



खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 3, No-7**

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# खनिज समाचार

## KHANIJ SAMACHAR



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VOL. 3, NO-7 , 1<sup>st</sup> – 15<sup>th</sup> APRIL , 2019

BUSINESS LINE DATE : 1/4/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1893	0.9	0.2	-4.7	2603	1775
Copper	6487	2.7	-1.1	-2.9	7324	5810
Iron Ore	81	-0.9	-0.6	32.5	89	58
Lead	2002	-0.4	-6.7	-16.4	2545	1867
Zinc	3000	5.4	6.6	-8.7	3333	2285
Tin	21447	-0.2	-1.4	1.3	22049	18400
Nickel	12897	-0.1	-0.6	-2.7	15749	10437

BUSINESS LINE DATE : 8 /4/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1864	-1.5	0.8	-6.2	2603	1775
Copper	6385	-1.6	-2.5	-5.8	7324	5810
Iron Ore	86	6.1	4.0	38.7	89	58
Lead	1965	-1.8	-5.7	-17.4	2545	1867
Zinc	2981	-0.6	6.4	-8.0	3253	2285
Tin	21130	-1.5	-2.2	0.2	22049	18400
Nickel	12987	0.7	-4.3	-2.2	15749	10437

BUSINESS LINE DATE : 15 /4/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1844	-1.1	-0.2	-22.4	2603	1775
Copper	6464	1.2	-0.5	-4.8	7324	5810
Iron Ore	88	2.6	8.6	42.3	89	58
Lead	1907	-2.9	-7.7	-18.1	2545	1867
Zinc	3031	1.7	4.9	-1.8	3253	2285
Tin	20710	-2.0	-3.2	-1.3	22049	18400
Nickel	12941	-0.4	-0.6	-5.3	15749	10437



# Short-term outlook turns negative for gold

The yellow metal has to rise past \$1,310 to regain strength

ISTOCK.COM/ALBUK

GURUMURTHY K

Gold prices tumbled, contrary to expectations of a rally, to \$1,330 per ounce levels, last week. The global spot gold prices failed to breach the key level of \$1,320 for the second consecutive week. The yellow metal made a high of \$1,324 and plummeted below the psychological level of \$1,300. It made a low of \$1,286 and bounced slightly higher from there to close at \$1,292 per ounce, down 1.6 per cent for the week.

Silver, on the other hand, slumped about 2 per cent last week. The global spot silver prices declined sharply, breaking below the key support level of \$15.35. It tested the psychological support level of \$15 before closing the week at \$15.12 per ounce.

On the domestic front, the gold and silver futures contract on the Multi Commodity Ex-

change (MCX) fell in tandem with the global prices. However, the loss in the domestic market was slightly lower than the fall witnessed in the global prices. The MCX-Gold futures contract was down 1.3 per cent. The contract has closed at ₹31,734 per 10 gm. The MCX-Silver futures contract, on the other hand, was down 1.6 per cent. It closed the week at ₹37,761 per kg.

## Dollar strength

The US dollar index gaining strength triggered the sharp fall in the bullion prices last week. The index closed at 97.28 and was up about a per cent last week.

The dollar index has risen decisively above 97. As long as it trades above 97, the outlook is

positive. An up-move to 97.8 is likely in the coming days. Such an up-move in the dollar index can continue to keep gold under pressure. This keeps the possibility high for gold prices to fall further in the coming days.

On the other hand, gold can get a breather if the dollar index declines below 97.

A fall below 97 can take the index lower to 96.8 and 96.5 in the near term. It will also increase the possibility of the index revisiting 96 levels thereafter.

## Gold outlook

The near-term outlook is negative. The global spot gold (\$1,292

per ounce) has a key resistance at \$1,300 and then in the \$1,305-\$1,310 region. A strong break and a decisive close above \$1,310 is needed to bring back the bullish sentiment. In such a scenario, gold can revisit the \$1,320 levels and also rise to \$1,330 thereafter.

But as long as gold remains below \$1,300, the outlook will be negative. A dip to \$1,285 and \$1,280 is possible in the near term.

A break below \$1,280 will increase the likelihood of the fall extending to \$1,275 and \$1,270 thereafter.

On the domestic front, the MCX-Gold (₹31,734 per 10 gm) has been oscillating around ₹32,000 over the last three weeks. The bias on the chart is negative as long as the contract trades below ₹32,000. The immediate support is at ₹31,500.

A break below it can drag the contract lower to ₹31,270. A further break below ₹31,270 will then increase the likelihood of

the contract extending its down-move to ₹31,130.

The contract will get a breather only if it makes a decisive close above ₹32,000. In such a scenario, the downside pressure will ease and the contract can rise to ₹32,500.

## Silver outlook

The psychological support level of \$15 has been holding well for the global spot silver (\$15.12 per ounce). As long as it trades above \$15, a range-bound move between \$15 and \$15.2 is possible in the near term. A break above \$15.2 can take the prices higher to \$15.4. In such a scenario, silver can trade in a sideways range between \$15 and \$15.65 in the short term.

On the other hand, if silver declines below \$15, it can dip to \$14.85. A further break below \$14.85, though unlikely, can drag silver lower to \$14.5 and \$14.35 thereafter.

The outlook for the MCX-Silver (₹37,761 per kg) contract is negative. The psychological level of ₹38,000 will now act as good resistance.

A fall to ₹37,000 looks likely in the near term. A strong break below ₹37,000 will increase the downside pressure and can drag the contract lower to ₹36,500 or even ₹36,000 thereafter.

The outlook will turn positive for MCX-Silver only if it decisively breaks above ₹39,000. But such a strong move looks unlikely at the moment.

The writer is Chief Research Analyst at Kshitij Consultancy Services



## MCX-Gold

Supports:  
₹31,500/31,270  
Resistances:  
₹32,000/32,500

## MCX-Silver

Supports:  
₹37,000/36,500  
Resistances:  
₹38,000/38,500

# Cement prices to witness hike of Rs 20 per bag from today

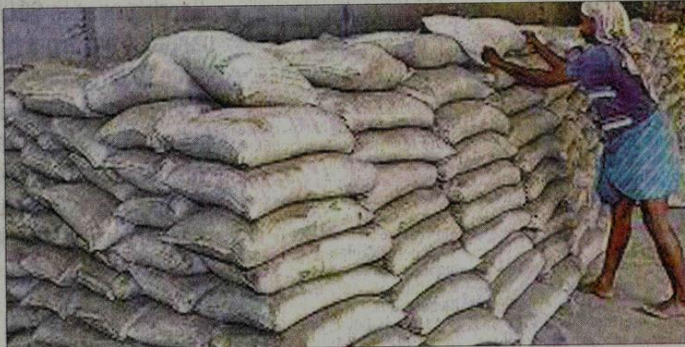
- The prices have gone up by Rs 50 per bag in last 30 days

## ■ Business Bureau

THE real estate sector which is already passing through a slow-down is likely to suffer yet another blow as cement prices are all set to surge. The prices of cement, considered as one of the major components in construction sector, are going to see hike of Rs 20 per bag with effect from April 1.

Interestingly, the cement manufacturers have increased the prices for second time in last one month. Recently, the prices had gone up by Rs 30 per bag. The prices have gone up by Rs 50 per bag in last 30 days.

On Sunday, a cement bag of 50 kg was sold at a price of Rs 280



(including GST) in non trade category (for bulk buyers) while Rs 295 (including GST) in retail category. However, the prices will see the new price tag of Rs 300 for

non trade category and Rs 315 for retail customers (including Goods and Services Tax).

"We are surprised to see that all the manufacturers are simultaneously inflating the prices

which is a very rare phenomenon. It also shows that the manufacturers have joined hands to manipulate the prices," said one

of the leading cement dealers in the city on a condition of anonymity.

He said that most of the cement manufacturers have formed 'cartel' to manipulate the prices.

"They are all resorting to unethical market practices as there is no one to control them. It is going on for the past few months and the customers are facing the hardship," he said.

He also said that there are other factors that could push the prices northwards. "There is no extra demand for cement in the market. On the contrary, we are witnessing a kind of drop in demand since the companies hiked the prices recently by Rs 30 per bag," he said adding that the demand may further dip in coming days.

Another cement dealer, who also preferred not to be quoted,

said that many builders and developers have raised eyebrows over the price hike. "Some of them have already cut short their demand for cement. Individual buyers are also expressing dissatisfaction over this. It is going to bring sluggishness in the sector," he said.

Sources told *The Hitavada* that prices will continue to fly high during summer season. "Though there is no additional demand, it seems that the companies would not dilute the prices in summer. However, in the beginning for rainy season, the prices are expected to drop significantly," said the sources.

The sources also said that the companies are created artificial shortage of cement is some categories to earn money. "It is possible only when all the companies come together," they said.



## 'US, China may arrive at a middle ground in trade talks'

SATYA SONTANAM

Gopal Agrawal, Senior Vice-President - Equity, DSP Mutual Fund, closely tracks commodities and international trade. In an interview with *BusinessLine*, he says the US and China will perhaps arrive at a middle ground in the trade war, and the outlook for base metals is balanced to positive in the next one year.



### What are your views on the on-going trade tensions?

The trade tensions currently are due to the imposition of 10 per cent tariff on goods exported from China. The effect, so far, has not been detrimental. The real issue will crop up when the proposed tariff of 20-25 per cent is imposed on goods valued at about \$300 billion. We will feel the heat if negotiations fail. But in the end, the US needs China and vice-versa. They would,

probably, find a middle ground.

### But China's February exports already seem at a multi-year low..

China's trade in February was down because of early Chinese New Year. If we consider the trade balance figure for two months – January and February 2019 – on an aggregate, it was 5 per cent trade surplus. Trade balance is deteriorating, but I think the situation is still under control.

### Will China's stimulus measures help spur infrastructure growth?

**The real impact will be felt when the proposed tariff of 20-25 per cent is imposed on goods valued at about \$300 billion**

**GOPAL AGRAWAL**  
Senior Vice-President - Equity, DSP Mutual Fund

China's stimulus measures may not benefit infrastructure. Its focus has shifted from developing infrastructure to boosting consumption.

### What's your outlook on the prices of base metals in the next one year?

Every metal has a different dynamic. In the case of aluminium, the global output is almost balanced, as China has surplus, and the world, ex-China, faces a minor deficit.

Low energy prices due to deflation in the world limit the cost of production and increase metal prices. I expect aluminium to bottom close to \$2,000 per tonne (including premium of \$100 per tonne).

Coming to copper, though there is a global deficit, prices are not expected to flare up as there is a slowdown in the economy. Technically,

copper prices should be three times that of aluminium's.

Zinc is a metal for which there is a clear deficit globally. We are likely to see strong prices for this metal – \$2,500 plus per tonne.

And, lead is a by-product of zinc. The primary driver for lead demand is lead acid batteries, which can be replaced by advanced batteries when electric vehicles take to the roads. And many countries are banning lead because it is carcinogenic.

