



खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-5

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In continuation of this it is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email ibmcentrallibrary@gmail.com (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information on Pan India basis.

All are requested to give wide publicity to it and it will be highly appreciated if the valuable feedback is reciprocated to above email.

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खनिज समाचार

KHANIJ SAMACHAR



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पन्ना में हीरों की नीलामी 15 से

नवभारत न्यूज नेटवर्क



पन्ना, जिले की उथली खदानों से प्राप्त कुल 189 नग हीरों की नीलामी 15 मार्च से होगी। इनका कुल वजन लगभग 214.71 कैरेट है और अनुमानित कीमत लगभग 1.61 करोड़ रुपये आंकी गई है। इनकी नीलामी हीरा कार्यालय संयुक्त कलेक्ट्रेट भवन में होगी। कलेक्टर संजय मिश्र ने बताया कि नीलामी 15 मार्च से प्रारंभ होकर कुल हीरों की नीलामी पूर्ण होने तक शासकीय अवकाश को छोड़कर जारी रहेगी। प्रतिदिन सुबह 9 से 11 बजे तक हीरों का निरीक्षण किया जा सकेगा। तत्पश्चात उनकी बोली लगाई जाएगी। इसमें उज्ज्वल, मैले एवं औद्योगिक किस्म के हीरों का समावेश है। इच्छुक बोलीदार 5,000 रुपये की अमानत राशि जमाकर बोली में शामिल हो सकते हैं। उच्चतम बोली लगाने वाले बोलीदार को अंतिम निर्णय के तुरन्त बाद नीलामी राशि का 20% तत्काल जमा करना होगा और शेष राशि 30 दिन में जमा करना अनिवार्य होगा।

JSW Offers to Pay Lenders ₹19,350cr to Complete BPSL Deal by March-end

Steel co writes to lenders, who are likely to vote on its proposal next week

Joel.Rebello@timesgroup.com

Mumbai: JSW Steel has formally written to lenders expressing its intent to complete the acquisition of Bhushal Power and Steel (BPSL) by transferring the amount into a Punjab National Bank (PNB) escrow account, bringing the four-year old resolution a step away from completion.

In a letter addressed to the committee of creditors (CoC) on Friday JSW, said it is ready to transfer the ₹19,350 crore before the end of March to complete the deal, pending the litigations around BPSL ongoing in the Supreme Court (SC).

"The amount of ₹19,350 crore shall, within 30 days of acceptance of this letter in writing by the financial creditors, be deposited in an escrow account (to be opened with Punjab National Bank). For this purpose, an escrow agreement shall be entered into between, the resolution applicant (RA), PNB as escrow bank and the corporate debtor (BPSL) within 15 days of written acceptance of this letter," JSW said in a letter signed by Kaustubh Kulkarni, group head of M&A and strategic financing at JSW. ET has seen the letter.

Financial creditors are free to take the payment from escrow account. However, in case the SC for any rea-



son sets aside the plan or denies immunity to JSW against enforcement directorate (ED) cases against the previous promoters of BPSL, this amount will be refunded to JSW. Lenders are likely to vote on JSW's proposal next week.

The core committee of creditors consisting of lead bank PNB, State Bank of India (SBI) and Acre ARC, who together control more than 40% of BPSL's, debt have already agreed to the deal, which increases the chances of it going through.

Public sector banks led by PNB and SBI control over 70% of the debt. Other creditors include private sector ICICI and Axis Bank, Edelweiss ARC, Bank of America and

Deutsche Bank, which bought debt from Indian lenders over the years. There are 36 creditors in total.

"We want to get as many votes as possible so that there are no doubts. A new security will have to be created since this is a new proposal. A vote may be called early next week," said a person involved in the deal.

Banks are keen to complete the deal before the end of the fiscal as they will stand to gain from the large write-back from this account which has been provided 100% by almost lenders. The recovery is also due in a difficult year in which banks have struggled to get rid of non-performing assets (NPAs) amid tepid loan growth post Covid-19.

BPSL was among the 12 large cases referred to bankruptcy courts by the RBI in 2017. The company owed lenders ₹48,000 crore.

JSW had bid for the 3.5 million tonne steel plant, pipping Tata Steel's ₹16,000 crore offer. The company was declared the winning bidder by NCLT way back in September 2019.

In its letter JSW acknowledged that in case of an adverse order, asset reconstruction companies (ARCs), primarily Acre ARC which holds 11.2% of the debt, will have to seek refunds from their own investors after redeeming their security receipts.

India's crude steel output grows 7.6% to 10 MT in Jan: Worldsteel

■ Business Bureau

INDIA registered a growth of 7.6 per cent in crude steel production at 10 million tonne (MT) in January 2021, according to World Steel Association (worldsteel). The country had produced 9.3 MT crude steel during the same month last year.

"The production for the 64 countries reporting to the worldsteel was 162.9 MT in January 2021, registering a 4.8 per cent increase compared to January 2020," the global industry body said in its latest report. China remained the global leader in production of steel in January, registering 6.8 per cent year-on-year growth in output at 90.2 MT during the month.

According to Worldsteel data, China had produced 84.3 MT steel in the same month last year. Last month, Japan's output slipped 3.9 per cent to 7.9 MT year-on-year.

The US produced 6.9 MT steel in the month under review. Its



output was at 7.7 MT in January 2020. Russia's output last month was at 6.7 MT compared to 6 MT in January 2020. South Korea's steel production in the month was at 6 MT, as compared to 5.8 MT in the year-ago period.

Turkey produced 3.4 MT of crude steel last month. It had produced 3 MT in January 2020. According to the report, while Germany produced 3.3 MT steel

in January 2021, Brazil and Iran produced 3 MT and 2.6 MT, respectively.

With members in every major steel-producing country, Brussels-based worldsteel represents steel producers, national and regional steel industry associations, and steel research institutes. Its members represent around 85 per cent of the global steel production.

IBM's virtual events to mark 'Khanij Diwas' today

■ Staff Reporter

INDIAN Bureau of Mines (IBM) will celebrate its 74th Foundation Day on March 1 as 'Khanij Diwas'. For the first time, due to prevailing COVID-19 pandemic situation, 'Khanij Diwas' programmes will be organised digitally via e-way.

For the purpose, weblinks have been created and celebratory activities are to be co-ordinated and conducted through online medium. Sanjay Lohiya, Controller General (I/c) of IBM, will join the function virtually from New Delhi.

P N Sharma, Chief Controller of Mines, MDR (I/c), will preside over along with Pankaj Kulshrestha, Chief Controller of Mines MES (I/c).

Dr D K Sinha, Director, Atomic Mineral Directorate for Exploration & Research, Hyderabad, will be the chief guest. Dr Ashok Nandi,

Consultant, Mineral Information & Development Centre, Nagpur, will be the guest of honour. Dr P K Jain, Chief Mineral Economist and Head of the Organising Committee, will co-ordinate the day's programmes. The function is scheduled to commence at 3.30 pm.

Participants from IBM Headquarters and all Zonal and Regional Offices will web-connect for the programme. Dr Ashok Nandi will deliver an online lecture on 'A Glimpse of Worldwide Bauxite-Alumina Industry and Prospects in India'.

Pursuant to deliberations of Mineral Policy Conference organised by Department of Works, Mines and Power at New Delhi between January 10 and 13 in 1947, it was decided that a National Mineral Policy should be formulated and pursued. To materialise the objectives, IBM was established on March 1, 1948.

NMDC shows better performance in Feb.

SPECIAL CORRESPONDENT
HYDERABAD

Mining major NMDC has reported a 19% increase in iron ore production and 12% growth in the sales during February compared to the achievement in the corresponding period last fiscal.

Iron ore production stood at 3.86 million tonnes as against 3.24 MT in February 2020. The country's lar-

gest iron ore producer registered sales of 3.25 MT (2.91 MT). A release from NMDC on Tuesday said the Bailadila Projects at Chhattisgarh produced 3.15 MT in February or 8% more compared to the 2.93 MT in the same period last year. The total sales of iron ore from Bailadila projects at 2.62 MT was also an 8% increase from the 2.42 MT of February 2020.

IBM celebrates 'Khanij Diwas' on-line

2/1/21 Hitavada
■ Staff Reporter

INDIAN Bureau of Mines (IBM) celebrated its 74th Foundation Day as 'Khanij Diwas' on Monday. Due to COVID-19 situation, various events as part of the celebration were held on-line.

IBM got web-connected and about 100 participants located in different parts of the country came together digitally to witness the proceedings of the function. Sanjay Lohiya, Controller General (I/c), IBM; P N Sharma, Chief Controller of Mines-MDR (I/c); Pankaj Kulshrestha, Chief Controller of Mines-MES (I/c); and Dr P K Jain, Chief Mineral Economist and Head of the Organising Committee graced the occasion. Dr D K Sinha, Director, Atomic Mineral Directorate for Exploration and Research, Hyderabad, was the chief guest. Dr Ashok Nandi, Consultant at Mineral Information and Development Centre, Nagpur, was the guest of honour. A host of special invitees, including Indira Ravindran, former Controller General, IBM, also joined in. Dr D K Sinha con-

gratulated IBM for 73 years of exemplary service and transformation into a premier organisation of Central Government, controlling and regulating mines and mineral development activities in the country. He made special mention of Mining Surveillance System and Star Rating of Mines. The potential of IBM should get unfolded in areas of technological innovations in mineral administration systems, he said.

