) expediting coal linkage/exclusive e-auctions for CPP sub-sector through rail mode at the earliest to provide some relief for the consumers."

NLCIL to ramp up coal production

SPECIAL CORRESPONDENT
CUDDALORE

State-owned NLC India Ltd. (NLCIL) on Tuesday said it will ramp up coal production to 10 million tonnes per annum from its coal blocks in Talabira, Odisha, from the current year to meet the rise in demand.

The Talabira II and III blocks were allotted to NLCIL by the Union Government on May 2, 2016, under the Coal Mines Special Provision Act, 2015, for optimum utilisation of collieries for end-user plants, such as the Neyveli Talabira Thermal Power Plant (NTTPP) and the NTPL.

Closure of some mines, inundation due to monsoon led to coal crisis: Joshi

CHATRA (Jharkhand), Oct 14 (PTI)

COAL Minister Pralhad Joshi on Thursday said closure of some mines, and inundation of a few others due to monsoon led to the crisis but there is no need to panic as the situation is improving.

Visiting the Ashoka mine of the Central Coalfields Ltd (CCL) at Piparwar in Chatra district of Jharkhand, Joshi said the power plants in the country will continue to receive the required amount of coal. "We are witnessing an improvement now," he said, asked



about the current situation.

The minister held discussions with officials of CCL and Eastern Coalfields Ltd (ECL) on the prevailing situation. "We can produce two million tonnes of coal per day," he said, asserting the need for producing more coal. Closure of some coal mines and

inundation of a few others due to monsoon led to the hindrance in coal supply to power plants, Joshi told reporters. The minister also discussed the issue related to the availability of land for mining at the meeting.

A solution will be found with the cooperation of all, including the district administration, he said. Meanwhile, the supply of coal by CIL to the non-power sector has been kept suspended temporarily amid electricity generating plants in the country grappling with coal shortages.

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