Other than this, there is no big fundamental driver for lead. Prices of this metal will move in line with that of zinc, but should remain around \$2,000+\$200 per tonne.

So, overall, I see a balanced to positive outlook for the base metals industry.

The only risk to my assessment is, if protectionism goes to greater heights, global trade will be affected and drag prices.

## KNOW THE METAL'S METTLE

With commodities being inherently volatile, should you avoid base metal stocks in your portfolio? We dissect the fundamental drivers of four of the most traded metals to get some answers



Contd..on Page 6



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The year 2018 was quite disappointing for all base metals, in contrast to the good performance in 2016 and 2017. The LME (London Metal Exchange) prices of the five traded base metals — zinc, aluminium, copper, lead and nickel — have declined owing to global uncertainties triggered by trade tensions between the US and China.

Besides external factors, specific events that disrupted the fundamentals of metals too impacted prices through last year.

News of US sanctions on Russian aluminium firm, Rusal, spiked the prices of the metal, taking it to a multi-year high. Closure of Vedanta's copper unit in Tamil Nadu impacted the price of LME copper. A 25 per cent hike in import tariff on steel by the US, made zinc prices fall steeply by almost 24 per cent, as zinc is the key input in the production of steel. Lead prices fell, following the price action in its sister metal zinc, though there was no specific event directly related to the metal.

Owing to the inherent volatility of these commodities, should you avoid base metal stocks in your portfolio? We dissect the fundamental drivers of four of the most traded metals to get some answers.

**Copper: Margins could be under pressure**  
In line with the decline in prices of all metals in 2018, copper prices traded on the London Metal Exchange fell by about 17 per cent.

But the softening of trade tensions between the US and China and the decline in LME inventory of copper have lifted the prices since the beginning of this year. But is this good for the Indian copper industry?

Not really. This is because most of domestic copper players such as Hindalco and Vedanta import copper concentrate and convert it to the copper metal. The price of the copper concentrate is fixed by deducting the global treatment and refinery charges (Tc/Rc) on a particular day from the LME prices.

Movement of Tc/Rc charges is based on the global production of copper ore. If production is high, demand for smelting increases and the Tc/Rc charges also rise. But the non-availability of copper concentrate in the global market moderated the Tc/Rc charges in the last couple of years.

A recent report by Yes Securities says that global treatment charges slumped to \$79 a tonne last December, from a high of \$105 per tonne in 2016. Lower Tc/Rc charges increase the cost of imported copper concentrate for domestic players and reduce their margins. Performance of domestic players has, therefore, not been impressive so far in FY19.

Vedanta's copper plant remains shut due to environmental issues and Hindalco's copper unit is under pressure, because of lower volumes and declining realisations caused by lower Tc/Rc. The operating profit of the copper plant for the nine months ended December 2018 was ₹1,154 crore, down 5 per cent from a year ago.

However, to hedge against volatility in the LME prices and the Tc/Rc charges, Hindalco is increasing its focus on value-added products such as CC (copper cathode) rods. This has helped boost revenue, despite a fall in volumes and realisations in the third quarter of FY19. But it has failed to translate into similar growth in earnings, owing to the higher input costs of coal and fuel.

According to CRU (Commodity Research Unit), the global mine output is expected to grow at a compounded annual rate of 1 per cent between 2016 and 2022 compared with 4.7 per cent between 2011 and 2016. Slow mining output is expected to be an impediment to the rise in the metal's Tc/Rc charges.

This would put pressure on the margins of Hindalco's copper unit unless it significantly

	1-year stock return (%)	Current P/E	3-year average P/E	Consol. revenue (3-year CAGR %)	Consol.net profit (3-year CAGR %)
Hindalco	-4	7.5	16.6	3	51
Vedanta	-34	7.4	11.3	8	58
Hindustan Copper	-22	35.6	149.7	19	7
Hindustan Zinc	-8	13.8	13.4	14	2
NALCO	-17	8.0	17.3	9	-16
Gravita India	-48	20.8	22.0	27	82

Source: Bloomberg, Capitaline Plus

increases its share of value-added products.

In case of Vedanta, it would continue to lose about 5 per cent contributed by its copper unit to the operating profit, until it is opened.

Hindustan Copper, a relatively smaller but integrated copper company, would benefit from rising refined metal prices.

**Aluminium: Higher cost, a dampener**

While the tight global supply of aluminium is supportive to prices, weaker demand in the large consuming geographies — Europe, US and China — is expected to keep prices of the metal subdued.

Norsk Hydro, one of the largest aluminium companies worldwide, estimates global primary aluminium demand to grow by 2-3 per cent in 2019, down from 4 per cent in 2018.

Experts believe that the current deficit in the aluminium market is temporary, caused by shutdown in capacity on account of lower prices. Smelters in China would be reopened once the prices of the metal go up; this will again exert pressure on the prices.

In India, though the production and consumption of the metal are healthy, prospects of Indian players do not look very impressive due to increased production cost.

A report titled 'Need for an Aluminium Policy in India', published on NITI Aayog website, states that from 2003 to 2018, the cost of producing aluminium in India has increased 73 per cent. This was higher than the rise in LME prices of aluminium, which grew 64 per cent in the same period. The report states that India has the highest cost of production among the larger producers of aluminium such as Canada, Russia, Norway, and China,

mainly due to higher taxes on mining and power costs. The rise in the cost of alumina, a key input, also dragged down profits. Power and alumina costs of an aluminium company accounted for about 80 per cent of sales in the first nine months of FY19, up from about 60 per cent of sales in FY17.

Companies are not able to pass on the increased costs to customers because sales happen at the LME prices of aluminium, which factor in the global supply and demand situation. Among the three major aluminium players in India — Nalco, Hindalco, Vedanta — Nalco seems to be better placed with higher margins. This is because Nalco is self-sufficient in alumina mining reserves. After meeting its own requirement to produce aluminium metal, it exports the balance at high margins; this boosts the overall profits.

Though Hindalco's Indian aluminium segment is under pressure, the company's US subsidiary, Novelis — producer of rolled aluminium and beverage cans — offers good prospects due to strong demand and cost-control measures.

Indian aluminium segments of Hindalco and Vedanta are feeling the pinch, recording de-growth in operating profits due to lower LME prices and higher costs. However, the companies' increased focus on value-added products from upstream aluminium business, is expected to give a leg-up to profits.

**Zinc: Watch out for production ramp-up**

Zinc lost its sheen in 2018 as the metal's LME prices fell steeply by about 24 per cent over the year. This impacted the top line of zinc-producing companies.



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The fall in prices could be attributed significantly to the imposition of 25 per cent tariff on steel imports by the US.

Zinc prices are influenced by the steel industry as more than 50 per cent of zinc is consumed for galvanising steel.

In addition to lower realisations, India's largest zinc producer, Hindustan Zinc, was also impacted by the reduction in output.

The company, which has a near-monopoly in the zinc market in India, has moved completely from open pit mining to the underground mining, since the beginning of FY19.

Affected by this transition, the company's zinc production has fallen by about 11 per cent in the nine months ended December 2018.

During the said period, the company's total operating profit fell by 14 per cent to ₹6,568 crore due to lower volumes and realisations and higher cost of production (CoP) in the zinc segment.

The CoP of zinc went up by 12 per cent Y-o-Y significantly on account of rupee depreciation, as two-thirds of the company's costs are dollar-linked.

The production loss from the company led to India becoming a net importer of the metal after being a net exporter for the past few years.

In 2018, while zinc exports declined by 22.8 per cent to 217,000 tonnes, imports increased by 9.4 per cent to 186,000 tonnes, compared with 2017, as per CARE Ratings.

The LME prices of zinc are expected to move up due to deficit in the global market. Global zinc deficit in 2018 was 3,93,000 tonnes. Experts believe that zinc prices will rally to at least \$3,000 per tonne, going forward.

Meanwhile, Hindustan Zinc is ramping up its underground mining and is confident of achieving a production target of 1.2 million tonnes in FY20, a growth of 20 per cent from FY19.

Consumption, which depends on the steel industry, is expected to be healthy with increase in demand in segments like pre-engineered buildings, general engineering, railway, and other government-aided infrastructure projects.

The recent GST rate cut announced on real-estate projects too should help revive consumer demand.

This, along with cost-control measures, will

help Hindustan Zinc go back to higher operating profit levels.

#### Lead: stable outlook

The LME prices of lead have also fallen by more than 20 per cent in 2018, taking cues from its sister metal, zinc, and uncertainties in global trade. Like any other metal, lead is derived from primary and secondary (recycled metal) sources. Since recycled lead is as good as the primary output, 65 per cent of the global metal's output is derived from recycling.

However, recycled lead and primary lead are traded at the same price on the LME. In India, while Hindustan Zinc is the only key player in the primary market, there are nearly 448 players for metal recycling, mostly from the unorganised sector.

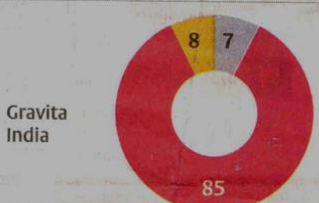
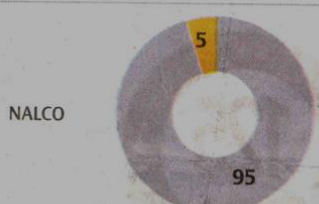
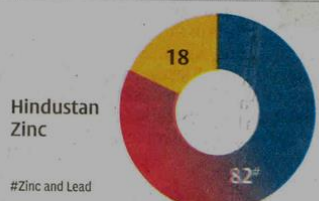
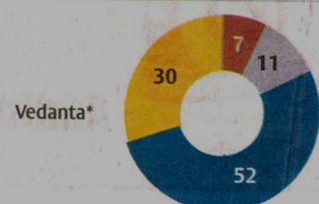
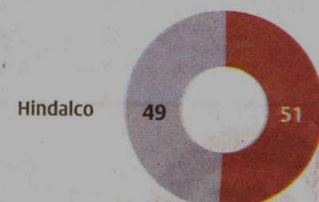
In FY19 (nine months ended December 2018) Hindustan Zinc witnessed 20 per cent Y-o-Y growth in lead's revenue on account of higher output and rupee depreciation, despite the LME realisations falling sharply. For Gravita India, a secondary lead metal-producing company that imports scrap and exports mainly the finished product, though revenue grew, margins were under pressure perhaps due to lower realisations and higher costs.

Demand for lead is driven mainly by lead acid batteries used in automotive and industrial sectors. The prices of lead are expected to move up due to limited supply of global lead concentrate. Consumption too may grow at 2-3 per cent per annum in the next five years.

