



खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-13

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

The Central Library, IBM, Nagpur is providing the Classified Mineral News Service since many years on monthly basis in print form. To expand this service to the IBM Offices all over India i.e. H.Q., Zonal & Regional Offices and to take a call of time, the Controller General, IBM desired to make this service online on fortnightly basis. The library officials made sincere efforts to make it successful. This is the **13th** issue of **Volume-3** for this service named **Khanij Samachar** for the period from **1st -15th July 2019**. The previous issue of Khanij Samachar **Vol. 3, No. 12, 16th -30th June 2019** was already uploaded on IBM Website www.ibm.gov.in.

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.

Mrs. D. H. Vairagare
Asstt. Library & Information Officer
ibmcentrallibrary@gmail.com
0712-2562847
Ext. 1210 , 1206



खनिज समाचार

KHANIJ SAMACHAR



A FORTNIGHTLY NEWS CLIPPING SERVICE
FROM

CENTRAL LIBRARY

INDIAN BUREAU OF MINES

VOL. 3, NO-13 , 1st – 15th JULY , 2019

BUSINESS LINE DATE : 8 /7/2019 P.N.11

BUSINESS LINE DATE : 15 /7/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	1784	0.2	2.4	-15.1	2247	1719
Copper	5890	-1.5	1.9	-7.2	6572	5755
Iron Ore	114	1.6	16.2	97.8	117	58
Lead	1856	-3.2	-2.5	-21.1	2373	1767
Zinc	2404	-6.3	-6.8	-12.2	3017	2285
Tin	18355	-2.5	-4.9	-5.8	21914	17665
Nickel	12418	-1.6	6.6	-12.0	14216	10437

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	1802	1.0	2.4	-13.8	2247	1719
Copper	5929	0.7	1.8	-4.5	6572	5755
Iron Ore	117	1.8	14.6	100.0	118	58
Lead	1974	6.4	3.0	-10.0	2190	1767
Zinc	2448	1.8	-6.8	-5.5	3017	2285
Tin	18164	-1.0	-7.0	-7.9	21914	17665
Nickel	13410	8.0	14.1	-4.9	14059	10437

BUSINESS LINE DATE : 1 /7/2019 P.N.1

Liberty Steel acquires ArcelorMittal assets in Europe for €740 million

Deal makes it one of the top steel producers globally

PRESS TRUST OF INDIA

New Delhi, July 1

Liberty Steel said on Monday it has acquired seven steel-making units and five service centres from LN Mittal's ArcelorMittal in Europe for €740 million (around ₹5,782 crore).

Indian-origin metals tycoon Sanjeev Gupta-owned Liberty has acquired the major integrated steel works at Ostrava in the Czech Republic and Galati in Romania as well as rolling mills at Skopje (North Macedonia), Piombino (Italy), Dudelange (Luxembourg) and two plants near Liege in Belgium, said a Liberty statement.

The seven sites employ over 14,000 people. The five service centres that market the products are based in France and Italy.

These operations, with a combined rolling capacity of over 10 million tonnes per annum, supply steel to multiple



sectors across Europe's industrial heartlands, including construction and infrastructure products, automotive, aerospace, energy, industrial equipment, consumer products and yellow goods.

"The €740-million deal makes Liberty Steel one of the top 10 producers globally, excluding China, with a total rolling capacity in excess of 18 million tonnes covering a wide range of finished products," said the company, which is part of the London-based GFG Alliance. It said this is the largest single transaction undertaken by GFG and brings the Alliance's worldwide workforce to nearly 30,000 across 30 counties.

Liberty Steel said it aims to boost sales from these sites by around 50 per cent over the

next three years. With Monday's announcement, Liberty Steel will work with local management, trade unions, customers and suppliers and complete a comprehensive analysis of the businesses to explore investment opportunities. In the medium term, it will explore opportunities to produce higher-quality steels, it said.

Global strategy

"These businesses will form a key part of our global steel strategy, of building a sustainable steel business, with a fully integrated value chain, from raw materials to high-value finished products that are distributed in high-quality markets," said Sanjeev Gupta, GFG Executive Chairman.

Earlier this month, Liberty Steel acquired Johnstown Wire Technologies (JWT), North America's largest producer of value-added carbon and alloy wire, for an undisclosed amount. GFG Alliance is a global group of energy, mining, metals, engineering and financial services businesses.

Bullion cues

Rally in gold may pause

Prices may consolidate/correct before moving up again

GURUMURTHY K

It was a volatile week for gold. The global spot gold prices surged to a high of \$1,439 per ounce and fell sharply, giving up most of its gains. The yellow metal closed the week at \$1,409.55 per ounce, up 0.7 per cent for the week.

Silver underperformed gold last week. The global spot silver reversed lower after making a high of \$15.51 and closed at \$15.31 per ounce, down 0.2 per cent for the week.

On the domestic front, the Indian rupee strengthening against the US dollar last week weighed on the prices. The gold futures contract on the Multi Commodity Exchange (MCX) began the week on a strong note and surged over 2 per cent. How-

ever, it failed to sustain higher and fell, giving back all the gains. The MCX-Gold closed the week on a flat note at ₹34,206 per 10 gm. The MCX-Silver, on the other hand, remained subdued all through the week. The contract tumbled 1.3 per cent and closed the week at ₹37,452 per kg.

US-China trade talks

The US and Chinese Presidents on Saturday agreed to continue the trade negotiation talks. This could increase the optimism in the market and push the equities higher. In turn, gold prices can remain subdued or even fall on profit-booking, if the equities post a strong rally.