Dr Ashok Nandi recounted various aspects of mining, especially Bauxite operations and outlined specificities of Alumina plants in India and compared them with that of the world in his presentation 'A Glimpse of Worldwide Bauxite-Alumina Industry and Prospects in India'. He explained bauxite-alumina-aluminium value chain and compared India's status in demand-supply of Bauxite with that of other countries. Highlighting that India has tremendous potential to meet the target of 10 mtpa production of aluminium, he said, improved technology in beneficiation of low-grade ore and discovery of new economically

viable deposits of Bauxite could help in achieving this end.

Sanjay Lohiya spoke on forays made by IBM in various technological fronts. The need to be in tune with time and integrating technological knowhow in diverse aspects to improvise mineral regime of the country must be on top of IBM's growth agenda, he said. P N Sharma, introductory remarks, provided a gist of IBM's growth trajectory since its inception to the present day. Pankaj Kulshrestha listed the achievements of IBM and highlighted that the present circumstance had become challenging and the need for buckling up and facing the challenges would require great resolve and converging of competencies in all domains under minerals and mining. Earlier, in his inaugural address, Dr P K Jain traced IBM's growth trajectory and mentioned various milestone achievements and watershed moments in its illustrious existence. Deepti Chaurasia compered the programme and Gourav Sharma, Deputy Mineral Economist, IBM, proposed a vote of thanks.

NAVBHARAT DATE : 2/3/2021 P.N.7

IBM में मनाया खनिज दिवस

व्यापार प्रतिनिधि

नागपुर. भारतीय खान ब्यूरो का 74वां स्थापना दिवस खनिज दिवस समारोह के रूप में ऑनलाइन भारतीय खान ब्यूरो में आयोजित किया गया. कार्यक्रम में भारतीय खान ब्यूरो के मुख्यालय, जौनल और सभी क्षेत्रीय कार्यालयों से 100 से अधिक सहभागी जुड़े. कार्यक्रम के मुख्य अतिथि डा. डी.के. सिन्हा ने कहा कि आईबीएम देश में खदानों और खनिज विकास की गतिविधियों को नियंत्रित और रेगुलराइज करता है. आईबीएम और एएमडी का एक सोझा अतीत है.

संयुक्त सचिव और प्रभारी नियंत्रक संजय लोहिया ने कार्यक्रम की अध्यक्षता की. प्रभारी मुख्य खान नियंत्रक-एमडीआर पी.एन. शर्मा और प्रभारी मुख्य खान नियंत्रक-एमईएस पंकज कुलश्रेष्ठ, खनिज सूचना और विकास केंद्र के सलाहकार

अशोक नंदी, पूर्व महानियंत्रक इंदिरा रवींद्रन, मुख्य खनिज अर्थशास्त्री डा. पी.के. जैन प्रमुख रूप से उपस्थित थे. नंदी ने माइनिंग के विभिन्न पहलुओं पर विशेष रूप से बॉक्साइट ऑपरेशंस के बारे में जानकारी दी.

उन्होंने कहा कि भारत में एल्यूमिनियम के 10 एमटीपीए उत्पादन के लक्ष्य को पूरा करने की जबरदस्त क्षमता है. संजय लोहिया ने कहा कि आईबीएम खनन क्षेत्र में देश का अग्रणी संगठन है. देश के खनिज क्षेत्र को सुधारने के लिए समय के साथ-साथ विभिन्न पहलुओं में तकनीकी ज्ञान को एकीकृत करने और आईबीएम के विकास के एजेंडे को प्राप्त करने की आवश्यकता है. पी.एन. शर्मा आईबीएम के शुरुआत से लेकर वर्तमान गतिविधियों की जानकारी दी. डा. पी.के. जैन ने आईबीएम के गरिमामयी इतिहास पर भी प्रकाश डाला.

NMDC iron-ore production up 19% mt in February

Resumes mining at Donimalai

OUR BUREAU

Hyderabad, March 2

NMDC, the country's largest iron-ore producer, has witnessed a strong growth in production and sales during February 2021 with production for the month at 3.86 million tonnes (mt), up 19 per cent from 3.24 mt of ore mined in the corresponding month in February 2020.

Sales in February 2021 increased by 12 per cent at 3.25 mt as against the 2.91 mt achieved in February 2020. The Bailadila projects at Chhattisgarh produced 3.15 mt (2.93 mt), a growth of 8 per cent in production.

Sumit Deb, CMD, NMDC, said in a statement: "These production and sales figures definitely display NMDC's strong character to bounce back in spite of operational challenges. This achievement is possible only due to the hard work and commitment demonstrated by the employees. We foresee a gradual rise in numbers and will continue to set new records."

NMDC recently restarted the operations at Donimalai mines, Karnataka, which have a capacity to produce a minimum of 0.5 mt of iron ore a month (about 6 mt in a full year). This resumption of operations will boost the overall performance of the company.

THE ECONOMIC TIMES DATE : 4/3/2021 P.N.7

Coal India Not to Give a Push to Labour-Intensive New Mines

To invest ₹1.26 L cr in tech update, cut staff strength to 100,000 & close inefficient mines

Sarita.Singh@timesgroup.com

New Delhi: Coal India will not start new coal mines that require handing out large-scale employment against land acquisition and will invest ₹1.26 lakh crore on technology upgradation by March 2024 to improve efficiency as it braces for private competition.

Coal India chairman Pramod Agrawal said he also plans to more than halve the company's employee strength to about 100,000 from 265,000 now over the next 6-7 years and close down mines that are not efficient. "Inefficiencies are high because of high employee costs," he told ET.

The state-owned miner plans to reduce its work force by about 14,000-15,000 every year. "In the next four years there would be a reduction of almost 50,000," Agrawal said. "There will be further acceleration and in 6-7 years, the optimum level of employment of about one lakh employee

Competition Call

CIL aims to cut employee strength by 14,000-15,000 every year

Expects to reach optimum employment level in 6-7 years

Envisages ₹2 Lakh crore investments till FY 24

Technology upgradation, renewables, diversification on radar

CIL chairman says key factors that will help CIL stay ahead of competition are:

Established infra, streamlined ops, uniform coal quality, cost efficiency in production & timely delivery of supplies

es will be reached."

Coal India in the past has been criticised for operational inefficiency, mainly due to high employee costs.

"We are trying not to start any project in which labour employment will be high," Agrawal said.

The company presently has to give employment to one labour for every two acres of land it acquires.

Coal India is also investing on technology. "In the last one year, we have

done tenders for a lot of high-end equipment, and wherever we have installed these equipment, the productivity has increased tremendously," Agrawal said.

The government had last year opened commercial coal mining for private sector participation, ending Coal India's monopoly.

Agrawal said his company will stay ahead of competition on the back of its established infrastruc-

ture, streamlined operations, uniform coal quality, cost efficiency in production, and reliable timely delivery of supplies.

"We also hold close to 53% of the country's entire coal resource base of 329 billion tonnes," he said. "We also own mines with a favourable stripping ratio that makes our coal cost highly competitive. Concurrently, we are optimising our productivity and operational cost will be more effective in the changing business environment."

Coal India envisages investment of about ₹2 lakh crore in mining projects to ramp up output, coal evacuation infrastructure development to transport the increased production, and diversification initiatives.

"The war chest till 2023-24 will be around ₹1.26 lakh crore with mine infrastructure, project development and social infrastructure forming the bulk at about ₹57,800 crore, followed by investment in coal evacuation to the tune of about ₹34,000 crore," Agrawal said.

Draft paper advocates exploring undersea options for rare metals

V SAJEEV KUMAR

Kochi, March 3

A draft policy framework on India's Blue Economy has recommended that the country should take the lead in the exploration of the cobalt-rich Sea Mount Ferromanganese Crust in the Indian Ocean.

This suggestion comes on the heels of these rare metals gaining importance in the global metals market with many countries going in for zero carbon emissions and opting for electric vehicles (EVs).

Metals such as cobalt and lithium, which are used for batteries in EVs, mobile phones and electronic gadgets, have increased sharply

since the beginning of this year with both the metals gaining over 50 per cent.

Deep-sea mining

The draft report suggested evolving suitable policies for prospecting and mining along with environment impact audit, besides proposing a framework for coastal and deep-sea mining, new and renewable energy and R&D.

It said that the oceans hold tremendous potential to provide renewable energy hydrocarbons, precious minerals and metals. Several contracts have been awarded for the exploration of hydrocarbons in Exclusive Economic Zones (EEZ).

Prepared by the Economic Advisory Council to the Prime Minister, the draft policy framework also envisages the launch of a "National Placer Mission" to explore workable deposits and evolve a roadmap for its extraction.

A placer deposit is an accumulation of valuable minerals formed by gravity separation from a specific source rock during sedimentary processes.

India is rich in coastal and offshore placer minerals including strategic ones such as nickel, uranium, copper, thorium, titanium, poly metallic sulphides, poly metallic manganese nodules, coastal ilmenite, garnet and zircon

among others. India is committed to exploring the EEZ by 2023 and towards this, the launch of manned sustainable vehicles that go to the deepest levels in the ocean has been proposed in collaboration with partners.

Coastal Zone Act

The Coastal Zone Regulation Act does not permit mining of placers, except atomic minerals, and this policy should be reviewed, the report said.