#### How the pie breaks up

Contribution to operating profit in FY18

● Copper ● Aluminium ● Zinc  
● Lead ● Others (in %)



\*Operating profit from zinc segment includes profit from Hindustan Zinc, a subsidiary of Vedanta  
Source: Annual Reports

# Commodities' best quarter since 2016 may be a tough act to follow

BLOOMBERG

April 1

Commodities had their best quarter in almost three years, driven by supply concerns and optimism over demand. Investors, though, might not want to get too cocky.

Now, the outlook for demand is running into troubling signs in the US and China, the two biggest consumers. In early March, China cut its goal for economic expansion, while a report Thursday showed US growth cooled more than forecast.

"It's hard to make the case that, overall, commodities can stay in this uptrend," said Rob Haworth, senior investment strategist at US Bank Wealth Management in Seattle, which oversees \$164 billion. "Grains will have a tough time, and for industrial metals the underlying question is: what really is going on with China's growth?"

In the first quarter, total returns for the Bloomberg Commodity Index of 23 raw materi-

als rose more than 6 per cent, the most since the three months ended in June 2016. Crude oil paced the advance, while nickel led gains in industrial metals. A surge in January propelled the index amid bets on resilient global economic growth and signs of tight supplies in many markets.

Optimism has faded, with the index falling in March as manufacturing and auto sales data weaken from Europe to China and central banks look for ways to shore up their economies.

Still, even with the uncertainty, analysts say commodities demand has yet to fall out of bed, and supply concerns aren't going away soon for many raw materials. Also, a

dovish stance at the US Federal Reserve on interest rates could ease dollar strength, underpinning commodities demand.

## Oil and gas

Oil prices stormed back in the first quarter, recovering from worries about a global oversupply that pushed crude into a nosedive to end 2018. The new year brought orches-

trated production cuts by OPEC, Russia and other major suppliers, and the outlook for interest rates in the US calmed investors.

"We're in the later innings of an expansion: we're not calling for a recession in 2019, but with the global growth slowdown, it's not going to feel good in the second half for earnings and for global trade, even with a trade deal," said Chad Morganlander, a money manager at Washington Crossing Advisors, which oversees \$2.5 billion.

"The drop in oil prices in the fourth quarter and early this year spurred a rise in demand, and supply issues support the near-term outlook," said Jeffrey Currie, global head of commodities research at Goldman Sachs Group Inc. Natural

gas prices are collapsing across the globe as supplies from the US to Australia flood the market, sparking concern some exporters will have to curtail output and raising questions about new investments.

While prices typically ease at this time of year as mild weather in the northern hemisphere crimps demand, a boom in output of the heating and power-plant fuel is exacerbating the slump.

## Metals

Falling stockpiles and the outlook for production deficits in some metals including copper helped bolster prices in the first quarter, with an index of metals traded in London posting its first quarterly gain since the end of 2017.

The rally in metals at the start of the year has hit a roadblock. While supply concerns are expected to persist, that may not be enough to fuel further price gains should demand ebb, even after the

Chinese government announced economic stimulus measures.

For iron ore, troubles continue at top supplier Vale SA following a January 25 fatal dam breach in Brazil that prompted shut-downs at several mines.

One metal that may benefit from economic angst is gold, where futures posted their second straight quarterly gain on haven demand and the outlook for low interest rates.

## Agriculture

Among crops, even with the fewest US acres planted in about a century, the hard red wheat variety formerly known as Kansas City wheat has been foundering.

Abundant supplies in storage and sufficient rainfall, especially in the top wheat-growing state of Kansas, have weighed on wheat prices. Similarly in coffee, a glut led by a record-large Brazilian crop sent prices to the lowest levels since 2005.





## NMDC iron ore production touches 32.4 mt in 2018-19

OUR BUREAU

Hyderabad, April 1

NMDC, the largest producer of iron ore in the country, has crossed the 30-million-tonne mark in iron ore production and sales for the third consecutive year.

This achievement comes despite the suspension of Donimalai Mine operations for five months, no exports up to August 2018, highest rainfall in Bailadila sector and poor offtake in Karnataka during the first quarter.

NMDC produced 32.44 mt and sold 32.38 mt iron ore during FY-19.

During the year, NMDC's iron ore projects clocked their best in daily, monthly and annual production and sales figures.

N Baijendra Kumar, Chairman and Managing Director of NMDC, congratulated the employees for their hard work and excellent team work.

The CMD thanked all the stakeholders for their support and specially the Union Ministry of Steel and the Chhattisgarh government for their support and guidance. The mining company achieved highest ever monthly dispatches of 37.95 lakh tonnes in March 2019 against the previous best of 37.20 LT (January 2017). It had highest ever single day production of 1.91 LT (31.03.2019) against previous best of 1.63 LT (28.03.2019).

NMDC achieved highest ever single day dispatches of 1.42 LT (16.03.2019) against previous best of 1.40 LT (04.03.2018).

During the year, it also has witnessed to highest

ever exploratory drilling of 16,071 mtrs in 2018-19 against previous best of 15,065 mtrs in 2017-18 and second highest production of diamonds (38,033 carats) after reopening of mines in 2009-10.

# Global gold demand seen hitting four-year high in 2019

REUTERS

London, April 1

Global demand for gold in 2019 will rise to the highest in four years as higher consumption by jewellers offsets a fall in purchases by central banks, an industry report said on Monday.

The world will consume 4,370 tonnes of gold this year, the most since 2015 and up slightly from 4,364 tonnes in 2018, consultancy Metals Focus said.

Its Gold Focus 2019 report also predicted gold prices would average \$1,310 an ounce this year, up from \$1,268 in 2018 and the highest since 2013.

Gold currently trades around \$1,300 an ounce. Gold

consumption for jewellery will rise 3 per cent this year to 2,351 tonnes, driven by increases of 7 per cent in India and 3 per cent in China — the two largest markets — which will counter lower demand in West Asia, Metals Focus said.

Purchases by the official sector, which surged almost 75 per cent in 2018 as central banks added gold to diversify their reserves, will slip 9 per cent this year to 600 tonnes, the report predicted.

Physical investment demand will remain largely unchanged from 2018 at 1,082 tonnes.

Metals Focus said gold supply would rise by 1 per cent to 4,707 tonnes, thanks to higher

mine production and recycling and some producer hedging.

Helping gold prices to rise would be the end of interest rate rises by the US Federal Reserve, along with political and economic uncertainty around the world, Metals Focus said, but it added that a strong dollar would limit gains.

Gold is traditionally seen as a safe place to invest during periods of uncertainty.

Higher interest rates hurt gold because they make bullion, which pays no yield, less attractive to investors, while a stronger dollar can depress demand by making gold more expensive for buyers with other currencies.

# Nickel leads base metals pack rise

Progress in US-China trade talk, factory data lift sentiments

REUTERS

London, April 1

Nickel led base metals prices higher on Monday after positive factory data from top steel producer China raised hopes for higher demand, while inventories fell.

Factory activity in China unexpectedly grew for the first time in four months in March, an official survey showed on Sunday, suggesting government stimulus measures may be starting to take hold in the world's second-largest economy. Benchmark nickel jumped 2.2 per cent to \$13,265

per tonne by 0955 GMT, on track for its biggest daily percentage gain in more than a month.

"(The rise) seems to be because of the improved PMI numbers over the weekend," said Macquarie base metals strategist Vivienne Lloyd, adding that the sentiment had boosted base metals.

On-warrant stocks of nickel available to the market in LME-approved warehouses are at 114,738 tonnes, their lowest since 2012 and down 11 per cent so far this year. Inventories in warehouses monitored by the Shanghai Futures Exchange stood at 8,718 tonnes, having

halved since the middle of November. But cash nickel on the LME is trading at a discount of nearly \$90 to the three-month contract, indicating stock levels remain high.

Macquarie expects a deficit of 58,000 tonnes in the nickel market this year, compared to

a shortage of 243,000 tonnes in 2018. Boosting sentiment in metals were remarks by the US President Donald Trump that trade talks with China were going very well.

LME copper gained 0.4 per cent to \$6,506.50 a tonne; aluminium rose 0.4 per cent to \$1,921; lead added 0.8 per cent to \$2,034, while tin inched 0.5 per cent higher to \$21,505.





## NMDC surpasses 30 MT output in FY'19

NEW DELHI, Apr 1 (PTI)

THE country's top iron ore producer NMDC on Monday said it has surpassed 30 million tonne (MT) mark in production as well as sales in 2018-19, for third year in a row.

The state-run company has produced 32.44 MT and recorded sales of 32.38 MT iron ore during the just concluded fiscal. "NMDC has once again showcased excellent performance for 2018-19. NMDC has surpassed the 30 million tonne figure of production and sales for the third year consecutively," the company said in a statement.

It said good production and sales figures were recorded despite suspension of Donimalai mine operations for five months, no exports up till August 2018, high rainfall in Bailadila sector and poor offtake in Karnataka in the first quarter.

During the year, NMDC's iron ore projects have clocked their best in a single day, monthly



and annual production and sales figures. The company said it recorded "highest ever monthly dispatches - 37.95 LT (lakh tonne) in March 2019 against previous best of 37.20 LT in January 2017" besides recording "highest ever single day production of 1.91 LT (March 31, 2019) against previous best of 1.63 LT (March 28, 2019)".

NMDC said the highest ever single day dispatches of 0.14 million tonne (MT) was recorded on March 16 while the highest ever exploratory drilling of 16,071 metres was recorded in 2018-19. The company also said it recorded the second highest production of diamonds at 38,033 carats after reopening of mines in 2009-10.



# India, Chile ink 3 MoUs in fields of mining, culture, disability

SANTIAGO, Apr 1 (PTI)

PRESIDENT Ram Nath Kovind on Tuesday discussed wide ranging issues of mutual interest with his Chilean counterpart Sebastian Pinera as the two sides signed three MoUs in the fields of mining, culture and disability.

Kovind, who arrived here on Sunday after visiting Bolivia and Croatia, is on the last leg of his three-nation visit. "President Pinera and I had a wide ranging discussion on all issues of mutual interest. We exchanged views and assessments of our respective neighbourhoods and regions," he said.

Thanking Pinera for his strong condemnation of the Pulwama terror attack in Jammu and Kashmir, the President said the two countries have agreed to work together to strengthen global response to defeat and destroy terrorism in all its forms and manifestations, and hold those responsible, accountable



President Ram Nath Kovind inspecting the Guard of Honour along with his Chilean counterpart Sebastian Pinera during a welcoming ceremony at La Moneda presidential palace in Santiago in Chile on Monday.

(PTI)

for their brutality against humanity.

India offered training slots to Chilean Armed Forces in the premier defence institutions including for courses in mountain warfare and peacekeeping.

The two countries also agreed to explore opportunities for other cooperation in the defence sector. "The two countries should also seize the opportunity to jointly manufacture defence equipment," Kovind

said. Noting that the bilateral relations between India and Chile are on an "upward curve", Kovind said, "Today we have signed three MoUs in the fields of mining, culture and disability. These would further enhance our engagement in economic, social and cultural fields."