Dollar looks vulnerable

The US dollar index (96.13) hovered around 96 in a narrow range all through last week. Though the weekly candles reflect indecisiveness in the market, the daily chart is weak. It leaves the index vulnerable to a fall towards 95.6 and 95.5 in the coming days. A strong break be-

low 95.80 can trigger this fall and aid gold to sustain higher.

Gold outlook

The global spot gold (\$1,409.55 per ounce) has an immediate support at \$1,400. If it manages to sustain above this support, a bounce to \$1,425 is possible. In such a scenario, a sideways consolidation between \$1,400 and \$1,425 can be seen for some time. The bias will continue to remain positive. An eventual break above \$1,425 will then pave way for the next target of \$1,450. On the other hand, if gold declines below \$1,400, a fall to \$1,380 or even \$1,370 is possible on profit-booking. A further fall below \$1,370 looks less probable at the moment as fresh buyers are likely to emerge at lower levels.

The MCX-Gold (₹34,206 per 10 gm) is facing resistance near ₹35,000. The near-term outlook is mixed. It can remain range-bound between ₹34,000 and ₹35,000 for some time. The bias is slightly negative within this range for the contract to break



ISTOCK.COM/FARAKOS

₹34,000 and fall to ₹33,500. A further fall below ₹33,500 looks unlikely at the moment.

Silver outlook

The global spot silver (\$15.31 per ounce) is not gaining strength to decisively breach \$15.50. The near-term outlook is mixed. Silver can remain range-bound between \$15 and \$15.5 for some time. A breakout on either side of \$15 or \$15.5 will determine the direction of the next move. A break below \$15, though less likely, can take silver lower to \$14.75. On the other hand, a strong break above \$15.50 will boost the momentum and take silver initially higher to \$15.70-\$15.75. A further break above

\$15.75 will then increase the likelihood of the contract targeting \$16 and \$16.25 on the upside.

The MCX-Silver (₹37,452 per kg) has a key support near ₹37,250. A bounce from this support can take the contract higher to ₹38,000 and ₹38,500 in the short term. Broadly, the MCX-Silver futures contract can trade sideways between ₹37,250 and ₹38,500 for some time. A break below ₹37,250, though less probable, can drag the contract lower to ₹36,700. The bias remains positive. The contract is likely to target ₹39,000-₹39,500 over the medium term.

The writer is Chief Research Analyst at Kshitij Consultancy Services



MCX-Gold

Supports:
₹34,000/33,500
Resistances:
₹34,500/35,000

MCX-Silver

Supports:
₹37,250/36,700
Resistances:
₹38,000/38,500

Cut import duty on gold, says gems/jewellery sector

OUR BUREAU

Mumbai, July 1

The All India Gem and Jewellery Domestic Council (GJC) has sought a reduction in import duty on gold and called for increasing the cash purchase limit of gold to ₹1 lakh, from ₹10,000.

In its Budget wishlist submitted to the Finance Minister, it urged for extending the EMI facility to purchase jewellery and make NEFT/ RTGS facility available on weekends when gold jewellery purchases are done.

Trade deficit

Anantha Padmanaban, Chairman, GJC, said the 10 per cent import duty on gold was levied to curb Current Account Deficit. However, India's trade deficit has narrowed to 2.5 per cent of GDP in 2019.

To unlock family gold reserves of up to 24,000 tonnes and help reduce CAD, the Council said exemptions must be given to households for minimum 500 grams of gold deposited under the Gold Monetary Scheme without being questioned by the Tax Department.

Shaankar Sen, Vice-Chairman, GJC, said government should instruct banks to waive off the commission or reduce it to 0.20 per cent to boost digital transactions.

"We also request the gov-

ernment that in case the jewellery sold is reinvested in new jewellery, the exemption from Capital Gain as per Section 54F of the Income Tax Act 1961 should be extended to G&J Industry," he said.

In the case of making of new jewellery from old jewellery or old gold, the GST is applicable on labour charges is at 18 per cent. Due to high rate of GST, customers are reluctant to go for this option.

PAN card limit

The Council recommended increasing the PAN card limit from ₹2 lakh to ₹5 lakh. Many households do not have PAN cards, especially in the agriculture sector. Hence, they face difficulty in furnishing the same, said the Council.

CBI told to frame charges against Jindal

TIMES NEWS NETWORK

New Delhi: A special CBI court ordered framing of charges on Monday against industrialist **Naveen Jindal** and five others, including M/s Jindal Steel and Power Ltd (JSPL), in connection with irregularities in a coal block allocation case.

After finding a prima facie case against the accused, special judge Bharat Parashar decided to order framing of charges under IPC Sections 120-B and 420.

JSPL had sought allocation of Urtan North coal block in MP and sent an application to the coal ministry, then headed by the Prime Minister.

It was alleged that during its representation before the government's screening committee JSPL claimed a higher stage of preparation and deceived the coal ministry to get the block al-

located. The company was, therefore, accused of "misrepresentation".

As a pre-requisite, a company was required to not only submit applications for each of the coal blocks it was seeking but also for each of the end-use projects. It was alleged that JSPL sent only one application for three different end-use projects. The CBI said that apart from submitting separate applications, an applicant was also required to deposit separate demand drafts for each application.

Senior advocate N Hariharan, arguing for JSPL, said no case cheating was made out against the accused persons as the stage of preparation of the company was much higher before it received the allocation letter on October 24, 2009. Former director Sushil Maroo, authorised signatory D N Abrol, former deputy MD Anand Goel and CEO V K Gujral are the others against whom charges have been ordered. The court will formally frame charges on July 25.