India's pool of technical and scientific personnel would be further strengthened with curriculum focus on the Blue Economy and Blue Research in higher technical education. The report also recommended

that the country continue to carry exploration activities in international waters in the areas allotted for minerals.

The Economic Advisory Council has also proposed a roadmap for evolving a Blue Economy Policy which would be a crucial step towards unlocking the potential economic growth and welfare.

The size of the Blue Economy in India has conservatively been estimated to be about 4 per cent of the GDP and is likely to be even higher if the methodology is improved. The country's 7,517 km coastline is home to nine coastal states and 1,382 islands. The coastal economy also sustains over four million fishermen.

NAVBHARAT DATE : 4/3/2021 P.N.1

राज्य में कोयला संकट महाराष्ट्र की खदानों का माल बाहर नहीं जाएगा

नवभारत न्यूज नेटवर्क

मुंबई. मार्च महीने के पहले सप्ताह में ही पारा ऊपर चढ़ने लगा है. जैसे-जैसे गर्मी बढ़ेगी वैसे-वैसे राज्य में बिजली की मांग भी बढ़ेगी. बिजली का उत्पादन करने वाले थर्मल पावर केंद्रों में कोयले की कमी दिखने लगी है. इसको लेकर ऊर्जा मंत्री डॉ. नितिन राऊत ने कम से कम तीन महीने का स्टॉक जमा करने का निर्देश संबंधित अधिकारियों को दिया है. उन्होंने महाराष्ट्र की खदानों से निकलने वाले कोयले की बिजली उत्पादन करने वाली सरकारी कंपनी महानिर्मिति को दिये जाने की मांग वेस्टर्न कोलफील्ड लिमिटेड से की है.



बिजली बिल को वसूली नहीं हो पाने की वजह से राज्य में विद्युत आपूर्ति करने वाली महावितरण की आर्थिक अवस्था बहुत ही विकट हो गई है. यदि जरूरत पड़ेगी तो कर्ज लिया जाएगा लेकिन कोयले की कमी नहीं होने दी जाएगी. वेस्टर्न कोलफील्ड लिमिटेड से हर रोज राज्य को 20 रैक कोयला आपूर्ति अपेक्षित होने के बावजूद महानिर्मिति को हर रोज 13 से 14 रैक कोयला मिल रहा है.

- नितिन राऊत, ऊर्जा मंत्री

2019 में पैदा हुआ था संकट : राऊत

राऊत ने कहा कि महानिर्मिति के पास कोयले का भंडारण बहुत कम हो गया है. उन्होंने कहा कि वर्ष 2019 में कोयले का संकट उत्पन्न हुआ था. उस समय छत्तीसगढ़ के मुख्यमंत्री एवं ऊर्जा मंत्री ने निश्चित किया था कि छत्तीसगढ़ राज्य के थर्मल पावर संयंत्रों की आवश्यकता की पूर्ति के बाद ही दूसरे राज्यों को कोयला दिया जाएगा. जो स्थिति वर्ष 2019 में पैदा हुई थी वही हालात आज महाराष्ट्र में भी है. वेस्टर्न कोलफील्ड लिमिटेड महाराष्ट्र के साथ ही अन्य राज्यों को कोयला आपूर्ति करता है. इसको लेकर मैं खुद वेस्टर्न कोलफील्ड लि. के मुख्य प्रबंध निदेशक से बात करूंगा और पत्र लिखूंगा. महाराष्ट्र की खदानों का माल बाहर नहीं जाएगा.

COMMODITY CALL

Bulls gaining ground in MCX-aluminium



AKHIL NALLAMUTHU

BL Research Bureau

From December 2020 to mid-February, the price of aluminium futures largely moved in a rectangular pattern. That is, the March futures contract of the metal on the Multi Commodity Exchange (MCX) fluctuated between ₹160 and ₹170.

However, before a couple of weeks, the contract breached the resistance at ₹170 and moved out of the trading range, indicating that a rally could follow. Nevertheless, it neither rallied nor declined and hovered just above the key level of ₹170 – a resistance turned support. The 21-day moving average (DMA) coincides at ₹170, making it a substantial support.

Extending the upswing, the contract marked a fresh high of ₹178.7 on Wednesday. The price bounce is accompanied by good volume, a clear indication of bulls gaining ground.

Traders can remain bullish and buy MCX-aluminium futures on dips with stop-loss at ₹170. While ₹182 can resist the bulls, the contract is likely to get over it and move towards ₹190 in the short run.

BUSINESS LINE DATE : 4/3/2021 P.N.9

Singareni Collieries targets 700 lakh tonnes output in FY22

Hopes to make up for the shortfall due to lockdown, meet higher demand for coal

OUR BUREAU

Hyderabad, March 3

The Singareni Collieries Company Ltd has planned to step up coal output during March and sustain the momentum in the next financial year with a targetted production of 700 lakh tonnes.

With the mining affected during the Covid lockdown last year and also due to flooding in the monsoon, the management of the State-owned coal mining company at a meeting today decided to increase production in view of the higher demand for coal.



N Sridhar, Chairman and MD, Singareni Collieries

At the meeting, N Sridhar, Chairman and Managing Director of Singareni Collieries, instructed officials that in March and April, about two lakh tonnes of coal has to be produced.

Quality concern

The CMD said that it is difficult to sell coal if required quality is not maintained in the present competitive market and hence quality stand-

ards have to be maintained. He said advanced planning is required and measures are to be taken from now itself to face the challenges due to the upcoming rainy season.

"We should work towards achieving a record output of 700 lakh tonnes in the coming financial year and also cover the losses due to Covid pandemic disruption," he said.

Growing demand

He said that the demand for the Singareni coal is increasing as industrial output is recovering after Covid lockdown. No mines are to be closed in the coming year and the coal production has to be stepped up gradually from new mines.

"We need to work towards achieving the targetted coal production next fiscal," he said.

Base metals rally may end as supplies improve

COMMODITY CALL

COMMENTARY

G CHANDRASHEKHAR

The rally in base metals prices we saw last month has generated unrealistic optimism about the future trajectory of the market. The market currently appears overextended in the wake of not only supply constraints and demand robustness, but also because of huge financial investor interest generated by vaccine availability.

A closer look would tell us that the rally may not last long. As we move closer to the second half of the year, supply constraints are expected to ease, while demand growth may remain somewhat muted.

Economic activity in China, the mover and shaker of the world metals market,

is expected to decelerate. Early signs of manufacturing activities in the Asian major slowing back are already visible.

China factor

Copper has been a notable beneficiary of the recent rally in the base metals complex. Prices have breached \$9,000 a tonne and are back at levels seen ten years ago in 2011. Supply tightness caused by disruption to mine operations in Latin America helped the market move up in the last two months; but supplies are now beginning to pick up.

On March 3, copper was quoted at \$9,266. The metal is likely to trade at an average price of \$8,500 in the second quarter and 10 per

cent lower in the second half of this year.

The relationship between stainless steel and nickel is well-recognised. Nickel prices edged higher in February thanks to rising stainless steel production in China. There is now a fall in China's construction PMI which suggests that the property sector will face headwinds. This is sure to weigh on nickel demand.

On March 3, nickel was trading at \$17,800/tonne. In the second quarter, the rate may decline to an average level of \$17,000 and in H2 this year some 10 per cent lower. Aluminium market is in surplus as output continues to grow relentlessly. In the second quarter, the metal is likely to lose \$100 to

trade at an average rate of \$2,100/tonne.

We know, lead market is closely linked to the automobile sector. Lead did not join the February price rally as the automobile demand and output was weaker in China. Supply is expected to increase because of enhanced recycling of old batteries. This is sure to lead to a downside risk to lead metal prices.

Tin price surged following the coup in Myanmar and supply uncertainties. But the price is unrelated to the market fundamentals, especially the electronics sector. The market deficit is expected to narrow and begin to weigh on tin prices in H2 this year.

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



Go short on copper below ₹660

AKHIL NALLAMUTHU

BL Research Bureau

From December last year until the end of January 2021, copper futures traded within a price band — the price did not trend and remained sluggish. The March futures contract on the Multi Commodity Exchange (MCX) oscillated between ₹585 and ₹620. But the rally that began in early February, from the base of ₹585, was strong enough to take the contract out of the consolidation range, resulting in a breakout of ₹620.

What followed was a sharp rally which led the futures to mark a new high of ₹737 by February-end. However, over the past few trading sessions, 'as bears

gained strength, the price slipped below the ₹700-mark and went below the key support of ₹690 on Thursday. Apparently, this has turned the near-term outlook for the contract negative.

However, currently hovering around ₹670 levels, the contract has its 21-day moving average (DMA) support at ₹660. The 50 per cent Fibonacci retracement level of the prior rally overlaps at this price level, making it a substantial support. So, unless the price decisively breaks below the support of ₹660, the likelihood of bulls making a comeback cannot be rejected.

Traders can now stay away and short copper futures if it invalidates the support at ₹660.

Bolstering the ongoing mining reforms

Transparency apart, the auctions must provide enough revenues for the exchequer and incentives to industry

RAJESH CHADHA/GANESH SIVAMANI

On August 24, 2020, the Ministry of Mines issued a notice on proposed reforms in the mining sector under nine sections and received comments and suggestions till September 3. The Union Cabinet has given a green signal to these reforms and plans to present the amendments to Parliament during the ongoing Budget Session.