Chile is the sixth largest trading partner of India in the Latin American region. The bilateral trade between the two nations registered an impressive increase of 50 per cent in 2017-18, to reach USD 2.8 billion. Kovind said he is hopeful that the India-Chile Preferential Trade Agreement with increased tariff lines would further contribute towards enhancement of bilateral trade.

The President invited Chilean companies to invest in Indian mining, infrastructure, defence and food processing sectors under 'Make in India', 'Smart Cities' and 'Digital India' programmes.



## MOIL posts best ever performance in 2018-19

■ MOIL is also giving utmost thrust on expansion and modernisation of its mines to sustain production levels and attain capacity enhancement

### ■ Business Bureau

MOIL Limited, the largest producer of manganese ore in the country and a Mini Ratna Schedule-A CPSE under the administrative control of the Ministry of Steel, has achieved the highest-ever turnover of Rs 1,440 crore (unaudited and provisional) during financial year 2018-19, registering a growth of 9 per cent over previous year.

Core production (non-fines, i.e., production excluding fines) jumped 15 per cent during the year. Total production crossed 13 lakh MT in FY'19 (up by 9 per cent y-o-y), which is the highest achievement in last ten years. The company has also achieved highest-ever production of non-fines

manganese ore. Non-fines sales are also at a record-high of 11 lakh MT (up by 13 per cent y-o-y). The total production growth in last three years is around 30 per cent. Currently, MOIL holds 34 per cent of manganese ore reserves of the country and is contributing 50 per cent of the domestic production.

MOIL is also giving utmost thrust on expansion and modernisation of its mines to sustain production levels and attain capacity enhancement. Projects of sinking of second vertical shaft at Chikla mine and shaft deepening at Kandri and Balaghat mines have been completed during the year. These will enable the Company sustain enhanced level of production from these mines. Its projects of shaft sinking at Ukwa and Munsar mines and high speed shafts at Balaghat and Gumgaon mines are progressing as per schedule.

In addition to the above, development and production activities have been started during the year at Parsoda (in Nagpur district) – 11th mine of MOIL.

## MCX settles first aluminium physical-delivery contract

### OUR BUREAU

Mumbai, April 2

Multi Commodity Exchange executed delivery of 10 tonnes (2 lots) of aluminium under the first compulsory delivery futures contract on Tuesday.

The delivery was given by Indu Corporation, through IIFL Wealth Management, while the buyer was Phoenix Industries via Motilal Oswal Financial Services.

The LME-approved 99.97 per cent purity ingot was delivered at the MCX approved warehouse at Bhiwandi, Thane district. The delivery was effected through MCX Clearing Corporation's Electronic Commodity Receipts Information System, ComRIS.



On January 3, MCX launched the first domestically benchmarked, compulsory deliverable aluminium futures contract of 5 tonnes to be settled on polled domestic spot prices from market participants.

MCX rupee-quoted contracts augur well for hedging currency risks and commodity price volatility driven by both international and domestic factors.

Mrugank Paranjape, Managing Director, MCX, said the seamless delivery through the exchange mechanism will help further integrate physical and derivatives markets, enabling the emergence of a stronger market-based facility for risk management and price discovery in the Indian metals market.

## Gold holds near four-week low

REUTERS

April 2

Gold prices were close to their lowest in around four weeks on Tuesday as robust economic data from the United States and China tempered concerns of a global slowdown, boosting the dollar and riskier assets.

Spot gold was up 0.1 per cent at \$1,288.79 per ounce at 1148 GMT, having touched its lowest since March 7 at \$1,284.76 earlier. US gold futures were unchanged at \$1,293.80 an ounce. "Gold continues to struggle with the bullishness we are seeing across the other sectors ... Today, the primary driver is the continuous strength of the dollar," said Saxo Bank analyst Ole Hansen. "(Global slowdown) concerns are most certainly easing. It's too early to say they are gone but they have eased, and with that, also the need to have protection."

Gold is seen as a hedge against political and economic uncertainty. World stocks hovered just under a six-month high, supported by strong manufacturing data from the United States and China. Silver slipped 0.6 per cent to \$15.02 per ounce, while platinum fell 0.1 per cent to \$846.59.

NAVBHARAT (NAGPUR PLUS) DATE : 3/4/2019 P.N.7

## MOIL का टर्नओवर 1,440 करोड़

### उत्पादन में भी रिकार्ड प्रदर्शन

व्यापार प्रतिनिधि

नागपुर. मैंगनीज ओर उत्पादन करने वाली देश की सबसे बड़ी मिनीरल कंपनी मायल लि. ने 1440 करोड़ रुपये का टर्न ओवर कर अब तक का सर्वश्रेष्ठ प्रदर्शन किया है. 2018-19 के दौरान यह 9 फीसदी अधिक रहा. कारोबार के साथ-साथ कंपनी ने उत्पादन में भी अच्छी वृद्धि दर्ज की है. कंपनी का कोर उत्पादन (नान फाइन एवं फाइन) 15 फीसदी बढ़ा. कंपनी ने 13 लाख मीट्रिक टन का उत्पादन किया, जो गत वर्ष की तुलना में 9 फीसदी अधिक रहा. यह प्रदर्शन पिछले 10 वर्षों में सबसे बेहतर है. कंपनी का नान फाइन मैंगनीज ओर का उत्पादन और बिक्री में भी अच्छी खासी वृद्धि दर्ज की गई है. नान फाइन मैंगनीज ओर की बिक्री 11 लाख मीट्रिक टन रही, जो 13 फीसदी अधिक है. पिछले 3 वर्षों में उत्पादन वृद्धि 30 फीसदी के रिकार्ड पर रही. मायल के पास देश का 34 फीसदी मैंगनीज ओर का रिजर्व है और कंपनी घरेलू उत्पादन में 50 फीसदी का योगदान करती है. उत्पादन के स्तर को



बनाये रखने और वृद्धि करने के लिए मायल निरंतर विस्तार और आधुनिकीकरण के रास्ते पर भी चल रही है. वर्ष के दौरान कंपनी को चिकली, कांद्री और बालाघाट माइंस के विस्तार और गहरीकरण करने में भी सफलता मिली है. इससे कंपनी का उत्पादन स्तर को बनाये रखने में मदद मिलेगी. उकवा, मनसर, बालाघाट और गुमगांव में खान के साफ्ट का काम भी निर्धारित समय के अनुसार आगे बढ़ रहा है. कंपनी ने परसोडा में विकास और उत्पादन गतिविधियां बढ़ाई है. इसका वार्षिक उत्पादन 40 हजार मीट्रिक टन तक पहुंच गया है. कंपनी मध्यप्रदेश और महाराष्ट्र में नई खान के लिए लीज लेने को भी उत्सुक है. मायल का लक्ष्य 2024-25 तक उत्पादन को 25 लाख मीट्रिक टन पहुंचाने का है.



## Base metals at crossroads

### COMMENTARY

GCHANDRASHEKHAR

Unlike the last quarter of 2018 when the base metals market saw a sell-off in the wake of rising fears of global recession and the hawkish stance of the US Federal Reserve regarding interest rate hikes, in a positive note, the first quarter of 2019 saw a reversal of the sell-off, based on hope. If anything, risk appetite increased in the last two months.

The hope stemmed from a combination of factors. The softening stand of the US Fed, which indicated a pause in rate hikes for this year; anticipation of a US-China trade deal, the stimulus announced by China and, of course, rising crude oil rates exerted a combined impact.

All metals, except lead, gained during the quarter. Indeed, nickel soared by a fifth to over \$13,000 a tonne, while copper traded at over \$6,500 a tonne. No wonder, the LME base metals index rose by over 9 per cent during the quarter.

Clearly, speculative investments in metals played a marked role in the price performance.

China's tax cuts have kicked in from April 1. However, theyuan is gradually weakening. Yet, the metals market has absorbed these and remained largely unmoved.

So, the big question is whether the positive sentiment will sustain. Market participants continue to remain in palpable doubt if the price rally will sustain or peter out because of geopolitical instabilities, growth concerns and Event risks. So, in reality, the base metals sector is staring at a crossroads and is unclear about which road to take.

Will the macro headwinds subside? There are reasons to think positive. A view is gaining ground that both the US and China cannot afford a worse confrontation and therefore, polit-

ical considerations will ultimately prevail. Additionally, there are positive signs that fixed-asset investment in China is recovering.

Progress on the direction of trade talks is key because of tough negotiations. A positive outcome of the talks will surely provide a much-needed boost to the metals market although there is a belief that the talks may drag on for some time. While the US Fed has indicated a pause in rate hikes, corporate investments in the US continue to accelerate. This is also seen positive for metals demand.

It is in these evolving circumstances and uncertain times for global growth that new capacities of steel production have been planned. According to the OECD Steel Committee, the world is already facing a situation of overcapacity. The Committee has estimated that global production capacities will grow by 4-5 per cent between 2019 and 2021.



This will be on top of an estimated overcapacity of 425 million tonnes last year.

Obviously, the planned steelworks are going to add to the burden of overcapacity at a time when world growth prospects are far from promising and demand is decisively slowing. It must be stated that a part of capacities coming up in China is a replacement for those shut down for environmental reasons. Yet, steel prices are sure to stay under pressure given the excess capacity.

While on the weak outlook for steel, it is interesting to find iron ore prices rising in the wake of supply disruptions faced by Australia. This has come two months after a disaster in Brazil that squeezed supplies. Iron ore futures have made considerable gains and are trading at around \$90 a tonne.