Coal scam: Charges will be framed against Jindal

A CBI court in Delhi ordered framing of charges against industrialist Naveen Jindal and five others on Monday in connection with alleged irregularities pertaining to the allocation of MP's Urtan North coal block. The charges will be framed under Sections 120-B (criminal conspiracy) and 420 (cheating) of IPC. **P 7**

THE TELEGRAPH DATE : 3/7/2019 P.N.8

Adani role in Jaypee under fire

OUR SPECIAL CORRESPONDENT

New Delhi: The National Company Law Appellate Tribunal (NCLAT) on Tuesday came down hard on banks for their "backdoor" talks with the Adani group to acquire Jaypee Infratech Limited (JIL) even as they rejected state-owned NBCC's bid for the realtor, which went bankrupt without giving possession to as many as 23,000 home buyers.

A three-member bench led by chairperson Justice S.J. Mukhopadhyaya said only NBCC's plan should be considered at this stage as it was "a government company and one could rely on it".

The observation by the NCLAT came after the banks requested the appellate tribunal to allow them to call for and consider other bids, including the one by the Adani group as

it was offering more money and had promised to complete the pending projects of Jaypee in nine months.

The NCLAT, however, slammed the banks for their "backdoor" negotiations with the Adanis. If the group had a good proposal to finish the project, it should file an intervention application and appear before the appellate tribunal, the three-member bench said.

The Adani group, the appellate tribunal observed, does not have the relevant experience in the infrastructure space and hence should not be considered.

The Adani offer, and other proposals, should be considered only if the resolution plan submitted by NBCC failed to make any headway despite the NCLAT's intervention, Justice Mukhopadhyaya said.

He reiterated that in the interest

NCLAT FUMES

■ NBCC loses vote to take over Jaypee; Banks voted against it

■ Had held discussions with Adanis for Jaypee

■ NCLAT rejects 'backdoor' talks; says discussions must be held only with NBCC

■ If NBCC talks fail, Adani bid can be considered

of home buyers, the resolution of Jaypee Infratech would not be allowed to fail.

The tribunal was informed that in the voting that took place on NBCC's bid, 34.75 per cent of the home buyers voted in its favour, 1.44 per cent voted against it, whereas 23.8

per cent did not vote.

All the 13 banks, which constitute 40.75 per cent of Committee of Creditors (CoC), voted against the bid by the state-run firm to acquire Jaypee Infratech.

The voting started on May 31 and concluded on June 10. Home buyers have nearly 60 per cent voting rights in the committee of creditors.

Justice Mukhopadhyaya directed the representatives of banks, allottees and other stakeholders to appear before it on July 17 to consider how the bid could be tweaked for the benefit of the home buyers.

It asked the banks to nominate a high-ranking officer who will negotiate, while asking them to produce a gist of the resolution plan submitted by NBCC and the objections they have with regard to the plan.

In its revised offer, NBCC has pro-

posed an infusion of Rs 200 crore equity capital, transfer of 950 acres of land worth Rs 5,000 crore to banks and completing the construction of the flats by July 2023, to settle an outstanding claim of Rs 23,723 crore of the financial creditors.

Apex court hearing

The Supreme Court will hear next week a plea seeking that Jaypee Infratech Ltd not be sent into liquidation. The apex court had on August 9 last year ordered the re-commencement of the resolution process against JIL.

A fresh application in the matter came up for hearing on Tuesday. The plea, filed by one of the home buyers, sought direction that an "independent and thorough forensic audit" of JIL should be conducted from the date of its incorporation.

Essar Steel bags ₹5,000-cr order from Posco's India arm

SURESH P IVENGAR

Mumbai, July 2

Essar Steel, which is facing insolvency proceedings, has bagged a ₹5,000-crore order from the Indian subsidiary of Korean major Posco, the world's fifth largest steel producer.

Posco Maharashtra has signed an MoU with Essar Steel for procuring 1 million tonnes (mt) of hot rolled products, making it the fourth contract signed between the two.

GH Bang, MD, Posco Maharashtra, said the company has found Essar Steel to be a very dependable partner, meeting its quality standards and delivering on time.

Irrespective of its insolvency proceedings, Essar Steel has continuously improved its operational and financial performance, he added.

Posco's partnership with Es-

sar Steel began with a trial order of 1,000 tonnes in FY15.

Bulk orders

After this, a bulk order of 10,000 tonnes was placed, followed by one of 62,000 tonnes. An agreement for the supply of 650,000 tonnes was signed in FY16. The quantity later reached 1mt per annum.

Essar Steel had developed 16 new grades of steel for auto and other special applications for Posco Maharashtra, which has a 2-mt unit at Mangaon. It is currently operating at a capacity utilisation of about 85 per cent. Last year, it produced 6.9 mt of crude steel and expects to cross 7 mt this fiscal, said the firm.

For the first two months of this fiscal, crude steel production at Essar Steel has grown 11 per cent to 1.25 mt, compared to 1.1 mt in the corresponding period last year.

India will continue to be a net importer of steel, says Fitch's unit

BLOOMBERG

July 2

India will continue to be a net importer of steel for at least the next two years, as high-grade products from South Korea and Japan flow in tax-free amid worries of escalation in supplies from China, according to Fitch Ratings Ltd's local unit.