One of the major reforms deals with revamping the exploration policy, ensuring a seamless transition from mineral exploration to production, thus incentivising new investments and increased production and employment. While the National Mineral Exploration Trust (NMET) funds may encourage exploration, much more investments are required to come from mining companies and junior explorers, including foreign investments.

The government may refrain from using taxpayers' money for highly risky exploration ventures. The government could adopt the Open Acreage Licensing Policy (OALP) used in the hydrocarbons sector to allocate non-fuel mineral exploration rights sometime soon. The Geological Survey of India (GSI), Mineral Exploration Corporation Ltd (MECL), and state Departments of Mines and Geology (DMGs) should keep engaged with reconnaissance and mapping of deep-seated minerals.

The mining reforms also seek to resolve the long-pending issue with Sections 10A(2)(b) and 10A(2)(c) of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (MMDR-2015). There were many cases of pending reconnaissance permits (RPs), prospective licences (PLs), and mining leases (MLs) which were eligible to be granted under the earlier first-come first-served (FCFS) regime.

MMDR-2015 provided two years for pending mining leases and five years for pending reconnaissance or prospecting licences to be executed. The mining reforms suggest auctioning these pending licences. The expenses incurred by eligible cases would be reimbursed from the NMET funds. This issue has been subject to debate on why



Economically unviable Many blocks have been won with irrationally high bids GN RAO

appropriate actions were missing to grant licences within the allocated period.

While in some cases, the project proponents did not take the necessary course of action for retaining their mineral grants, in others, the applications remain pending with various regulatory authorities. The logic of reimbursing the exploration expenditure incurred is somewhat fragile, given that it might lead to lengthy legal battles with regard to the amount which respective companies had spent. Even if such estimates can be agreed to, there would not be reimbursement of the lost prospective future income. There is a need to revisit the treatment of these legacy cases.

The third reform aims to remove the distinction between captive and non-captive mines by removing the provision in auctions to restrict end-use by captive miners, which is a welcome step. A level-playing field will allow merchant miners to become more competitive and innovative, resulting in cheaper downstream products and a boost to exports. However, it is not clear why the existing captive miners can sell only 50 per cent of the total mineral excavated in the previous year.

In the fourth reform, the government aims at developing a market-determined transparent National Mineral Index (NMI). The royalty, District Mineral Foundation (DMF) fund and NMET charges would be computed

based on NMI and not on the average sale price (ASP), as per the existing practice. Transparency in estimating the mineral index of non-fuel minerals, such as the National Coal Index (NCI) for coal, would lead to an efficient allocation of resources with adequate returns to the exchequer. The prices have to be determined in the open market and computed as rigorously as the recently implemented NCI.

In the right direction

The next two reform proposals are in the right direction, viz. clarifying the meaning of illegal mining and rationalising stamp duty across States. The seventh reform measure addresses amendments to DMF rules for building tangible assets in the mining-affected areas, such as medical-care facilities, education centres, and transport links. These are useful for long-term socio-economic development of the mining-affected communities. For short-term gains, the focus should also be given to skill development, to ensure income security for the affected districts. Covid-19 has provided yet another opportunity to help the affected local communities.

The mining reforms also aim to bring unused mineral blocks back into production to generate employment. Mineral blocks allocated to public sector units and private companies that have not been utilised within 2-3 years would be de-reserved and auctioned —

this is an important step to ensure that mineral assets are used optimally. A review of NMET's functioning is also in the offing.

A 2018 amendment, which diluted the trust's autonomy, will be reversed with this reform. The renewed autonomy will help reduce bureaucratic hurdles and make it easier for the trust to make decisions on exploration investments. While this is a good step forward, it should be emphasised that the funds accrued with NMET are minuscule compared to India's mineral exploration requirements.

To generate a vibrant and globally competitive mining sector, India must implement the National Mineral Policy (2019). The policy offers suggestions on incentivising exploration and attracting private investment through a seamless transition from reconnaissance to extraction, or other means as per good international practices.

Exploration efforts should focus on minerals where India has the geological potential but low resource and reserve base. These include "energy-critical minerals, fertiliser minerals, precious metals and stones, strategic minerals and other deep-seated minerals". The policy also suggests offering pre-embedded statutory clearances with auctioned mineral blocks to reduce the time spent on receiving clearances.

Finally, the government must consider the issues that have emerged from the auction allocation system. Many blocks have been won with irrationally high bids, sometimes above 100 per cent of the value of minerals to be mined, which does not seem to be economically justified in the backdrop of such mines' efficient and sustainable operations. It would be pertinent to review and reform the existing auction process or switch to an alternative method of allotment, such that mineral block allocation remains objective, fair, and transparent, and provides adequate revenues for the exchequer and incentives for the mining industry.

Chadha is Program Director and Sivamani is Research Assistant, Natural Resources, Centre for Social and Economic Progress. Views are personal

ArcelorMittal Nippon Steel to invest ₹50,000 crore in Odisha

Signs MoU to set up 12-mt plant in State

SURESH P IYENGAR

Mumbai, March 4

ArcelorMittal Nippon Steel (AMNS) plans to invest ₹50,000 crore in setting up a 12 million tonne per annum integrated steel plant in Odisha. The company signed a memorandum of understanding with the Odisha government on Thursday.

Announcing the plans, Odisha Chief Minister Naveen Patnaik, in a tweet, said the proposed investment will be made in Kendrapara district, giving a further boost to 'InvestInOdisha' campaign of the government.

The investment proposal comes on the back of Aditya Mittal's maiden visit to India after taking over the mantle from his father Lakshmi Mittal.

While Aditya was recently el-



Odisha Chief Minister Naveen Patnaik with ArcelorMittal Chairman Lakshmi Mittal (right) during the signing of an MoU between the State government and ArcelorMittal Nippon Steel India Ltd in Bhubaneswar, on Thursday PTI

evated as CEO of Arcelor Mittal, Lakshmi Mittal became Executive Chairman and stepped aside from the day-to-day activities of the company.

Earlier, the Mittals had a meeting with the Odisha Chief Minister to discuss the company's investment plans in the State. On Tuesday, they met Prime Minister Narendra Modi and the Minister for Steel, Oil and Gas in Delhi.

The Mittals will be meeting Gujarat Chief Minister Vijay Rupani on Friday, said sources.

Odisha investments

AMNS already has a substantial investment in Odisha. The company will complete the project to double its pellet-making capacity to 12 mtpa at Paradip with an investment of ₹2,000 crore over the next two months. It will also increase

the beneficiation facility at Dabuna to 16 mtpa from 5 mtpa.

The company had bagged two iron ore mines in Odisha; it started operations at Thakurani mine while the mine in Sagasahi is close to commissioning.

The world's largest steel company ArcelorMittal, in a joint venture with Japan's Nippon Steel, made its presence in the fastest growing Indian steel market by acquiring stressed Essar Steel asset in December 2019.

After a prolonged two-year legal battle, AMNS acquired Essar Steel's 10 mtpa plant at Hazira in Gujarat for ₹42,000 crore. ArcelorMittal holds 60 per cent stake in the JV company.

In January, the Odisha government had asked AMNS to honour the MoU signed by erstwhile Essar Steel in 2005 to set up a 3 mtpa steel plant in Odisha.

RoDTEP scheme: Aluminium industry seeks 5% export rebate

Taxes alone account for 15% of production cost, says association

SURESH P IYENGAR

Mumbai, March 4

The aluminium industry has urged the government to fix RoDTEP (Remission of Duties and Taxes on Exported Products) at 5 per cent and clear the uncertainty by notifying the rates soon to double exports to \$10 billion.

Finance Minister Nirmala Sitharaman had announced RoDTEP to all export-oriented sector from January post withdrawal of the Merchandise Ex-

port from India Scheme (MEIS).

However, the government is yet to announce sector-wise remission rates.

This has created a precarious situation and uncertainty for Indian exporters due to ambiguity in pricing of their goods in the export market.

In the recent Budget, the government made a provision of just ₹13,000 crore for RoDTEP, which is much lower than the ₹50,000 crore allocated when it was first announced in September 2019.

MEIS benefit

The situation aggravated further with the withdrawal of MEIS. Exporters are unable to avail themselves of the MEIS be-

nefit for exports already made in FY20 and this fiscal (up to December) due to shutdown of online MEIS platform for registering claims, said the Aluminium Association of India in a letter addressed to Ministries of Commerce and Finance.

This has resulted in blockage of significant funds for the already stressed non-ferrous metal sector exporters, it added. In the absence of any export incentives, the aluminium exports are struggling to remain globally competitive as compared to the major exporting countries, especially China, which extends various support measures for export competitiveness.

In India, the high incidence

of numerous un-rebated Central and State taxes, duties impedes the growth potential of the sector. Taxes alone constitute 15 per cent of aluminium production cost, which is among highest in the world, it said. These duties and taxes cannot be exported. It should be remitted back to encourage domestic value addition and export of finished products, said the trade body.

2% rebate

Under MEIS, the aluminium exports were eligible for a 2 per cent rebate that itself does not provide ample cushion to remain competitive against current bearish market condition, it added.

Govt should provide incentives under RODTEP scheme to aluminium industry

■ Business Bureau

THE Aluminium Association of India (AAI) on Thursday urged the Government to provide support by notifying at least five per cent remission rate for the sector under tax refund scheme RoDTEP to boost exports.

Giving relief to exporters, the Government has decided to extend the benefit of tax refund scheme RoDTEP to all goods with effect from January 1, 2021.