*The writer is a policy commentator and commodities market specialist. Views are personal*

## FROM LAB OR LAND?



### 'Establish authenticity of diamonds'

London, April 3

The US Federal Trade Commission, which investigates allegations of deceptive advertising, has sent warning letters to eight companies to insist they distinguish in advertisements between diamonds from mines and those made in laboratories. The FTC said it had found instances where the eight companies advertised diamond jewellery "without clearly and conspicuously disclosing that the diamonds are laboratory-created," according to the letter. Analysts say increased production of laboratory-grown diamonds has lowered their price. The Diamond Producers Association (DPA), which represents mining companies including De Beers, Rio Tinto and Alrosa, welcomed the FTC insistence. **REUTERS**



## NMDC का शानदार प्रदर्शन



व्यापार प्रतिनिधि

नागपुर. देश के सबसे बड़े लौह अयस्क उत्पादक एनएमडीसी ने वर्ष 2018-19 के दौरान उत्कृष्ट कार्य निष्पादन किया है. एनएमडीसी ने लगातार तीसरे वर्ष उत्पादन तथा बिक्री के 30 मिलियन टन के आंकड़े को पार किया है. दोणिमलै खान का प्रचालन 5 माह से बंद होने, अगस्त 2018 तक कोई निर्यात नहीं होने, बैलाडीला क्षेत्र में अधिकतम वर्षा तथा कर्नाटक में पहली तिमाही में अच्छी शुरुआत न होने के बावजूद एनएमडीसी ने वित्त वर्ष 2019 के दौरान लौह अयस्क का 32.44 मिलियन टन उत्पादन किया है तथा 32.38 मिलियन टन बिक्री की है. वर्ष के दौरान एनएमडीसी की लौह अयस्क परियोजनाओं ने एक दिवसीय, मासिक

तथा वार्षिक उत्पादन एवं बिक्री में अपनी सर्वोत्तम उपलब्धियां हासिल की हैं. कम्पनी ने मार्च 2019 में मासिक रूप से अब तक का सर्वोच्च 37.95 एलटी प्रेषण किया. इससे पूर्व सर्वोत्तम उपलब्धि जनवरी 2017 में 37.20 एलटी थी. विगत 31 मार्च को एक दिन में अब तक का सर्वाधिक 1.91 एलटी उत्पादन किया गया. अब तक की सर्वोच्च गवेषणात्मक ड्रिलिंग 2018-19 में 16071 मीटर रही. वर्ष 2009-10 में खान खुलने के पश्चात हीरों का अब तक हा दूसरा सर्वोच्च उत्पादन 38033 कैरेट रहा. सीएमडी एन.बैजेन्द्र कुमार ने सभी कर्मचारियों को उनके कठिन परिश्रम एवं उत्कृष्ट टीम वर्क के लिए बधाई दी.

BUSINESS LINE DATE :6/4/2019 P.N.11

## Metal prices rise on hopes of US-China trade deal; zinc gains on tight supply

REUTERS

London, April 5

Zinc prices gained on Friday, lifted by concerns about short-term shortages, while the wider industrial metals complex was buoyed by optimism about a potential US-China trade deal.

Copper, however, dipped after a jump in inventories this week raised questions about rising supply.

Volumes were light with Chinese participants away and the Shanghai Futures Exchange (ShFE) closed for the Tomb Sweeping Day holiday. It will reopen on Monday.

Metals along with other financial markets were lifted after US President Donald Trump said the United States and top metals consumer China were close to a trade

deal that could be announced within four weeks.

But analyst Carsten Menke at Julius Baer in Zurich did not believe this was justified.

"These markets already moved higher a couple weeks back because of stimulus hopes in China, and now you have the positive element of progress on the trade talks, but I don't think these two go together," he said.

"If you make the call that with the trade talks, China will do better in the future then the economy will need less stimulus. Even if we get a deal, which I think is quite likely, I wouldn't expect any major lift in industrial metals demand."

Zinc is the second best performing metal on the London Metal Exchange this year after

nickel, up 18 per cent as rising supply from mines has faced bottlenecks in being processed into metal.

Benchmark LME zinc was up 0.8 per cent at \$2,919 a tonne by 1035 GMT.

The premium of LME cash zinc over the three month contract rose to \$71 a tonne, near the recent peak of \$76.75 touched a week ago, which was the strongest since early January, indicating near-term shortages in the LME system.

Copper stockpiles in LME-approved warehouses remained at high levels on Friday after having surged this week, climbing to the highest in six months and nearly double the level three weeks ago.

Copper inventories at warehouses tied to the ShFE re-

mained near a nine-month high. LME copper fell 0.1 per cent to \$6,447 a tonne.

A Brazilian federal court has scheduled an April 12 hearing on the year-long production embargo at Norsk Hydro's Alunorte alumina refinery in Brazil, the Norwegian company said.

A group of Mongolian legislators has recommended one of the agreements underpinning Rio Tinto's Oyu Tolgoi copper mine should be scrapped and another changed, adding to the project's political problems.

Three-month LME aluminium rose 0.2 per cent to \$1,898 a tonne, nickel gained 1.3 per cent to \$13,270, lead dipped 0.2 per cent to \$1,991.50 while tin added 0.3 per cent to \$21,145.



# Hindalco to Step Up Spending on Emissions Control

Co to spend ₹1,000 cr in FY20; aims to make all power plants emission-compliant in 3-4 years

Vatsala.Gaur@timesgroup.com

Mumbai: Aluminium major Hindalco is stepping up yearly expenditure on controlling emissions from its smelters to Rs 1,000 crore beginning from fiscal year 2019-2020, a big leap from the Rs 50 crore per year that it usually spends.

The capex will be spent every two years and by the end of 3-4 years, Hindalco hopes to make all its five power plants emission-compliant, Satish Pai, MD of Hindalco, said.

The decision to increase the capex is in line with the apex court's regulations of controlling emission of nitrogen and sulphur oxides and other particulate matter by 2020, Pai told ET in an interaction on the sidelines of an annual meet of the The Xyn-teo Exchange/India 2022. The company's growth capex for the year is Rs 2,000 crore, that will be used largely to fund the expansion of Utkal Alumina by 500 KT.

The increase in emission control capex is one of the many initiatives Hindalco is taking as the share of environmentally conscious investors in the company



FILE PHOTO

raises. Currently, foreign investors own 27% in Hindalco and include Nomura Holdings and Franklin Templeton. Foreign holding of the stock went up particularly after the company's Qualified Institutional Placement (QIP) in 2017 to raise Rs 3,300 crore.

"We are 27% foreign investors-owned and it makes good business sense for them to invest in Hindalco versus other companies," Pai said. "We don't shut down in x,y,z places because people around us are unhappy and that comes at a certain cost."

# Govt Plans to Sell Enemy Property Shares in ACC, Grasim, Tata Steel

Over 4 crore shares of Wipro sold on Friday, and bought by PSU insurers for ₹1,150 cr

Our Bureau

**Mumbai:** The Central government has raised ₹1,150 crore by selling over 4.44 crore shares of information technology major Wipro.

The shares were offered by the Custodian of Enemy Properties for India, an agency under the Union home ministry. Market participants now expect the agency to sell shares it holds in ACC, Tata Steel, Tata Power, India Cements and Grasim Industries, among others.

The sale of Wipro shares happened on Thursday through multiple block deals at a price of ₹258.9 apiece. Shares of Wi-

**LEFT BEHIND IN INDIA**  
Enemy properties include movable and immovable assets of Indians who migrated to Pakistan or China that were taken into custody after the wars

pro gained 1.2% to close at ₹262 apiece on Friday.

All the shares being offered were bought by state-owned entities led by Life Insurance Corporation of India (LIC), which only subscribed to 3.86 crore shares or over 85% of the offering.

Public sector reinsurer General Insurance Corporation of India (GIC) bought 38 lakh shares while another state insurer New India Assurance picked up 19 lakh shares, data compiled from

stock exchanges showed.

Enemy properties are those movable and immovable assets of Indians who migrated to either Pakistan or China. These properties were taken into the custody of Indian government in late 1960s after the wars with both the countries.

Apart from large chunks of real estate spread across major Indian cities including New Delhi, Mumbai and Kolkata, there are also several other assets including shares of companies, jewellery that are lying with the agency.

Around 6.5 crore shares of 139 listed functional companies and other unlisted companies are held by the agency, whose total value is estimated at ₹2,500-3,000 crore.

In 2017, the government approved the process to divest the equity shares held by the custodian and the proceeds of these sales were to go for state-owned development and social welfare programmes.

# India's coal import rises 8% in Apr-Feb

NEW DELHI, Apr 7 (PTI)

INDIA'S coal import increased by 7.8 per cent to 212.11 million tonnes in the April-February period of FY19, a report said.

This comes at a time when the Government is looking at relaxing the timeline for the 1 billion tonne coal production target it had set earlier for Coal India (CIL), which accounts for over 80 per cent of the domestic coal output.

The country produced 196.59 million tonnes (MT) of coal in April-February period of fiscal 2017-18, according to the report by mjunction services. "During April-February 2018-19, coal and coke imports stood at 212.11 MT,



about 7.89 percent increase over 196.59 MT recorded for the same period last year," it said. Coal imports in the month of February was at 18.31 MT (provisional) as compared to 21.15 MT (revised) in January 2019, it said.

Coal and coke imports in February 2018 stood at 15.98 MT, according to mjunction's compilation.

"Coking coal imports saw a marginal decline in February,

primarily due to the firm prices and not so upbeat outlook for the Indian steel sector. Real estate and auto sector's consumption of steel was down, which impacted production.

"Non-coking coal offers, however, eased during the month in select markets, leading to steady import demand," mjunction MD and CEO Vinaya Varma said.

Mjunction -- a joint venture between Tata Steel and SAIL -- is a B2B e-commerce company and also publishes research reports on coal and steel verticals. Of the total imports during February 2019, non-coking coal was at 13.86 MT, against 14.59 MT imported in January 2019, it said.



## Vedanta Plans \$1b Foreign Bond Issue

Co may open issue  
for subscription in  
next few weeks to  
part-finance its debt

Saikat Das1  
@timesgroup.com

**Mumbai:** Metals magnate Anil Agarwal's Vedanta Resources, which has interests in industries as diverse as non-ferrous metals, iron ore and crude oil, is set to raise up to \$1 billion from overseas investors in one of the biggest off-shore bond deals this year.

The resources conglomerate is likely to open the issue for subscription in the next few weeks to refinance a part of its existing debt. It may also utilise a part of the proceeds as working capital, three people with direct knowledge of the development told ET.

The company will meet potential investors in New York, Boston, London, Singapore, and Hong Kong this week.

Vedanta Resources is planning to issue a benchmark size US dollar bond.

BUSINESS LINE DATE : 8/4/2019 P.N.11

### MCX settles aluminium physical-delivery

The Multi Commodity Exchange executed delivery of 10 tonnes (2 lots) of aluminium under the first compulsory delivery futures contract last Tuesday.

The delivery was given by Indu Corporation, through IIFL Wealth Management, while the buyer was Phoenix Industries via Motilal Oswal Financial Services.

The LME-approved 99.97 per cent purity ingot was delivered at the MCX-approved warehouse at Bhiwandi, Thane. The delivery was effected through the MCX Clearing Corporation's Electronic Commodity Receipts Information System, ComRIS.

On January 3, MCX launched the first domestically benchmarked, compulsory deliverable aluminium futures contract of 5 tonnes to be settled on polled domestic spot prices from market participants.



# Gold can consolidate in the near term

A breakout on either side of \$1,280 or \$1,305 will decide the next move

GURUMURTHY K

Gold oscillated between \$1,280 and \$1,300 per ounce all through last week. The global spot gold price closed on a mixed and flat note last week at \$1,291.7.

Silver fell below the key support level of \$15, but managed to bounce back, recovering all the loss. The global spot silver prices also closed the week on a flat note at \$15.11 per ounce.

Though the US dollar index remained broadly in a narrow range last week, gains in the global equity segment seems to be capping the upside in gold.