Overseas purchases by India totalled 7.8 million tonnes in the year ended March 31, and are likely to stay around that level this year, said Rohit Sadaka, director at India Ratings and Research Ltd.

That could increase if India joins the proposed Regional Comprehensive Economic Partnership (RCEP), opening the door for cheaper imports from China.

India, being one of the leading consuming countries, is a ready market for steel imports, said Sadaka.

It could pose a big threat to the Indian steel players,



7.8 million tonnes of steel was imported in India in FY19

because the local industry will not be able to compete with China and its huge surplus.

The country's annual consumption is close to 100 million tonnes and there are prospects for further growth from Prime Minister Narendra Modi's push to build infrastructure.

RCEP impact

The country was inundated with cheap supplies from China until as recently three years ago — pushing imports to a record — before the gov-

ernment implemented measures to stem the inflow. The measures and the scaling down of steel capacity in China have helped push imports lower in the last couple of years.

That could change if the RCEP — a proposed 16-member free-trade agreement between all 10 South-East Asian economies, China, Japan, South Korea, India, Australia and New Zealand — is finalised. The 26th round of negotiations of the trade treaty are expected to conclude on Wednesday.

Any duty concession to China under the RCEP is going to open the flood gates for Chinese steel imports, according to Bhaskar Chatterjee, secretary general of the Indian Steel Association.

The existing Comprehensive Economic Partnership Agreements with Korea and Japan also need to be reviewed.

Rouhani: Iran will begin boosting uranium enrichment level Sunday

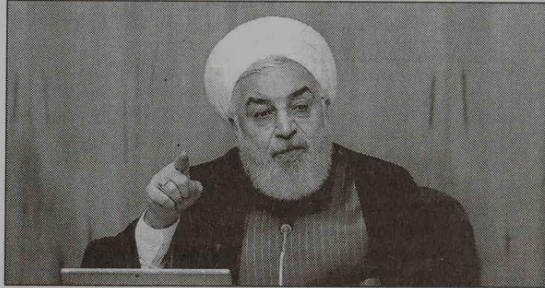
Says enrichment will be by 'whatever amount we feel like', but move reversible

BABAK DEHGHANPISHEH
GENEVA, JULY 3

IRAN WILL boost its uranium enrichment after July 7 to whatever levels it needs beyond the cap set in the landmark 2015 nuclear deal, President Hassan Rouhani said on Wednesday, defying US efforts to force Tehran into renegotiating the pact.

Iran announced this week it has stockpiled more low-enriched uranium than is permitted under the accord, a move that prompted US President Donald Trump — who withdrew the United States from the deal last year — to warn Iran was "playing with fire".

European co-signatories said on Tuesday they were "extremely concerned" by Tehran's apparent breach of the deal while Israel said it was preparing for possible involvement in any military confrontation between Iran and the United States.



Iranian President Hassan Rouhani speaks in a Cabinet meeting in Tehran on Wednesday. *Reuters*

"If America is very afraid of the word 'fire' then it shouldn't light the flame." — HASSAN ROUHANI

Weeks of tensions crested last month when Tehran shot down a US military surveillance drone and Trump responded with a decision to launch airstrikes only to call them off at the last minute. Washington also accused Iran of being behind attacks on several oil tankers in the

Gulf, which Tehran denies.

"Our level of enrichment will no longer be 3.67. We will put this commitment aside by whatever amount we feel like, by whatever amount is our necessity, our need. We will take this above 3.67," said Rouhani, according to IRIB news agency.

He added that the Islamic Republic's actions were reversible. "All of our actions can be returned to the previous condition within one hour, why are you worried?" he said.

Though his tone was unusually tough, Rouhani was the architect of the nuclear pact and is seen as a pragmatist, unlike senior clerics in Iran's ruling elite who opposed his opening to the West and have never let up in their denunciations of the United States.

Uranium refined to a fissile purity of 3.67% is deemed suitable for electricity generation and is the maximum allowed by the deal. Enrichment to 90% yields bomb-grade material.

Rouhani said that if the other signatories did not protect trade with Iran promised under the deal but blocked by Trump's reimposition of tough sanctions, Tehran would also start to revive its Arak heavy-water reactor after July 7. **REUTERS**

EXPLAINED
E.

A more significant breach of n-deal

WHILE IRAN announced on Monday that it had exceeded the the uranium stockpile limit of 300 kg set by the 2015 nuclear deal, Wednesday's announcement that Tehran is set to further enrich uranium will be a more significant breach of the deal as it puts the country closer to being able to make a nuclear weapon. Iran's move was triggered by US withdrawal from the nuclear deal last year and the failure of the other signatories to shield Tehran from crippling US sanctions. Iran has refused to negotiate before it receives the economic relief it was promised in the 2015 deal.

BPSL takeover by JSW Steel: SC stays high court ruling

INDU BHAN
NEW DELHI, JULY 3

THE SUPREME Court on Wednesday paved the way for the Delhi bench of the National Company Law Tribunal (NCLT) to pronounce its orders on approval of JSW Steel's Rs 19,350-crore bid for debt-ridden Bhushan Power and Steel (BPSL), which is under insolvency process.

Expressing surprise on how the Punjab and Haryana High Court had intervened in the resolution process of BPSL, a bench led by Justice RF Nariman stayed the HC order that had asked the committee of creditors (CoC) and the NCLT to consider the objections raised by the former directors of the company before finalising any resolution plan.