In March last year, the Government approved the scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) for reimbursement of taxes and duties to exporters, with a view to give a boost to the country's dwindling outbound shipments.

"The aluminium industry seeks immediate support for notifying at least five per cent remission rate for aluminium sector under RoDTEP scheme,"



Aluminium Association of India (AAI) said in a representation to the Government.

However, the pendency of notifying the sector-wise remission rates under RoDTEP scheme is creating a precarious situation and uncertainty for Indian exporters due to ambiguity with regard to pricing of goods and thereby impacting Indian exports, it noted.

The situation for exporters has been further aggravated due to withdrawal of Merchandise Export from India Scheme and

till date, exporters are unable to avail the MEIS benefit for exports already made during FY'20 and FY'21 (April to December) due to blocking of online MEIS module for applying for claims.

This has resulted in blockage of significant funds for the already stressed non-ferrous metal sector exporters, it said.

In the absence of any export incentives/ remission mechanism, the aluminium exports are struggling to remain globally competitive as compared to the major exporting countries, especially China, which extends various support measures for export competitiveness.

In India, the high incidence of numerous unrebated central and state taxes/ duties impede the growth potential of aluminium sector. Various taxes constitute 15 per cent of the aluminium production cost which is amongst highest in the world, it further said.

Firming yields, dollar weigh on gold

Silver is trading above a trend-defining support level of ₹65,000

AKHIL NALLAMUTHU

BL Research Bureau

The chain reaction set off by rising treasury yields in the US resulted in dollar strengthening as the demand for dollar-denominated assets went up. Consequently, the prices of bullion have been taking a hit. As prices dropped, there have been considerable outflows from the exchange traded funds (ETFs), weighing on the bullion.

As per WGC (World Gold Council) data, ETFs have seen a net outflow amounting to 84.7 tonnes in February. While an inflow of 13.9 tonnes in January provided some comfort after outflows in the preceding two months, investors seemed to pull out last month as well. Asia remained the only region that saw inflows.

Last week, the US 10-year treasury yield increased and closed at 1.577 per cent on Friday compared to about 1.41 per cent a week before. This lifted the dollar and as a result, the dollar index – a measure of the dollar against a basket of six major currencies – ended at 91.98 on Friday, posting a weekly gain of 1.2 per cent. Notably, it registered a four-month high of 92.2 on Friday.

As the above developments occurred, the price of gold and silver plunged. Gold futures (April series) on the Multi Commodity Exchange (MCX) closed the week at ₹44,683 (per 10 grams), losing 2.3 per cent for the week.

Similarly, silver futures (May series) ended the week at ₹66,166 (per Kg), down by 1.6 per cent for the week. In dollar terms, gold and silver lost 1.9 per cent and 5.4 per cent as prices on



Friday closed at \$1,700.8 and \$25.19 per ounce, respectively. Prospects seem to be weak for bullion as yields and the dollar are expected to firm up further. However, an increase in inflation can limit the downtrend to some extent.

MCX-Gold (₹44,683)

Bear dominance is very evident as the April futures of gold on the MCX extended the fall and broke the key support band of ₹44,700 and ₹45,000. The contract, whose short-term trend is bearish, has potentially turned the medium-term trend negative.

The precious metal can remain under pressure for the next two to three quarters. For it to reverse, prices should decisively go past ₹46,500 and until then, the field is in favour of the bears.

The downward inclination is well-supported by indicators like the relative strength index (RSI) and the mov-

ing average convergence divergence (MACD). Both the indicators are in their respective bearish territory in both daily and weekly charts. But we should take note that these indicators are approaching over-sold levels on the daily chart. While this can result in a corrective rally, the price should breakout of ₹46,500 for the uptrend to strengthen. The average directional index (ADX) is showing a strong downtrend and there are no signs of it weakening.

Because of the above-mentioned reasons, traders can be bearish as long as the futures price trades below the key level of ₹46,500 and rallies can be utilised to initiate fresh short positions.

The current decline is expected to drag the contract to ₹43,800 – its nearest support. Subsequent support levels can be spotted at ₹43,250 and ₹42,275. Investors can stay away for a

while and look for evidence of a trend reversal before making further long-term investments in the yellow metal.

MCX-Silver (₹66,166)

Silver, which stood strong against the initial bear assault, lost its strength, and posted a loss of 1.6 per cent last week after staying flat for almost a month. Thus, four weeks of outperformance of silver against gold has come to an end and the May futures of silver on the MCX has moved out of the range of ₹68,700 and ₹72,000; it even marked a seven-week low of ₹64,875 before wrapping up the week at ₹66,166 on Friday. So, the contract managed to close above an important support of ₹65,000.

The RSI and the MACD on the daily time frame have been moving around the neutral region in the past month. But following the last week's fall in price, they have slipped into their negative zone. The ADX shows that the downswing is showing good traction and the price has sunk below both 21- and 50-day moving averages (DMAs). Hence, like gold, the chances of more moderation in price are high. The 200-DMA lies at ₹65,380 and so the price band of ₹65,000 and ₹65,380 can offer some support. Hence, rather than initiating sell in silver futures at current levels, traders can wait for the contract to breach ₹65,000 before getting in on the short side. A breach of ₹65,000 can result in a quick decline towards the nearest support at ₹63,000. In case this support gives up, the price can touch ₹61,000. Like in gold, long-term investors can wait to see bullish confirmation before adding more silver in the portfolio.

Why rhodium prices have zoomed over 70% since Jan 1

Auto industry demand, doubling supply deficit drive the metal up

SUBRAMANI RA MANCOMBU

Chennai, March 8

Rhodium, a rare metal that is used in automotive catalytic converters to meet strict emission norms, has surged to a record high of \$29,200 a troy ounce (₹21.36 lakh per 31.10 gm) on higher demand from the automotive industry to meet emission norms.

According to the *Trading Economics* website, rhodium prices have increased 71.76 per cent since January 1 this year, the highest gain any commodity has seen till now.

Supply deficit doubles

Analysts and research firms point to three reasons for the sharp spike in prices of

rhodium that is used in automotive exhaust systems to reduce toxic gas emissions.

One, the growing demand from the automotive industry to meet the rising stringent emission norms comes during a supply deficit that the market is facing.

According to Johnson Matthey PLC, a British multinational speciality chemicals and sustainable technologies company, the deficit in the rhodium market doubled last year as primary supplies contracted. The deficit was despite a drop in auto catalyst and industrial demand for rhodium.

Today, rhodium is 17 times costlier than gold (\$1,708.26 an ounce), 12 times than palladium (\$2,355 an ounce)



Sky-rocketing rhodium

	2018	2019	2020
Supply	756	760	583
Net demand	712	798	667
Deficit	44	-34	-84

Source: Johnson Matthey Figures in 000 ounces

and 25 times than platinum (1,139.46).

In fact, an ounce of rhodium is as costly as a Toyota Innova or Kia Carnival or Tata Harrier or Honda Civic or many other top-end cars.

The *Washington Post* recently reported that burglars in the US have begun sawing off car's exhaust pipes in search of rhodium in vehicles after prices ran up to a record.

The demand for rhodium has resulted in a phenomenal price movement of the metal since 2019. It moved up from below \$3,000 (₹2.18 lakh) in January 2019 to

\$17,000 (₹12.40 lakh) by December-end 2020, Johnson Matthey said.

Last year, rhodium supply dropped to 5,83,000 ounces from 7,60,000 ounces in 2019. The fall in production was mainly on account of South African output dipping to 4,50,000 ounces from 6,24,000 ounces, the British speciality chemicals firm said.

Net demand for rhodium, according to Johnson Matthey, decreased to 6,67,000 ounces last year compared with 7,98,000 ounces in 2019. Yet, the deficit more than doubled to 84,000

ounces from 38,000 during the period.

South Africa's contribution

South Africa is the largest producer of rhodium, making for between 80 per cent and 90 per cent of the total global production. Russia, which produces 65,000-68,000 ounces annually, is the second-largest producer. One of the problems that industrial users and end-users face in sourcing rhodium is that the metal does not have a futures market.

Carmakers want more

The second reason behind rhodium's unprecedented run is that car manufacturers in China and Europe are using more of the rare metal to meet tough environmental norms to maintain clean air.

According to German technology group Heraeus

Precious Metals, the automotive industry is the largest customer, and its demand is likely to remain high in view of tougher emission regulations. Within the automobile sector itself, China's market is expanding.

The third factor

The third reason for the galloping rhodium prices is supply from South Africa, the largest producer, being affected due to Covid-19. Also, there has been virtually no investment in new mines in the past couple of decades.

The coronavirus pandemic has affected South Africa's economy and some of the underground mines are yet to be fully functional. Besides, one of the producers shut its converted plant following an explosion.

Go short on MCX copper below ₹670

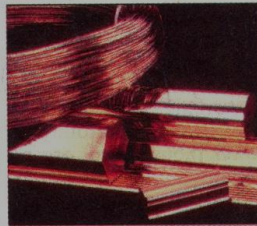
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BL Research Bureau

Since the copper continuous futures contract on the Multi Commodity Exchange of India (MCX) got support at ₹335/kg in March 2020, it has been on a long-term uptrend, forming higher peaks and higher troughs.

While trending up, the contract had decisively breached a key long-term resistance at ₹550 in November 2020 and a key short-term hurdle at ₹630 in early February this year. Thereafter, the contract accelerated and encountered a barrier at ₹730 in late February.