On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) closed the week with a marginal loss. Both the MCX-Gold and MCX-Silver futures contract were down 0.6 per cent each last week. The MCX-Gold contract closed at ₹31,542 per 10 gm. MCX-Silver closed the week at ₹37,519. The MCX-Silver contract tumbled 2 per cent intra-week. The contract tested the key level of ₹37,000 and

bounced from there, recovering most of the loss.

## Dollar outlook

The US dollar index (97.39) was stuck in a narrow range between 96.95 and 97.5 in the past week. As long as it trades above 97, the near-term view will be positive. A rise to test 98 is likely in the coming days. An inability to breach 98 can drag the index lower to 97 or even 96 again in the short term. In such a scenario, the downside in gold will be limited and the prices can bounce back. But if the dollar index breaks above 98, it can rally to 98.5 and 99 in the coming weeks. Such a rally in the index can keep gold under pressure and drag the prices further low.

## Gold outlook

The near-term outlook for gold (\$1,291.7 per ounce) is mixed. The support at \$1,280 is holding well. But the yellow metal seems to lack buying interest to take it higher. Key res-

istances are at \$1,300 and \$1,305. As long as gold trades above \$1,280, an up-move to test \$1,300 and \$1,305 is possible in the near term. An inability to breach \$1,305 can drag gold lower to \$1,290 and \$1,280 again. Broadly, gold can remain range-bound between \$1,280 and \$1,305 for some time. A breakout on either side of \$1,280 or \$1,300 will then decide the direction of the next move.

A strong break above \$1,305 will see gold rallying to \$1,320 again. A further break above \$1,320 will then increase the likelihood of the up-move extending to \$1,330 and \$1,335. On the other hand, if the yellow metal declines below \$1,280, it can come under renewed pressure. Such a break can drag gold to \$1,270 and \$1,265.

On the domestic front, the near-term outlook for the MCX-Gold (₹31,542 per 10 gm)

futures contract is negative. It can fall to ₹31,200 in the coming days. If the contract manages to bounce back from this support, a relief rally to ₹32,000 and ₹32,200 is possible. But a break below ₹31,200 will increase the downside pressure and drag the contract to ₹30,500 or even lower in the coming weeks.

## Silver outlook

The global spot silver (\$15.11 per ounce) has a resistance at \$15.25 and support at \$14.85. It can consolidate between \$14.85 and \$15.25 for some time. A breakout on either side of \$14.85 or \$15.25 will determine the next move. A strong break above \$15.25 can take silver higher to \$15.40 and \$15.50. On the other hand, if silver declines decisively below \$14.85, it can come under pressure. Such a break will drag silver lower to \$14.45; this move could be swift as

\$14.85 is a crucial support. A sharp fall below \$14.85 will also increase the possibility of silver revisiting \$14 over the medium term.

The bounce in the MCX-Silver (₹37,519 per kg) from ₹37,000 has given some relief to the contract. A test of ₹38,000 is possible in the near term. However, the contract has to rise past ₹38,000 to turn the outlook positive. A break above ₹38,000 can take the contract higher to ₹38,600 and ₹39,000.

On the other hand, if the MCX-Silver contract reverses lower from ₹38,000, it will remain vulnerable to a fall below ₹37,000. In such a scenario, there is a strong likelihood of the contract tumbling towards ₹36,500 or even ₹35,500 in the coming weeks.

The writer is Chief Research Analyst at Kshitij Consultancy Services



ISTOCK.COM/IRINGLASS



## MCX-Gold

Supports:  
₹31,400/31,200  
Resistances:  
₹32,000/32,200

## MCX-Silver

Supports:  
₹37,000/36,500  
Resistances:  
₹38,000/38,500



# India's gold reserves increase marginally in February: WGC

'Globally, gold reserves with central banks rise 51 tonnes, highest since Oct. 2018'

SPECIAL CORRESPONDENT  
MUMBAI

India has marginally increased its gold holding in February while maintaining the tenth position among countries in terms of yellow metal reserves, as per latest data from the World Gold Council (WGC).

India added 1.7 tonnes in February while most other countries, barring Russia and China, saw their reserves unchanged in the recent past.

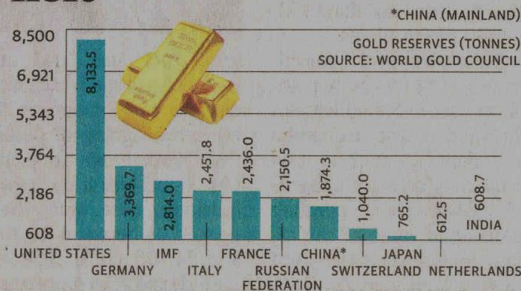
As per WGC, India had total gold reserves of 608.7 tonnes in February, marginally up from the previous month's holding of 607 tonnes.

Apart from India, only two other countries among the top 10 in terms of gold reserves increased their holdings in the month of February.

While the Russian Federa-

## Adding heft

Among the top 10 countries in gold reserves, apart from India, only Russia and China increased their holdings in February



tion saw its reserves increase from 2,119.2 tonnes to 2,150.5 tonnes, the reserves of China (Mainland) rose from 1,864.3 tonnes to 1,874.3 tonnes between January and February.

Incidentally, India's overall ranking is pegged at 11 as the International Monetary Fund (IMF) boasts of gold reserves of 2,814 tonnes to oc-

cupy the third position after the U.S. (8,133.5 tonnes) and Germany (3,369.7 tonnes).

"Central bank gold reserves increased by a net 51 tonnes in February 2019, with gross sales minimal at only 0.2 tonnes," said Alis-tair Hewitt, director of market intelligence, WGC.

"This is the highest level of monthly purchases since

October 2018 and brings the reported year-to-date net increase in global reserves to 90 tonnes. Collectively, central banks – mostly from the emerging markets – continue to accumulate gold at a healthy pace. Nine central banks made a meaningful increase to their reserves in February versus 10 in January," added Mr. Hewitt.

## Other countries

Some of the other countries that also have a significant gold reserve include Taiwan (423.6 tonnes), Portugal (382.5 tonnes), Kazakhstan (356.3 tonnes), Uzbekistan (342.1 tonnes) and Saudi Arabia (323.1 tonnes).

Pakistan has 64.6 tonnes and is ranked 45 while Sri Lanka (19.9 tonnes) and Bangladesh (14 tonnes) are at 63<sup>rd</sup> and 66<sup>th</sup> positions.

Nepal with 6.4 tonnes is at 82<sup>nd</sup> position.

## Essar Steel case: NCLAT directs ArcelorMittal to deposit ₹42,000 cr

OUR BUREAU

Mumbai, April 9

The National Company Law Appellate Tribunal (NCLAT) has directed ArcelorMittal, the winning bidder for the stressed Essar Steel asset, to deposit the bid amount of ₹42,000 crore in a separate account either with itself or the Ahmedabad Bench of the National Company Law

Tribunal (NCLT). The next hearing in the case is scheduled for April 23.

The two-member Bench, headed by Chairman Justice SJ Mukhopadhaya, also directed ArcelorMittal to file an affidavit with details on the steps it is taking to implement the approved resolution plan for the revival of Essar Steel.

Details p3

CONTD... ON PAGE 22

BUSINESS LINE DATE : 10/4/2019 P.N.3

# Essar Steel case: NCLAT directs ArcelorMittal to deposit ₹42,000 cr

Tells global steel giant to file affidavit on steps taken to implement resolution plan

## OUR BUREAU

Mumbai, April 9

The National Company Law and Appellate Tribunal (NCLAT) has directed ArcelorMittal, the winning bidder for the stressed Essar Steel asset, to deposit the bid amount of ₹42,000 crore in a separate account either before itself or the Ahmedabad Bench of the National Company Law Tribunal (NCLT).

The next hearing in the case is scheduled for April 23.

The two-member Bench headed by Chairman Justice SJ Mukhopadhyaya also directed ArcelorMittal to file an affidavit with details on the steps it is taking to implement the approved resolution plan for the revival of Essar Steel.

Stating that ArcelorMittal has not deposited the money despite

clear instructions, the NCLAT said the company will be forced to comply soon.

## Debt assignment

While agreeing to bring in the money, ArcelorMittal claimed there is reluctance on the part of the lenders to execute the debt assignment agreement.

"Money cannot be deposited without assignment of debt in favour of the company," said ArcelorMittal.

The Bench also ordered the Committee of Creditors (CoC) to submit details on the outcome of a meeting held to consider extra allocation for operational creditors.

In their previous meeting, the CoC had agreed to increase the payout to operational creditors to ₹1,000 crore from ₹200 crore,



The NCLAT has ordered Essar Steel's lenders to submit details on the outcome of a meeting that they had held to consider extra allocation for operational creditors ISTOCK.COM/PHONLAMAIPHOTO

as directed by the NCLT.

However, the lenders refused to consider Standard Chartered Bank as a financial creditor, which would have resulted in a higher payout to the UK-headquartered bank.

Under the resolution plan submitted by ArcelorMittal, financial creditors would get about ₹42,000 crore out of their total

dues of ₹49,395 crore while operational creditors would get just ₹214 crore against an outstanding of ₹4,976 crore.

The NCLAT also directed both financial and operational creditors to submit details on their approved claims while providing a copy of the approved ArcelorMittal resolution plan to Essar Steel promoters, the Ruia.



## BUSINESS LINE

DATE : 11/4/2019 P.N.3

## Bauxite spillage forces Hindalco to suspend alumina output

## OUR BUREAU

Mumbai, April 10

Hindalco Industries, an Aditya Birla Group company, has suspended alumina production at its Jharkhand plant due to spillage of bauxite residue at areas around the storage facility.

There was an incident in the red mud (bauxite residue) storage area connected to the alumina plant situated at Muri, Jharkhand, on Tuesday, said the company in a statement on Wednesday.

Many people are believed to be trapped and swept away in the debris, as the caustic pond suddenly broke up following a land cave-in at Muri, about 25 km from Ranchi, it said.

As a precautionary measure, operations have been temporarily suspended to assess the situation, it added.

Preliminary investigations indicate no material impact on the surrounding environment or to property. Efforts are ongoing to clear the spillage, it said.

Four persons with minor injuries have been treated and one contract workman is missing. This incident is not expected to have any material impact on the company's performance, said Hindalco.

Shares of the company were down 2 per cent at ₹211 on Wednesday.

# Jharkhand Govt Asks Hindalco for Caustic Pond Collapse Report

## Our Bureau

**New Delhi:** The state government of Jharkhand has ordered Hindalco to submit a comprehensive report within 48 hours on the causes, impact, safety measures taken, loss and all details of the collapse of caustic pond near its plant.

Hindalco Industries on Wednesday said it has temporarily suspended the operations of its alumina facility in Muri, Jharkhand, after a contract worker went missing and four persons sustained injuries when the red mud storage area connected to the plant collapsed.