"Acts like this must be frowned upon and dealt sternly," Justice Nariman said, staying the HC's April 18 order. **FE**

THE HITAVADA DATE : 4/7/2019 P.N.1 & 6

SC slaps Rs 100 cr fine on Meghalaya Govt for illegal coal mining

■ SC orders State administration to hand over illegally extracted coal to Coal India Limited which will auction it and deposit funds with State Govt

NEW DELHI, July 3 (PTI)

THE Supreme Court on Wednesday directed Meghalaya Government to deposit the Rs 100 crore fine imposed on it by the NGT for failing to curb illegal coal mining with the Central Pollution Control Board (CPCB).

A bench of justices Ashok Bhushan and KM Joseph directed the State administration to



hand over the illegally extracted coal to Coal India Limited (CIL) which will auction it and deposit the funds with the State Government.

The bench also allowed the mining operation to go on in the State on the privately and community owned land subject to the permissions from the concerned authorities.

(Contd on page 6)

SC slaps Rs 100 cr fine on Meghalaya Govt

The National Green Tribunal had fined the Meghalaya Government on January 4. During the hearing, the State Government had admitted that a large number of mines were operating illegally in the north-eastern State. A report of a three-member committee, headed by retired Justice B P Kakoti of Gauhati High Court, had stated that there were around 24,000 mines in Meghalaya and majority of them were operating illegally. It had also said that not only were there no licences or leases, but also no environmental clearance for operation of majority of the coal mines.

The NGT had constituted the committee in August 2018 to supervise and look into the issue

of environmental restoration plan and other connected matters in Meghalaya. The committee was constituted during the hearing of the petition which had sought a ban on coal mining in Meghalaya. It had also taken into account some reports of the state pollution control board.

A total of 15 miners were trapped on December 13 last year in an illegal coal mine at Ksan in East Jaintia Hills district of Meghalaya, about 3.7 km deep inside a forest, when water from the nearby Lytein river gushed into it. Only two bodies could be recovered from the mine. The apex court had earlier refused to allow the transportation of extracted coal lying across Meghalaya despite several requests by the miners.



WCL अब रेत के कारोबार में

व्यापार प्रतिनिधि

नागपुर. वेस्टर्न कोल फील्ड्स लिमिटेड (वेकोलि) ने नई पहल की है. ओवर बर्डन से निकाली गयी रेत की पहली खेप मॉडल कम्पनी को व्यावसायिक बिक्री के तौर पर पायलट प्रोजेक्ट के रूप में सौंपी गई. सार्वजनिक क्षेत्र के उपक्रम मॉयल लिमिटेड को रेत की पहली खेप नागपुर क्षेत्र की गोन्डेगांव परियोजना से खाना की गई. इस अवसर पर अध्यक्ष-सह-प्रबन्ध निदेशक राजीव रंजन मिश्र, निदेशक अजीतकुमार चौधरी, महाप्रबंधक तरुण श्रीवास्तव, डी.एम. गोखले, जी.पी. शर्मा, टी.के. त्रिवेदी तथा मॉयल के कार्यकारी निदेशक तकनीकी सी.बी. अतुलकर एवं महाप्रबंधक प्रशांत कारिया, किशोर चंद्राकर, ए.वी. मसादे उपस्थित थे. नागपुर क्षेत्र की खदानों में रेत की उपलब्धता अधिक होने से इस योजना को मूर्तरूप दिया जा सका. सरकारी महकमों को प्राथमिकता के तौर पर वेकोलि रेत उपलब्ध कराएगी. इसी के साथ इस क्षेत्र में रेत के सम्भावित उपभोक्ताओं की तलाश भी जारी रखेगी. खुली खदान के ओवर बर्डन से निकाली गयी रेत की आपूर्ति हेतु गत माह वेकोलि और मॉयल के बीच एमओयू पर हस्ताक्षर हुए थे.

अवैध कोयला खनन रोकने में असफल मेघालय

100 करोड़ का जुर्माना



सुको का आदेश

एजेंसियाँ

दिल्ली. उच्चतम न्यायालय ने मेघालय सरकार को निर्देश दिया कि राज्य में अवैध कोयला खनन पर रोक लगाने में असफल रहने के कारण उस पर लगाये गये 100 करोड़ रुपये की राशि केन्द्रीय प्रदूषण नियंत्रण बोर्ड में जमा कराये. राज्य सरकार पर यह जुर्माना राष्ट्रीय हरित अधिकरण ने लगाया था. न्यायमूर्ति अशोक भूषण और न्यायमूर्ति के. एम. जोसेफ की पीठ ने राज्य सरकार को निर्देश दिया कि वह अवैध रूप से निकाला गया कोयला 'कोल इंडिया लिमिटेड' को सौंपे. कोल इंडिया इस कोयले को नीलाम कर उससे प्राप्त राशि राज्य सरकार को देगी.

राज्य में बढ़ी अवैध गतिविधियां का जोर

पीठ ने राज्य में निजी एवं सामुदायिक जमीनों में खनन की भी अनुमति दी है, लेकिन ऐसा संबंधित प्राधिकारियों से स्वीकृति मिलने के बाद ही किया जा सकेगा. राष्ट्रीय हरित अधिकरण ने 4 जनवरी को मेघालय सरकार पर यह जुर्माना लगाया था. मामले की सुनवाई के दौरान राज्य सरकार ने स्वीकार किया था कि प्रदेश में बड़ी संख्या में अवैध गतिविधियां चल रही हैं. हरित अधिकरण से 20 अगस्त, 2018 को गुवाहाटी उच्च न्यायालय के सेवानिवृत्त न्यायाधीश बी पी ककोटी की अध्यक्षता में गठित 3 सदस्यीय समिति ने अपने रिपोर्ट में कहा था कि मेघालय में करीब 24,000 खदानें हैं और इनमें से अधिकांश गैरकानूनी तरीके से संचालित हो रही हैं.