Triggered by negative divergence in the daily relat-



ive strength index, the contract changed direction and has been in a near-term correction since then. On Monday, the contract has declined 1.3 per cent and traded at around ₹681. It is testing a key base at ₹670 levels. A strong downward break of this support can extend the corrective decline and pull the contract down to ₹640 levels.

The key support in the band between ₹630-₹640 can provide base for the contract and a bounce back is possible thereafter. At this juncture, traders with a short-term view can wait and initiate fresh short positions with a fixed stop-loss on a fall below ₹670 levels and exit at the support zone. That said, if the contract plummets below the vital ₹630-₹640 band can drag the contract down to ₹615 and ₹600 levels.

On the upside, a strong rally above ₹700 initially and then ₹720 is needed to alter the corrective decline and reinforce the uptrend. In that case, it can revisit ₹730 and then to ₹740 levels.

STOCK RALLY driven by metals upsurge may lead institutions to demand a hike from parent entity, say experts

Vedanta Delisting Offer Price Could Go Up

Sanam.Mirchandani
@timesgroup.com

Mumbai: Investors and analysts expect metal and mining giant Vedanta Resources to raise the offer price to buy back up to 10% of the equity owned by public shareholders in the Indian subsidiary, Vedanta following the rally in its share price. The company announced the open offer in January but since the stock price has gone up almost 24%. Vedanta shares closed at ₹224.65 on Monday against its open offer price of ₹160 apiece.

The Street is abuzz with speculation that Vedanta Resources may up the open offer price to ₹230-240. The company did not respond to an email query on whether it plans to revise the open offer price.

"The offer price is not at all lucrative for investors to participate thus there is a very good possibility of upward revision in offer price in the next few weeks," said Abhilash Pagaria, senior manager, Edelweiss Alternative Research.

Vedanta shares have gained 26.45% in the last month amid revived investor appetite for metal and mining companies with global prices shooting up. In the past one-year period, the stock has surged close to 137%.

Vedanta Resources had announced in January that it planned to buy as many as 37.17 crore shares in Vedanta. The total consideration of the deal at ₹160 per share would be about ₹5,948 crore.

In October last year, Vedanta Resources had failed to garner the required number of shares to delist its

On a Tear



Indian unit at the offer price of ₹87.5 per share. Promoters had raised the stake to 55.04% from 50.14% thereafter through block deals. The company had raised \$1.2 billion last month ahead of the open offer.

"They may revise the offer price...e-

Vedanta shares have gained 26.45% in the last one month amid revived investor appetite for metal and mining companies with global prices shooting up

In the past one-year period, the stock has surged close to 137%

ven last time it failed very badly as the offer price was below market," said independent market expert Ambareesh Baliga. "LIC was not willing to offer it below ₹320. Unless they take it to a level which is acceptable to LIC and other institutions they will not get the

required number of shares."

During the delisting offer in October, promoters were able to get only 125.47 crore confirmed bids against the required 134.1 crore shares. About 12.32 crore shares tendered were not confirmed and as a result, the delisting process failed.

LIC tendered its shares at ₹320, a 267% premium over the floor price of ₹87.25 which upset Vedanta's calculations. Some other institutional investors like domestic mutual funds had tendered at ₹150-160. As of December 31, LIC held 5.58% in Vedanta. ICICI Prudential MF owned 3.14% and HDFCFM held 1.28%.

Baliga said the share price would shoot up the moment open offer price is increased. "If they offer a large enough premium on the current market price one should exit," he said.

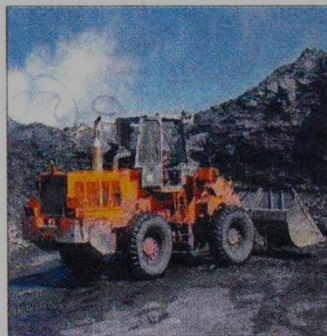
CIL approves 32 mining projects involving investment of Rs 47K cr

NEW DELHI, Mar 8 (PTI)

STATE-OWNED CIL on Monday said its board has approved 32 coal mining projects in the current financial year (till January), indicating an incremental capital of around Rs 47,300 crore. While 24 of the 32 projects are expansion of the existing ones, the remaining are greenfield (new) units, Coal India Ltd (CIL) said in a statement.

"Scripting a record high...CIL has approved 32 coal mining projects in the current fiscal till January 2021," the PSU said. The combined incremental peak capacity of these projects is projected at 193 million tonnes per annum (mtpa). This will be in addition to the already sanctioned capacity of 303.5 mtpa.

The approval of the projects enables subsidiaries of CIL escalate their production in the ensu-



ing years. CIL board and boards of the respective subsidiary companies have given their nod for the move. The incremental production by 2023-24 from the approved 32 expansion and the greenfield projects would be to the tune of around 81 mtpa. "Such high number, either in terms of projects or capacity addition, has not been cleared in a single financial year so far," the company said.

CIL is striving to replace the coal imports through its own coal and any increase in domestic production would play a catalytic role in this effort. Of the 193 mtpa capacity of 32 projects, CIL's three subsidiaries — South Eastern Coalfields Ltd, Central Coalfields Ltd and Mahanadi Coalfields Ltd — with 167 mtpa form the bulk at 86.5 per cent.

SECL with six projects at an estimated incremental investment of Rs 18,657 crore accounts for 63.5 mtpa, followed by CCL at an investment of Rs 7,520 crore for 10 projects of 56.6 mtpa. MCL with three projects would add up to 47 mtpa at an investment of Rs 14,057 crore.

The rest, nearly 26 mtpa, would be met through Eastern Coalfields Ltd, Northern Coalfields Ltd and Western Coalfield Ltd with the remaining investment between them.

BUSINESS LINE DATE : 9/3/2021 P.N.9

32 mining projects okayed by CIL this year

OUR BUREAU

Kolkata, March 8

Coal India Ltd (CIL) has approved 32 coal mining projects in the current fiscal till January 2021. While 24 of the 32 projects are expansion of the existing projects, the remaining eight are greenfield projects.

The projects will entail an estimated incremental capital of around ₹47,300 crore, the company said in a press statement.

The combined incremental peak capacity of the projects is projected at 193 million tonnes (mt) a year. This will be in addition to the already sanctioned capacity of 303.5 mt a year.

The approval of the projects will enable coal companies of CIL enhance their production in the ensuing years. CIL board and the boards of the respective subsidiary companies have given their nod for the move.

The incremental production by FY24 from the approved 32 expansion and the new greenfield

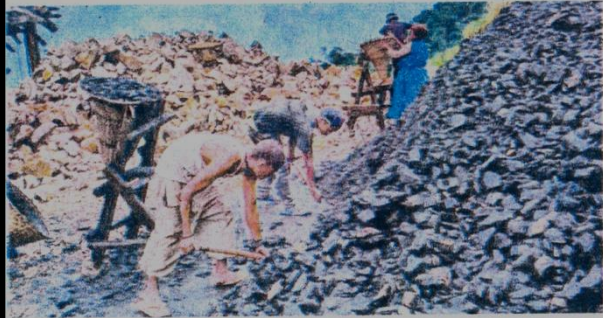
projects would be to the tune of around 81 mt a year. "Such high number, either in terms of projects or capacity addition, has not been cleared in a single financial year so far," a senior company official said in the statement.

The company is striving to replace the coal imports through its own coal and any increase in domestic production would play a catalytic role in this effort.

The three subsidiaries of CIL, South Eastern Coalfields Ltd, Central Coalfields Ltd and Mahanadi Coalfields Ltd will account for nearly 87 per cent of the total capacity addition at 167 mt a year.

SECL, with six projects at an estimated incremental investment of ₹18,657 crore, accounts for 63.5 mt a year followed by CCL at an investment of ₹7,520 crore for 10 projects of 56.6 mt a year. MCL with three projects would add up to 47 mt a year at an investment of ₹14,057 crore. The remaining (nearly 26 mt a year) would be met through ECL, NCL and WCL.

32 कोयला खनन परियोजनाओं को मंजूरी



न्यूज एजेंसियां

दिल्ली. सार्वजनिक क्षेत्र की कंपनी कोल इंडिया लि. के निदेशक मंडल ने चालू वित्त में जनवरी तक 32 कोयला खनन परियोजनाओं को मंजूरी दी है. इन परियोजनाओं पर 47,300 करोड़ रुपये का बढ़ा हुआ निवेश करने की जरूरत होगी. कोल इंडिया ने कहा कि इन 32 में से 24 परियोजनाएं मौजूदा परियोजनाओं का विस्तार है. शेष नई परियोजनाएं हैं. चालू वित्त वर्ष में जनवरी तक 32 कोयला खनन परियोजनाओं को मंजूरी दी गई है. यह एक रिकॉर्ड है. इन परियोजनाओं की बढ़ी हुई या अतिरिक्त अधिकतम क्षमता 19.3 करोड़ टन सालाना होगी. यह पहले से मंजूर 30.35 करोड़ टन की क्षमता के अतिरिक्त है. इन परियोजनाओं को मंजूरी के बाद कोल इंडिया की अनुषंगी इकाइयों आने वाले वर्षों में अपना उत्पादन बढ़ा सकेंगी. सीआईएल के निदेशक मंडल तथा संबंधित अनुषंगी कंपनियों के बोर्ड ने इस कदम को मंजूरी दे दी है. कंपनी ने कहा कि इन 32 परियोजनाओं से 2023-24 तक करीब 8.1 करोड़ टन सालाना का अतिरिक्त उत्पादन होगा. किसी एक वित्त वर्ष में परियोजनाओं की संख्या या क्षमता विस्तार के मामले में यह सबसे ऊंचा आंकड़ा है.