The company has also been asked to immediately carry out a safety audit of its plant and waste management

**The company has been asked to immediately carry out an safety audit of its plant and waste management and submit a report in three weeks**

and submit a report in three weeks. "Submit a comprehensive report mentioning

the causes, impact, safety measures taken, loss, technical aspects and all related details of the incident occurred within 48 hours," an order issued by the Ranchi District Disaster Management Authority said.

The authority has also directed issuance of a show cause to company as to why legal action should not be taken against it for loss of life caused due to this incident.

The authority has asked the company to take all necessary safety measures immediately to avoid reoccurrence of such an inci-

dent. "There was an incident in the red mud (bauxite residue) storage area connected to the alumina plant situated at Muri, Jharkhand, on 9th April 2019 (Tuesday). The incident involved a spillage in the red mud cake storage area," the company said in a filing to the BSE.

It has ordered immediate stoppage of the discharge from the incident site as it may pollute the nearby water bodies and damage vegetation.



# हिंडाल्को प्लांट का डस्ट तालाब धंसा

कई मजदूरों के हताहत होने की आशंका

एजेंसियां

रांची. झारखंड के मुरी में हिंडाल्को प्लांट का रेड मड पौड (कास्टिक तालाब) धंसा गया. दुर्घटना में घटनास्थल पर कार्यरत 60 मजदूरों के मलबे में दबने से मृत्यु हो जाने की आशंका है. प्रत्यक्षदर्शियों के अनुसार मलबा करीब डेढ़ किमी तक फैल गया. जो इसकी जड़ में आया इसके नीचे दब गया. ग्रामीणों के अनुसार मलबे के नीचे कई लोग दब गए हैं. तीन हाड़वा, एक पोकलेन, दो ट्रैक्टर भी ढेर में गुम हो गए. घटना के बाद मुरी से लेकर रांची तक हड़कंप मच गया. एनडीआरएफ की टीम मौके पर पहुंची लेकिन कुछ देर बाद ही अंधेरा पसर गया और काम बंद करना पड़ा. प्रारंभिक जांच के बाद प्रशासन ने कहा कि जब तक शव की बरामदगी नहीं हो जाती यह कहना कठिन है कि कितना नुकसान हुआ है. बुधवार को मलबा हटाने का काम शुरू तो हुआ लेकिन ग्रामीणों के विरोध के कारण इसे रोक देना पड़ा. तालाब धंसा जाने से मंगलवार को हुए हादसे के बाद मुरी जमशेदपुर रेल रूट पांच बजे तक बाधित रहा. इस कारण तीन मालवाहक ट्रेन स्टेशन पर ही खड़े रहे. दो मालवाहक ट्रेन मुरी से जमशेदपुर की ओर जा रही थी उन्हें मुरी स्टेशन पर ही रोक लिया गया. वहीं एक मालवाहक ट्रेन को चाँडिल के पास रोका गया. रेलवे अधिकारी नीरज कुमार ने बताया कि इस समय एक भी यात्री ट्रेन बाधित नहीं हुई. शाम पांच बजे तक ट्रैक से मलबा हटा लिया गया. इसके बाद ट्रैक चालू हो गया.



दबाई जा रही खबर

हिंडाल्को में हुए हादसे को लेकर लापता मजदूरों के परिवारों का आरोप है कि कम्पनी खबर को बाहर नहीं आने दे रही. लोगों ने बड़ी संख्या में मोतों की आशंका जाहिर करते हुए कम्पनी पर पहले से लापरवाही बरतने का आरोप लगाया.

## अस्थायी रूप से रोका परिचालन

हिंडाल्को इंडस्ट्रीज ने झारखंड के मुरी में स्थित अपने एलुमिना संयंत्र में हादसे के बाद परिचालन अस्थायी तौर पर बंद कर दिया. कंपनी ने यह जानकारी दी. हिंडाल्को ने बंबई शेयर बाजार को बताया (9 अप्रैल 2019) को झारखंड के मुरी में एलुमिना संयंत्र से जुड़े लाल अवशेष भंडारण क्षेत्र में एक हादसा हुआ. यह हादसा मलबे के धसने से हुआ. कंपनी ने कहा कि एहतियात बरतते हुए स्थिति का जायजा लेने के लिए परिचालन को अस्थायी रूप से बंद कर दिया गया है. हिंडाल्को ने कहा कि शुरुआती जांच में पर्यावरण या संपत्ति पर कोई बड़ा प्रभाव नहीं पड़ने के संकेत मिले हैं. मलबे को हटाने के लिए प्रयास जारी है. कंपनी ने कहा कि घायलों का इलाज कराया जा रहा है. हादसे का कंपनी के प्रदर्शन पर कोई ज्यादा प्रभाव पड़ने की आशंका नहीं है.

BUSINESS LINE DATE : 11/4/2019 P.N.3

# Zambian farmers allowed to sue Vedanta in UK

Mining giant had challenged jurisdiction of British courts over legal tussle in foreign land

VIDYA RAM

London, April 10

A group of over 1,800 Zambian citizens can take Vedanta Resources and its Zambian subsidiary Konkola Copper Mines (KCM) to court in the UK over allegations relating to the pollution of a river there, after Britain's Supreme Court rejected an attempt by the company to challenge the jurisdiction of British courts.

They will now be able to bring their claims for torts of negligence and breach of duty to the courts in the UK, first initiated in 2015.

### Wider significance

The Supreme Court judgment is seen as having wider significance for parent companies and their ability to be held liable for alleged activity abroad. Vedanta Resources cannot appeal the jurisdiction judgment any further as its attempt to suggest recourse to the European Court of Justice during the Supreme Court proceedings was also rejected.

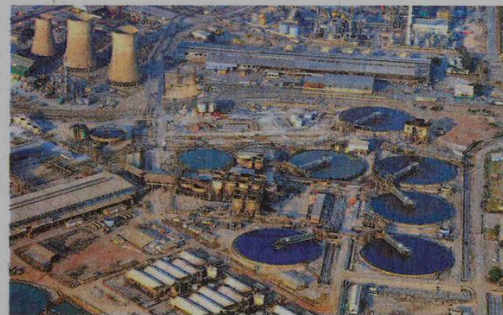
The judgment was read in court by Lord Briggs, with the four other justices considering the case concurring with him.

"For the claimants it's hugely significant. They can proceed with the substantive claim, which was their initial intention, and hopefully obtain some sort of justice for the allegations they have made," Oliver Holland, from the law firm Leigh Day, who is representing the claimants, told this paper. "We did not envisage that it would take so long to get to this point."

He added that the judgment had wider significance, too. "What Lord Briggs clarified was the extent to which a parent company is responsible for the actions of a subsidiary. He says, importantly, that where a parent corporate entity in London is saying they take responsibility for the actions of the subsidiary on environmental, health and other issues — whether or not they actually do so — they can be held liable."

Vedanta Resources and KCM had won the right to appeal to Britain's top court after lower courts had upheld the jurisdiction of UK courts.

Over 1,800 men and women from poor farming communities in Zambia had sought to bring



A view of the Konkola Copper Mines in Zambia. Over 1,800 people from poor farming communities in the region are seeking to bring proceedings against the company alleging toxic emissions into waterways

proceedings against the company alleging toxic emissions from the Nchanga Copper Mine (owned by KCM) into waterways on which they are heavily reliant for drinking and irrigation.

While KCM was the operator of the mine, the claimants argued that Vedanta Resources — because of its high level of control and direction over the mining operations — should also face the allegations, and commenced proceedings in 2015. Attempts by Vedanta and KCM to challenge the jurisdiction were thrown out by the High Court and Court of Appeal in 2016 and 2017. They

then sought the Supreme Court's ruling, alleging an abuse of EU law in the pursuance of the case, that there was no real triable issue against Vedanta, and that the UK wasn't the right place for the claims to be made.

### Judges slam company

In their judgment, the Supreme Court justices also said that appellants needed to use "proportionality" and "economy" in pursuing cases around jurisdiction, in an implicit criticism of the determination with which the jurisdictional issue was pursued.

They said that "well-known

warnings" — that such cases should not involve "masses of documents" and parties incurring "hundreds of thousands of pounds in costs" — were ignored in this case.

"The parties' two written cases (ignoring annexes) ran to 294 pages. The electronic bundles included 8,945 pages. No less than 142 authorities were deployed, spread over 13 bundles, in relation to an appeal which, on final analysis, involved only one difficult point of law," they said. They also suggested there had been an attempt to "dress up" what was in reality a "factual dispute."

### Sustainable development

"As the UN's Sustainable Development Goals recognise, sustainable development and access to justice go hand in hand. The judges' ruling today recognises and enforces that principle," said Samarendra Das of Foil Vedanta, a grassroots organisation that has campaigned in London as well as in India, Sri Lanka, Zambia, Liberia and South Africa. "This is an historic day for victims of British multinationals' abuses worldwide."

Vedanta Resources was contacted for its comment but has not provided its response at the time of going to print.



## NMDC to highlight potential, woo steel sector investments at Singapore meet

V RISHI KUMAR

Hyderabad, April 11

Iron ore-mining major NMDC plans to highlight its potential to diversify into related segments in the steel sector and the efforts it has undertaken to step up production at a Non-Deal Investor Presentation in Singapore.

The corporation, which is hosting the meet on Friday, will highlight the National Steel Policy 2017 and the National Mineral Policy 2019.

It will also explain opportunities for investment in the steel sector.

### Ore evacuation

NMDC is also seeking to ramp up its planned ore evacuation capacity from 53 million tonnes to 80 million tonnes by FY22.

This will be done by stepping up transportation

through railways, road and slurry pipeline, and further strengthening of the rail network.

On value addition, which the company plans with an outlay of \$2,218 billion (currently under review), NMDC stated that the integrated steel manufacturing facility at Nagarnar is likely to be commissioned in the second half of 2019-2020.

This includes flat products such as HR plates and coils; automotive steel; and API-grade steel of about 2.7 MT.

At 100 per cent capacity, the steel plant is projected to contribute about \$1.7 billion to the topline of the company, with 25 per cent EBITDA.

The slurry pipeline taken up at a cost of \$ 415 million is likely to be commissioned by 2021-22.

This is expected to reduce the cost of ore evacuation from the Bailadila sector to the Vizag port by 55 per cent.

NMDC, which achieved a production of 35 MT, has sewn up plans to step up the output of iron ore mining capacity to 67 MT by FY22.

The plans includes strengthening exploration and forward integration through the value-added business of pellets and steel.

While the government has targeted 300 MT of steel production by 2030, the per capita consumption is pegged at 75 kg as against the global average of 225 kg, showing the huge potential going forward.

The sector contributes 2 per cent of the country's GDP.

## Sterlite moves apex court for access to closed copper plant in Thoothukudi

PRESS TRUST OF INDIA

New Delhi, April 11

Vedanta group firm Sterlite Copper has approached the Supreme Court, seeking access to its closed smelter in Thoothukudi, Tamil Nadu, to carry out maintenance.