SC fines Meghalaya ₹100cr for illegal mining

TIMES NEWS NETWORK

New Delhi: Taking into account environmental damage due to illegal mining in Meghalaya in the last five years, the Supreme Court on Wednesday directed the state government to deposit ₹100 crore to Central Pollution Control Board which will use the money to restore ecological balance in the state.

A bench of Justices Ashok Bhushan and K M Joseph expressed concern over unregulated illegal mining of coal in the state and said its government has the duty to preserve and conserve natural resources for the coming generations. It passed a slew of directions to regulate mining and directed that 32,56,715 MTs extracted coal stocks lying in four districts will be taken over by Coal India Ltd which will auction it. The ores are lying in the state as its transportation was banned by National Green Tribunal.

The court admitted the

plea of advocate Nidhesh Gupta who pleaded that private players be not allowed to transport the ore out of the state and the task of auctioning it be given to Coal India. Gupta had contended that the state government was hand in glove with illegal miners as the cost of extracting coal by rat hole mining is negligible.

The court passed the order on an appeal filed by the state against the NGT order to deposit ₹100 crore to CPCB. The state contended that it had limited financial resources and it was not in a position to spare such a large amount. Agreeing with the plea, the SC maintained that the amount has to be paid but allowed it to pay it out of the ₹430 crore corpus of Meghalaya Environment Protection and Preservation Fund.

State CM Conrad K Sangma hailed the order allowing mining in privately and community owned land, subject to permissions from authorities.

SC sets terms for mining in Meghalaya

TIMELINE

April 17, 2014: NGT bans rat-hole coal mining and coal transportation in Meghalaya following petition filed by All Dimasas Students' Union and Dima Hasao District Committee

Sept. 1: Transportation of extracted and assessed coal allowed for the first time. Since then, NGT and Supreme Court allowed transportation at intervals

Sept. 29: Two persons, including a woman, killed in alleged police firing at Mookhep in East Jaintia Hills during an indefinite economic strike

March 30, 2015: NGT

constitutes Meghalaya Environment Protection and Restoration Fund

August 31, 2018: NGT refuses to ban on coal mining

December 13: 15 miners trapped in a coal mine in East Jaintia Hills

January 4, 2019: NGT asks the Meghalaya government to deposit Rs 100 crore with the Central Pollution Control Board after a committee opined that illegal coal mining was on in spite of ban

July 3: SC paves way for operationalising coal mining under the relevant statutory framework of the MMDR Act, 1957

ANDREW W. LYNDOH

Shillong: The Supreme Court has set aside the ban on coal mining in Meghalaya imposed by the National Green Tribunal (NGT) since April 2014, but ruled that the state will have to enforce mining laws.

The apex court, in a 203-page judgment on Wednesday, made a slew of observations and issued directions to the state.

Delivering the judgment, Justice Ashok Bhushan, with Justice K.M. Joseph on the bench, said: "Natural resources of the country are not meant to be consumed only by the present generation of men or women of the region where natural resources are deposited. These treasures of nature are for all generations to come and for intelligent use of the entire country. The present generation owes a duty to preserve and conserve the natural resources of the nation so that it may be used in the best interest of coming generations as well and for the country as a whole."

Justice Bhushan noted that the allegations of environmental degradation by illegal and unregulated coal mining "were fully proved" from materials on the record including the report of the experts, report of the Meghalaya State Pollution Control Board, the report of Justice B.P. Katakey committee, which all proved environmental degradation of water, air and surface.

Further, the court noted that the stand taken on behalf of the state of Meghalaya before the apex court that the NGT has no jurisdiction cannot be approved.

"The state government is

under constitutional obligation to ensure clean environment to all its citizens. In cases pertaining to environmental matter, the state has to act as facilitator and not as obstructionist," the judgment noted.

Dwelling on the land tenure system in Meghalaya, the court observed that as per the land tenure system as applicable in the Hills Districts of Meghalaya, most of the land is either privately or community owned in which the state does not claim any right.

The private owners of the land as well as community owners have both the surface right as well as sub-soil rights.

The court noted: "While paragraph 12A sub-clause (b) of Sixth Schedule empowers that the President may, with respect to any act of Parliament, by notification, direct that it shall not apply to an autonomous district or an autonomous region in the state of Meghalaya, or shall apply to such district or region or any part thereof subject to such exceptions or modifications as he may specify in the notification, no notification has been issued by the President.

The judgement also referred to the Mines Act, 1952.

"The provisions of The Mines Act, 1952 are mandatory to be followed before working a mine. The regulations, namely Coal Mines Regulations, 2017, also contains several regulatory provisions which need to be followed while working a mine by a mining lease holder. The enforcement of Mines Act, 1952 and the Regulations, 2017, have to be ensured by the state in the public interest," the court said.

ArcelorMittal's bid for Essar Steel approved

SPECIAL CORRESPONDENT
NEW DELHI

The National Company Law Appellate Tribunal on Thurs-

day approved steel tycoon Lakshmi Mittal-led ArcelorMittal's ₹42,000 crore bid for the acquisition of bank-

rupt Essar Steel.

It, however, modified the 'Resolution Plan'.