आयात रोकने की कवायद

कोल इंडिया अपने खुद के कोयले के जरिये आयात को रोकना चाहती है. घरेलू उत्पादन में बढ़ोतरी से उसे अपने इस लक्ष्य में मदद मिलेगी. इन 32 परियोजनाओं की कुल 19.3 करोड़ टन की क्षमता में से कोल इंडिया की तीन अनुषंगी साउथ ईस्टर्न कोलफील्ड्स लि., सेंट्रल कोलफील्ड्स लि. और महानदी कोलफील्ड्स लि. का हिस्सा 86.5 प्रतिशत या 16.7 करोड़ टन का होगा.

मिले राहत तो सस्ती होगी बिजली

‘काला हीरा’ पर भी लगता है भारी कर और लेवी

न्यूज एजेंसियां

94%

तक लगता है चार्ज
25,000
करोड़ का प्रति वर्ष
ग्राहकों पर बोझ



दिल्ली. बिजली क्षेत्र के जानकारों का कहना है कि ‘काला हीरा’ यानि कोयले पर 94 फीसदी तक लेवी और चार्ज लगता है. इस वजह से जिस कोयले का मूल्य 955 रुपये प्रति टन होता है, वह 1,849 रुपये प्रति टन बिकता है. इसका असर बिजली की कीमत पर पड़ता है और यह महंगी हो जाती है. महंगी बिजली की वजह से आम ग्राहकों पर हर साल 25,000 करोड़ रुपये का भार पड़ता है. सरकार से जुड़े संगठनों की वेबसाइट और बिजली क्षेत्र से जुड़े रेगुलेटरी बॉडीज के स्टेटिस्टिक्स को खंगाले तो पता चलता है कि कोयले पर लगने वाला टैक्स का भार काफी अधिक है. आंकड़े बताते हैं कि कोयला और बिजली उत्पादन से जुड़ी

प्रक्रिया पर लगने वाले टैक्स की वजह से आम ग्राहकों के मध्ये हर साल करीब 25,000 करोड़ रुपये का कर भार पड़ता है. इसमें से एक वजह कोयले का जीएसटी के दायरे में होना और बिजली का इसके दायरे में नहीं होना भी है.

बनने वाली कुल विद्युत में 53% हिस्सा

इस समय देश में कुल इंस्टाल्ड कैपिसिटी 3.77 लाख मेगावॉट की है. इसमें से 2.31 लाख मेगावॉट बिजली थर्मल के जरिए बनती है. इसमें कोयला के साथ साथ लिग्नाइट, गैस और डीजल का भी उपयोग होता है. अकेले कोयले से बनने वाले बिजलीघरों की इंस्टाल्ड कैपिसिटी 2 लाख मेगावॉट की है जो कि कुल क्षमता का 53.1 फीसदी है. मतलब इनका प्राइमरी पथूल कोयला ही है. यहां चौंकाने वाली बात यह है कि बिजलीघर का कच्चा माल कोयला पर जीएसटी लगता है. लेकिन बिजली, जो कि एक फाइनल प्रोडक्ट है, वह जीएसटी के दायरे में नहीं है, इसलिए बिजली बनाने वाले इनपुट टैक्स क्रेडिट का दावा नहीं कर सकते हैं. वे बिजली की लागत में कर्षों को जोड़ते हैं, जो अंततः ग्राहकों को बिजली के बड़े दाम के रूप में मिलता है.

Downside risk for gold limited after 20% fall from peak

COMMENTARY

G CHANDRASHEKHAR

Far from stabilising, gold price has fallen by a fifth from its peak of \$2,067 an ounce seen in August. Earlier this week, it moved below the psychological barrier of \$1,700/oz to a nine-month low of \$1,680 in the international market even as outflows from ETFs gathered pace. It has, however, recovered to \$1,735 in early trades this morning.

No investment demand

Improving economic outlook, firming US dollar and rising US bond yields are cited as reasons for the gold price fall. But, the most significant driver is the slump in investment demand. Now that more lucrative investment options have come to the fore (stock market, US dollar), gold has lost some sheen. The speculative lather around the yellow metal has ebbed as less-committed longs exit for better options.

While it is tough to call if gold has already hit the bottom, its downside risk from here (around \$1,700 levels) is rather limited. If anything, signs of a

modest upside price potential are emerging. Two factors deserve attention. One is the improvement in physical demand. With sharp fall in price, consumers are seen returning to the market in two of the world's largest markets - India and China.

Anecdotal reports suggest jewellery demand is slowly beginning to pick up as consumers perceive current market rates as not unduly expensive. In India, for instance, at about ₹45,000 per 10 grams, gold is now trading at least ₹10,000 lower than the peak achieved a few months ago. At around 60 tonnes, gold import volumes in January and February showed improvement over the previous months. In China, demand is normalising.

Currency factor

The second factor that is likely to help prop up gold from falling further is the risk of inflation, especially in the US where the rate of inflation is widely ex-

pected to rise in the months ahead and move above nominal yields.

In India, the Budget has provided a modest relief to gold by reducing the customs duty by 2.5 percentage points. However, a part of this relief could be neutralised if the expectation that the rupee will weaken in the coming months comes true. The dollar is appreciating and has now reached the highest level against the euro

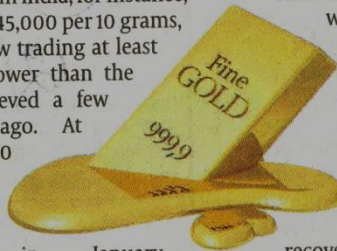
since last November. This will have an impact on emerging market currencies.

All these suggest that the gold market may be ready to bottom out soon and start to

recover albeit modestly.

As always, the flow of speculative capital will exert an exaggerated impact on market prices and create volatility. Caution is critical for those trading the yellow metal.

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



देशांतर्गत स्टीलच्या दरात होतेय घसरण आयात वाढणार : सीमा शुल्क कपातीचा परिणाम

अविनाश कोळी

लोकमत न्यूज नेटवर्क

सांगली : केंद्र शासनाने एप्रिलपासून स्टीलच्या सीमा शुल्कात कपात केल्याने चीन व इंडोनेशियामधून स्टील आयातीसाठी मोठ्या प्रमाणावर बुकिंग सुरू झाले आहे. त्याच देशांतर्गत मागणीतही घट झाल्याने स्टीलच्या दरात गेल्या दीड महिन्यात ५ ते ६.५ टक्के घट झाली आहे. तज्ज्ञांच्या मते एप्रिलमध्ये दरात आणखी घसरण होण्याची शक्यता आहे.

अर्थसंकल्पात स्टीलवरील सीमा शुल्क व आयात शुल्क सवलत १२.५ टक्क्यांवरून ७.५ टक्के करण्यात आले आहे. १ एप्रिलपासून ही सवलत लागू होणार आहे. त्यामुळे स्टील उद्योजकांनी आयातीसाठी बुकिंग सुरू केले आहे. हे स्टील आल्यास देशांतर्गत दराशी स्पर्धा निर्माण होणार आहे. त्यामुळे पुरवठादारांनी दरात कपात



असे घटले दर (प्रतिकिलो)

प्रकार	जानेवारी २१	मार्च २१
माइल्ड स्टील	६३ ते ६४	६० ते ६१
स्टेनलेस स्टील	२२३	२१०

स्टीलच्या दरात घट होत आहे. इंधनाचे दर कमी झाले, तर दरावर आणखी परिणाम दिसून येईल. केंद्र शासनाने कमी केलेल्या सीमा शुल्काचा परिणाम दरावर दिसत आहे. त्यामुळे स्टील आयातीसाठी बुकिंग वाढत आहे.

- संजय खांबे, स्टील उद्योजक, सांगली

केली आहे. जानेवारीच्या तुलनेत मार्चच्या पहिल्या पंधरवड्यात माइल्ड व स्टेनलेस स्टीलच्या दरात ५ ते ६.५ टक्के घट झाली आहे. पुढील महिन्यात दरात आणखी घसरण होणार आहे.

चालू आर्थिक वर्षातील पहिल्या नऊ महिन्यांत गत वर्षाच्या तुलनेत स्टील आयात ४१.८ टक्क्यांनी घटली होती. याउलट निर्यातीत २७.५ टक्के

वाढ होती. भारतीय उत्पादकांना चांगला दर मिळत असल्याने निर्यात वाढली. त्यामुळे देशांतर्गत बाजारात पहिल्या नऊ महिन्यांत स्टीलचे दर वाढत गेले. आता स्टीलची आयात वाढण्यास सुरुवात झाली आहे. एप्रिलपासून त्यात मोठी वाढ होईल. चीन व इंडोनेशिया येथून आयात होणार आहे. त्यामुळे देशांतर्गत दरावर त्याचा परिणाम दिसू लागला आहे.

JSW Steel's Crude Steel Output Slips a Tad in Feb

Press Trust of India

New Delhi: JSW Steel on Thursday posted a marginal decline of 1% in its crude steel output at 13.06 lakh tonnes (LT) in February this year.

The company, which is among the top-six steel producers in the country, had produced 13.20 LT of steel in the same month last year.