The firm said it had pressed for the hearing of its interim applications and had also sought expeditious hearing of its main petitions but the Madras High Court expressed its inability to hear the matter due to paucity of time.

The plant was ordered shut after 13 people protesting against the plant died in a police firing in May last year. The local people were protesting against the environment pollution caused by the plant when the incident happened.

Vedanta has denied allega-

tions that its plant caused pollution.

The firm has now said that its "intention was solely to preserve its assets" and for such purpose alone, commence repair and maintenance activities. It added that lack of maintenance of assets has resulted in a loss of over ₹100 crore.

The apex court earlier this year directed the company to move the Madras High Court against a Tamil Nadu State Pollution Control Board order shutting the plant down.

The firm said the value of the plant was around ₹3,000 crore and if the high court did not eventually allow it to restart operations, it would need to transport and assemble equipment to another location.

# SC Puts ArcelorMittal's ₹42k-cr Payment for Essar Steel on Hold

Wants the NCLAT decision on creditors' share in the resolution plan first

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**Mumbai:** The Supreme Court has ordered a status quo in the Essar Steel case till the Delhi-based National Company Law Appellate Tribunal (NCLAT) decides on the final proportion to be distributed to financial and operational creditors. The SC order on Friday came in response to a lender's appeal against the last NCLAT order in which it had asked the winning bidder ArcelorMittal to deposit ₹42,000 crore in a separate account or with the Ahmedabad branch of the NCLT.

A two-judge bench headed by Justice Rohinton F Nariman directed that status quo should be maintained which means ArcelorMittal does not deposit the money until the NCLAT gives a final order in the case.

Lenders do not anticipate any further delay in the more-than-two-year case because of the SC order. "We had appealed in the SC because the NCLAT has made some pronouncements in the last hearing without giving the final order. This SC judgement only means that no action has to be taken on the basis of the pronouncement by the NCLAT judge in the last hearing. This is likely to expedite the final order," said a financial creditor.

In a hearing earlier this month, a two-member bench headed by justice SJ Mukhopadhaya asked ArcelorMittal to file an affidavit before it, detailing the steps to be taken for implementation of the resolution plan. The bench had also directed operational and financial creditors of Essar Steel to file a chart detailing their claims approved by the resolution professional and committee of creditors. All these things need not be done after the SC judgement.

NCLAT is currently hearing an objection by operational creditors and Standard Chartered against the amount given to them in the resolution plan submitted by the committee of creditors (CoC). Late last month, lenders agreed to increase operational creditors share to ₹1,241 crore from ₹241 crore, but rejected Standard Chartered's claims for a higher amount.

The UK-based lender is one of the largest creditors with more than ₹3,500 crore in dues, but is lower in the hierarchy because unlike Indian banks it had not loaned funds to the parent company but to its subsidiary and hence, it did not have the first charge over Essar assets.

The next hearing in the NCLAT is on April 23. "It is possible that the NCLAT now may pronounce the final order which is what the lenders want. Though delays are still expected because operational creditors may not be happy with the money allotted to them and will file a fresh appeal in the SC," said a lawyer involved in the case.



ET ARCHIVES



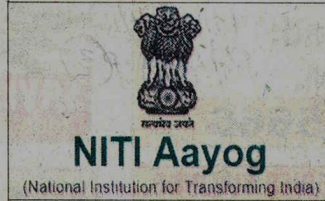
# Niti Aayog, JNARDDC to jointly hold meet on rare earth extraction

■ Niti Aayog member  
Dr V K Saraswat to  
chair the meet

■ Staff Reporter

NITI Aayog, New Delhi and Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur are jointly organising a national-level meeting for establishing technologies for Rare Earths Extraction from Fly Ash and Red Mud. The meeting will be held at JNARDDC in Wadi on April 16 at 10 am onwards.

An eminent Scientist of India, Dr V K Saraswat, Member, Niti Aayog and former Director General of the Defence Research and Development Organisation (DRDO) and the Chief Scientific Advisor to the Indian Minister of Defence will chair the meeting.



Dr P K Wattal, Chairman (Fly Ash), Bhaba Atomic Research Centre; Dr R N Patra, Chairman (Red Mud); Dr P Pradeep, Tata Research Design and Development Centre, Pune; Dr P K Banerjee, Chief Technology Officer, Hindalco and Head, R&D, Nalco; Dr J K Mishra, Head, Vedanta, NTPC Chairman and NML Director; Dr Sanjay Kumar, Senior Principal Scientist, CSIR-NML; A K Srivastava, NTPC; Prof S Babu, Director, IIMT; Dr J N Sharma, BARC; Dr SK Biswal, Chief Scientist, IIMT; Dr Kadambini Sarangi, Senior Principal Scientist,

IIMT; Dr Chenna Rao Bora, of Star Trace, Chennai and representatives of Mineral Vertical, NITI Aayog and JNARDDC will attend the meeting as members.

Dr Upendra Singh, Principal Investigator and his team is working on separation and recovery of rare earth specially Scandium metal from red mud along with IREL under the guidance of JNARDDC Director Dr Anupam Agnihotri. Rare earth are a special class elements that have extensive uses across various industries including computer and IT, clean energy systems, healthcare, defence production, advanced transportation services and many others. Dr Agnihotri will hold meet with Niti Aayog jointly focusing on establishing technologies for extraction of rare earths from red mud and fly ash which is project of national importance.

# JNARDDC to help EU for economical, bulk utilisation of aluminium waste

■ By Kaushik Bhattacharya

EUROPEAN Union (EU) is likely to collaborate with Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur for management of aluminium waste, in the next month.

JNARDDC is an Central Government Institution working in research and development in aluminium sector. Aluminium recycling is the revolutionary work carried out by the institution and the work is getting tremendous appreciation world-wide.

Impressed with this, EU approached JNARDDC to share its work based on aluminium recycling, red mud, dross and Spent Pot Lining (SPL).

JNARDDC has invented the process to recycle aluminium wastes like red mud, dross and

SPL and to utilise it in construction and other sectors. The unique part of their work is, the institution is capable to recycle aluminium waste at an affordable cost. The affordability is the key factor that attracted EU to join hands with JNARDDC for management of aluminium waste.

"We have already send the details of our work being done to EU and we are looking forward to initiate a major project in this regard,"

informed Dr Anupam Agnihotri, Director, JNARDDC while talking to 'The Hitavada'.

United States, Germany, United Kingdom, France and Saudi Arabia are the top five aluminium scrap exporters in the world. Of these, three are from EU. Therefore, cost cutting in recy-

cling and proper waste management will get a positive change in the industry. Disposal of aluminium industry waste, chiefly the bauxite residue called red mud is a world-wide concern. The high alkalinity of red mud and the presence of toxic materials in it pose a serious ecological hazard.

Which is why the aluminium industry has been brainstorming to overcome the problem associated with red mud disposal. JNARDDC has come up with the affordable process for disposal of red mud and dross that

generated by aluminium industry and EU is also looking for it.

"Dr Dieter Mutz, Team Leader, EU Resource Efficiency Initiative (REI), India is visiting to JNARDDC in May and the Memorandum of Understanding (MoU) is likely to be signed during his visit," added Dr Agnihotri.





## Bullion Cues

# Near-term view negative for gold

Whether the prices bounce back from \$1,280 or not will decide the next move

GURUMURTHY K

Last week was volatile for gold. The yellow metal surged about 1.5 per cent intra-week to make a high of \$1,311 per ounce. But the prices tumbled from the high, breaking below the psychological level of \$1,300, and gave back all the gains made during the week. The global spot gold closed the week at \$1,290.4 per ounce.

The UK getting an extension in its Brexit deadline and positive developments on the US-China trade talk increased the risk appetite in the market.

Silver breached the key resistance level of \$15.25 per ounce but failed to sustain higher. It closed the week at \$14.97 per ounce, down about

a per cent. On the domestic front, weakness in the rupee helped minimise the loss in gold and silver futures contract on the Multi Commodity Exchange (MCX).

## Dollar outlook

The US dollar index (96.85) was down about a per cent last week. The near-term outlook is unclear. The index can dip to test the key near-term support level of 96.60 in the initial part of this week. Whether the dollar index reverses higher from 96.60 or not will decide the next

move. A bounce from 96.60 will take it higher to 97.3 and 97.5. Such a bounce can cap the upside in gold. But a break below 96.6 can bring pressure on the index. Such a break can drag it lower to 96 and 95.8 thereafter.

## Gold outlook

The sharp fall below \$1,300 last week in the global spot gold (\$1,290.4 per ounce) is a negative. This has turned the near-term view bearish for gold. A fall to \$1,285 and \$1,280 looks likely in the near term. A break below the immediate support level of \$1,287 will trigger this fall. Whether gold manages to bounce from \$1,280 or not will decide the direction of the next move. A bounce from \$1,280 will increase the possibility of gold revisiting \$1,300 levels. But a break below \$1,280 will increase the downside pressure and drag the prices further lower to \$1,275 and \$1,270 thereafter. Such a break will also increase the

possibility of gold tumbling to even \$1,260 levels in the coming weeks.

The sentiment will turn positive only if gold breaks above \$1,310, which will then pave the way for \$1,320 and \$1,330. But such a strong up-move looks less probable.

On the domestic front, the MCX-Gold (₹31,862 per 10 gm) has resistance in between ₹32,000 and ₹32,100. As long as it trades below ₹32,000, a fall to ₹31,400 is possible in the near term. A further break below ₹31,400 will increase the likelihood of the fall extending to ₹31,250. But if the MCX-Gold contract manages to bounce from ₹31,400, an up-move to ₹32,000 or even ₹32,300 is possible thereafter.

## Silver outlook

Silver looks much weaker than gold. The global spot silver (\$14.97 per ounce) will now have strong resistance in between \$15 and \$15.05. As long as it trades below \$15.05, a fall to \$14.90 is likely in the

near term. A break below \$14.90 can take silver further lower to \$14.85 and \$14.80. The region between \$14.85 and \$14.80 is a crucial support zone for silver. A strong break and a decisive close above \$14.8 will see silver tumbling to \$14.5 or even \$14 over the medium term. Silver will get a breather only on a break above \$15.05. A break above \$15.05 will take the prices higher to \$15.20 again.

The outlook for the MCX-Silver (₹37,220 per kg) has been oscillating between ₹37,000 and ₹38,000 over the last couple of weeks. A breakout on either side of ₹37,000 or ₹38,000 will decide the direction of the next move. A break below ₹37,000 will drag the contract to ₹36,350 and ₹36,000. On the other hand, a break above ₹38,000 will pave way for a fresh rally to ₹39,000 and ₹39,500.

The writer is Chief Research Analyst at Kshitij Consultancy Services

## MCX-Gold

Supports:  
₹31,400/31,250  
Resistances:  
₹32,000/32,100

## MCX-Silver

Supports:  
₹37,000/36,350  
Resistances:  
₹38,000/39,000