REPORT ON PAGE 14

ArcelorMittal bid for Essar Steel okayed

NCLAT rejects Ruia plea challenging eligibility; proceeds of the sale to be shared among creditors

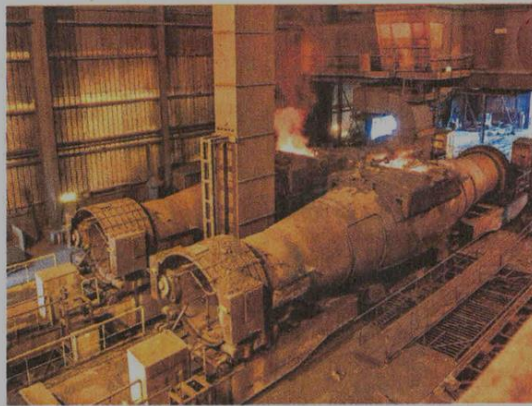
STAFF REPORTER
NEW DELHI

The National Company Law Appellate Tribunal on Thursday approved steel tycoon Lakshmi Mittal-led ArcelorMittal's ₹42,000-crore bid for the acquisition of bankrupt Essar Steel.

Resolution plan tweaked

The tribunal, however, modified the Resolution Plan submitted by ArcelorMittal to safeguard the rights of the operational creditors and other financial creditors of Essar Steel. It said the proceeds of the sale were to be shared among the creditors.

A Corporate Insolvency Resolution Process was initiated in 2017 against debt-ridden Essar Steel Limited to recover ₹54,547 crore of unpaid dues to financial lenders and operational creditors. The tribunal also clarified that any profits of Essar Steel generated during the pendency of the insolvency proceedings would al-



Profits generated during pendency of insolvency proceedings can't be given to ArcelorMittal, the NCLAT said. ■ AFP

so be distributed among the creditors on a pro rata basis. It said the profit cannot be given to the successful resolution applicant ArcelorMittal as it had not invested any

money during the insolvency process.

The tribunal also rejected the application by Prashant Ruia, the promoter, and Essar Steel Asia Holdings Limited, challenging the eligibility of ArcelorMittal as a bidder.

An issue settled by the Supreme Court [eligibility of ArcelorMittal] can't be re-agitated again and again

JUSTICE S.J. MUKHOPADHAYA

money during the insolvency process.

The tribunal also rejected the application by Prashant Ruia, the promoter, and Essar Steel Asia Holdings Limited, challenging the eligibility of ArcelorMittal as a bidder.

"An issue which has been settled by the Supreme Court i.e., eligibility of ArcelorMittal India Pvt. Ltd. as a resolution applicant for Essar Steel India Ltd., cannot be re-agitated again and again," the tribunal headed by Justice S.J. Mukhopadhyaya said.

Mr. Ruia had challenged the March 8, 2019 order of the Ahmedabad Bench of the National Company Law Tribunal approving ArcelorMittal's bid for the takeover of Essar Steel.

He had contested ArcelorMittal's eligibility on the ground that it had suppressed facts by stating that Mr. Lakshmi Mittal had completely exited from the Indian businesses of the Mittal family, more specifically, Gontermann Peipers India Ltd., GPI Textiles Ltd., and Balasore Alloys Ltd.

ArcelorMittal had argued that it was a mala fide attempt to derail the corporate insolvency resolution process. It also submitted that Mr. Ruia had no locus standi as his settlement plan was disallowed.

Tribunal upholds Arcelor's ₹42k-cr bid for Essar Steel

Tweaks Distribution Structure, Rejects Ruias' Re-bid Plea

TIMES NEWS NETWORK

Mumbai: The company law appellate tribunal in Delhi has upheld ArcelorMittal's Rs 42,500-crore bid for Essar Steel, but after modifying the distribution structure of the sale proceeds for operational and financial creditors of the beleaguered domestic metal maker. The appellate tribunal rejected the contention of Essar Steel promoter — the Ruia family — that ArcelorMittal was ineligible to bid due to holdings in loan defaulting companies, removing an obstacle for the Luxembourg-based giant to enter India, the world's second-largest steel producing nation.

The appellate tribunal said that both the classes of creditors will share the sale proceeds proportionately and that the distribution of funds will be done by the resolution professional handling the Essar Steel case and not by the company's committee of creditors

THE STORY SO FAR

June 16, 2017 | RBI orders banks to initiate insolvency proceedings against 12 large loan defaulters, including Essar Steel

June 27 | Banks initiate action against Essar Steel

July 4 | Essar moves Gujarat high court challenging move

Aug 2 | NCLT admits insolvency petition against Essar Steel

Nov 23 | Govt amends bankruptcy code, bars promoters of

defaulting companies from bidding for Essar Steel

Oct 24, 2018 | Lenders vote in favour of ArcelorMittal's proposal for Essar Steel, Ruias offer full payment to creditors

May 7, 2019 | Essar Steel promoters oppose Arcelor's bid by bringing to NCLAT's notice alleged ties to loan-defaulting cos

Jul 4 | NCLAT rejects Ruia's bid to block Arcelor, approves bid for Essar Steel with modification



(CoC). This verdict places operational creditors on a par with financial creditors for the first time (it should be noted that operational creditors are not part of the CoC). The order, also for the first time, determines that the CoC has no powers to decide on the distribution of the sale proceeds but the resolution professional. CoC will

only look at the viability of the resolution proposal submitted by the bidder.