During the month under review, the production of flat-rolled pro-

ducts also fell by 6% to 9.27 LT as compared to 9.82 LT in February 2019. However, the production of long-rolled products during the month rose by 10% to 3.40 LT from 3.08 LT in February last year.

JSW Steel is the flagship company of the diversified \$12-billion JSW Group, which has a significant presence in sectors such as steel, energy, infrastructure, cement, sports, among others.

'Cement sector may grow over 10% in 2021'

THE domestic cement industry is likely to witness a growth rate of over 10 per cent in 2021 on account of demand revival, according to ACC Ltd.

The Government's spending on big infrastructure projects and affordable housing schemes such as Pradhan Mantri Awas Yojana (PMAY) with enhanced budgetary allocations would be "primary drivers of growth" for the cement industry, it said. The cement industry had witnessed a de-growth of 10-12 per cent due to the Covid-related disruptions.

"The outlook for the cement sector in 2021 is robust, with growth estimated at more than 10 per cent Y-o-Y over that in 2020," ACC said in its latest annual report. The demand revival is likely to be led by the north, east and central regions, it said. "Primary driver of growth will be infrastructure," it said.

Gold dips to near 9-month low; crude oil rules steady near \$70

REUTERS

March 12

Gold fell more than one per cent on Friday after a rebound in US Treasury yields and the dollar index sent the metal back towards 9-month lows hit earlier in the week, clouding optimism the US stimulus bill would send prices up.

Spot gold was down 1.2 per cent at \$1,700.80 per ounce by 0943 GMT. The metal had slumped to a nine-month low of \$1,676.10 on Monday. US gold futures fell 1.3 per cent to \$1,700.90.

Other metals shine

Silver slipped 2.4 per cent to \$25.45 an ounce, but was on track for its biggest weekly rise since mid-February, with a 1.1 per cent gain. Palladium fell

0.5 per cent to \$2,332.18. Platinum shed 1.9 per cent to \$1,172.40, but was set to post its largest weekly increase in four weeks, up 3.6 per cent.

Oil steadies

Crude oil hovered near \$70 a barrel on Friday, supported by production cuts by major oil producers and optimism about a demand recovery in the second half of the year.

Benchmark Brent fell 0.2 per cent to \$69.49 a barrel by 1321 GMT while US West Texas Intermediate crude was at \$65.90 a barrel, down 0.01 per cent.

Brent is on track to end the week flat after prices touched a 13-month high on Monday, following seven straight weeks of gains.

The Organization of P...

leum Exporting Countries forecast a stronger oil demand recovery this year, weighted to the second half. OPEC, Russia and its allies decided last week to maintain its output curbs almost unchanged.

The United States, world's largest oil consumer, saw a big draw on US gasoline stocks last week as the winter storm in Texas disrupted refining output.

Sustained higher oil prices are expected to encourage US producers to increase output, which could eventually weigh on prices, JP Morgan analysts wrote. JP Morgan expects U.S. oil output to average 11.36 million bpd this year compared with 11.32 million bpd in 2020. Commerzbank expects oil to

Cement Prices Rise 4% on Govt's Infra Push, Realty Demand

Analysts expect cement sector to post strong earnings growth of over 30% YoY in Q4 of FY21

Bhavya.Dilipkumar
@timesgroup.com

Mumbai: The Centre's infrastructure push, a pick-up in real estate demand and industry consolidation have helped drive up pan-India cement prices by around 4% in the first week of March. Prices climbed around 18% in the south and 11% in the west.

"Companies are more concerned about incremental volumes. So, the announcement of large price hikes in the coming days could be just to push more volume at existing rates," said Binod Modi, research analyst, Reliance Securities.

Demand remained firm as continued traction in infrastructure building, affordable housing and rural consumption drove volumes, Modi added.

The cement industry is beginning a new cycle, said a report by Morgan Stanley on Wednesday.

"The current cycle should be supported by both pick-ups in the capex cycle and upturn in the housing industry. We expect cement demand to increase at a CAGR of 9% over FY21-23 (in line with real GDP growth) and believe that demand could surprise positively," the said analysts Gaurav Rateria and Mukund Sarawogi in a report by Morgan Stanley.

While the West and East saw average price hikes of ₹10-20/bag, prices rose by ₹5-15/bag in North and Central regions and ₹20-30/bag in South. Dealers indicate companies may announce further hikes in the coming days to ensure the sustainability of the current increases, given year-end pressures to achieve volume targets, said ICICI Securities in a sector research report on Tuesday.

On a year-on-year basis, Q4 FY21



prices are up 15% in the South, 8% in the West, 2-3% in the North / Central regions and are still down 3% YoY in the East.

Except for the South, dealers expect prices to sustain in other regions.

Price increases are also attributed to an increase in input and logistics cost.

"Petcoke prices are up 6% QoQ, international coal prices are up 48% QoQ and average diesel prices are up 9% QoQ," said Devesh Agarwal, a research analyst from IIFL in a report on Monday.

The strong demand momentum could offset the impact of subdued prices. We maintain our positive stance on the sector, he added.

Analysts expect the cement sector to post strong earnings growth at more than 30% YoY in Q4 of FY21.

"Industry likely to post highest-ever quarterly volumes of around 105mnte (our estimate) with 20-22% YoY growth during Q4FY21E implying ~85% pan-India utilisation," said the ICICI report.

Morgan Stanley has raised FY23 earnings estimates up to 13%, driven by better realisation/margin assumptions, and are 4-15% ahead of consensus.

Recovery plot facing roadblock

Both gold and silver futures continue to trade below key resistance levels

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The atmosphere continues to be conducive for the bears as the rallies in bullion seem to be unsustainable. As the US treasury yields dropped in the first half of last week, it dragged the dollar along with it. Thus, the price of gold and silver managed to move up. But on Friday, yields and the dollar made a U-turn and started to rise. Consequently, bullion prices fell, giving up most of the gains they made in the preceding sessions, especially gold. Considering performance on a close-to-close basis, bond yields, the dollar, and gold made only marginal move last week.

The 10-year US treasury yield closed at 1.62 per cent compared to previous week's 1.58 per cent, the dollar index (the measure of dollar versus a basket of six major currencies) closed at 91.68 as against 91.98 - preceding week's close and gold, in dollar terms, settled at \$1,726.4 (per ounce) versus \$1,700.8. But silver made some progress as it ended at \$25.90 (per ounce) versus \$25.19, gaining 2.8 per cent.

In the domestic market, gold futures (April expiry) on the Multi Commodity Exchange (MCX) ended nearly flat at ₹44,750 (per 10 grams) compared to preceding week's ₹44,683 whereas silver futures (May expiry) on the MCX wrapped up the week at ₹66,844 against previous week's ₹65,603, thereby posting a gain of 1.9 per cent. Nevertheless, the downtrend has not completely reversed in gold as



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well as silver. Moreover, bond yields and the dollar are expected to gain going forward, potentially pulling down bullion further.

MCX-Gold (₹44,750)

As bulls tried to recover some lost ground, the price of April futures of gold on the MCX went up in the first half of last week. However, the rally lacked strength to put on a meaningful fight and began losing steam as the contract approached the crucial resistance level of ₹45,000.

Unable to extend the gains beyond this level, the contract moderated a bit and closed at ₹44,750 on Friday after marking an intraday low of ₹44,271. So long as the price stays below ₹46,500 the trend will be inclined to downside and this is validated by the indicators like the relative strength index (RSI) and the moving average convergence divergence (MACD) indicators, which lie in the negative territory. However, there are

few indications that the downtrend might be losing steam. The slope of the line joining the recent lows in RSI is flattening and a drop in volume can be observed over the past week. This does not suggest a trend reversal but a caution that traders holding short positions can consider getting out. For the short-term, the strategy can be as follows. Exit sell positions and initiate fresh shorts if the contract breaks below the support of ₹44,000. A breach of ₹44,000 can result in another leg of downtrend where the contract can fall towards support at ₹43,500 and ₹43,000. But long positions are not advised as long as the contract stays below the important resistance at ₹46,500. As we mentioned last week, fresh investments for the long-term can wait till the hurdle at ₹46,500 is breached.

MCX-Silver (₹66,844)

Even as the silver futures (May expiry) witnessed a similar price movement

as gold, the former closed with a minor gain of 1.9 per cent whereas the latter closed almost flat.

Silver has not been as bearish as the yellow metal and has been outperforming against it since the beginning of the current calendar year. The year-to-date return of gold futures stands at minus 10.8 per cent whereas silver futures has lost 3.2 per cent. This is because, as the preference for safety faded, industrial applications of silver kept it afloat.

Last week, the upmove was blocked by the resistance at ₹68,000 from where the contract declined. The bearish bias is supported by indicators like the RSI and MACD, which entered the bearish zone after the contract broke out of the range on the downside in the first week of the current month. The average directional index (ADX) indicates that the downtrend is gaining traction. But despite this, we had recommended not to short the contract as it remains above the important support of ₹65,000. Additionally, the price is above the 200-day moving average (DMA) which lies at ₹65,700. We reiterate that traders can hold back fresh short positions unless the base of ₹65,000 is decisively breached. In the event of the contract breaching this support, we might see a sharp fall.

Noable supports below ₹65,000 can be spotted at ₹63,000 and ₹61,000. Investors with time horizon over and above one year can wait for fresh bullish signals, probably a breakout of ₹70,000.

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