The total claims of Essar Steel's operational and financial creditors are over Rs 69,000 crore. Financial creditors had earlier anticipated a recovery of 90% of their claims of over Rs 49,400 crore. But with Thursday's ruling, financial credi-

tors will get only 60% of the dues from the Rs 42,500 crore offered by ArcelorMittal. On the other hand, operational creditors, which were supposed to get a small portion of their dues, will now get to recover 60% of their claims. The financial creditors, who are upset over the ruling, are considering moving the Supreme Court over Thursday's development.

ArcelorMittal said, "We need to review the full written order to understand any implications on completion of the transaction." While an Essar spokesperson said, "It appears that new facts regarding ineligibility under Section 29A, which emerged only after the previous judgment of the Supreme Court, have not been given due consideration. We are awaiting the detailed order and will decide our course of action thereafter."

The Essar Steel case has been dragging on for more than 700 days.

SC seeks Centre's reply on plea for quashing of 358 mining leases

PRESS TRUST OF INDIA

New Delhi, July 4

The Supreme Court on Thursday asked the Centre to file its reply in four weeks on a plea seeking quashing of allotment, extension or continuation of iron ore mining leases from over 358 mines across the country without any fresh evaluation.

The Centre sought some time from the court to file its reply.

A bench of Justices SA Bobde and BR Gavai allowed it four weeks and said that the issue needs to be heard at length, while listing it on a non-miscellaneous matters day.

Petitioner advocate ML Sharma contended that mining leases were granted or extended without following due procedure.

Additional Solicitor General ANS Nadkarni, appearing for the Centre, told the court that a "malafide" plea has been filed and he wants some time to respond to it.

On April 16, the apex court had asked the Centre to respond to Sharma's plea which

has also sought a direction to the CBI to register an FIR to probe the matter.

The top court had appointed senior advocate PS Narasimha as *amicus curiae* to assist it in the case.

The plea has alleged that in February this year it came to Sharma's knowledge that 288 mining leases were extended in exchange for "large donations" to political parties which has created a "serious financial loss" to the tune of ₹4 lakh crore to the public exchequer.

The petitioner has claimed that leases have been either granted or extended to the firms for mining iron ores in over 358 mines without either any fresh evaluation or adopting the auction process.

It has also sought directions for recovery of market value of the mined minerals in accordance with the law.

Besides, it has sought a court-monitored probe into the extension of lease and allotment of the mineral mines for free of cost alleging that it had caused huge financial loss



The plea alleged that 288 mining leases were extended in exchange for large donations to political parties which has created a financial loss to the tune of ₹4 lakh crore to the public exchequer (file photo)

to the public via a concocted conspiracy.

"Within the principle upheld by the Supreme Court in its previous judgement, no natural assets can be allotted/extended free of cost. Impugned extension is contra to the law of the country. No where in the Act, it says to extend the lease free of cost. At least value of extension must be decided as per the maximum rate of auction value by the State or by another State government during these period," the plea has said.

It has said that loss caused to the exchequer is liable to be recovered from the mining firms and their leases are liable to be quashed and the mines be put to fresh auction.

The plea has also sought quashing of section 8A of the MMDR (Mines and Minerals Development and Regulation) Act.

Section 8-A of the Act provides that all mining lease should be granted for 50 years and on expiry of lease period, it should be put up for auction as per the procedure specified

in the Act. "It is revealed to the petitioner that a large amount of political donation has been given by the corporate miner for the impugned provisions (of MMDR Act) for extension of the mining lease as free of cost from escaping auction process which is also a subject matter for CBI investigation and calling list of mines from all states for further action," the plea said.

The petitioner has also referred to media reports on the issue of mining leases in some States.

"All old lease of the minerals mining, except coal block, has been extended for further 5 to 20 years under the garb of the amendment of 2015 without charging any cost/ premium and fresh value to pay for mining while new mines has been put up for auction which were auctioned for 80 per cent to 110 per cent premium other than royalty etc," it said.

The plea has made ministries of Law, Mines and Minerals and States of Odisha and Karnataka as parties along with the CBI.

THE HINDU DATE : 6/7/2019 P.N.6

Precious metals set to get dearer

Government hikes import duty on gold, silver and platinum from 10% to 12.5%

SPECIAL CORRESPONDENT
NEW DELHI

The government on Friday proposed to increase import duty on precious metals, including gold, silver and platinum, a move which will make them expensive in the domestic market. Finance Minister Nirmala Sitharaman said in her Budget speech that "it is proposed to increase custom duty on gold and other precious metals from 10% to 12.5%."

Similar hike was proposed for silver (including silver plated with

gold and platinum); base metal clad with silver; platinum; and waste and scrap or precious metals. Currently, these metals attract 10% import duty.

Now, with the hike in duty, jewellery or other items made out of these precious metals will become expensive. The decision to raise import duty on gold came at a time when the domestic jewellery industry was demanding a cut in the same. The Commerce Ministry, too, had in the past recommended a reduction in the duty.



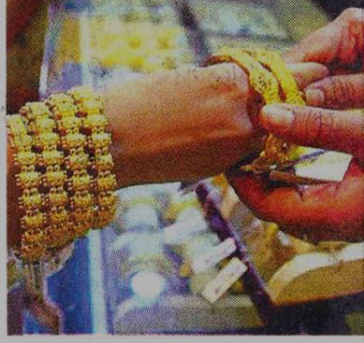
The country's gold imports dipped about 3% in value terms to \$32.8 billion during 2018-19. The dip in the imports is expected to keep a lid on the current account deficit.

Total imports of the precious metal in 2017-18 stood at \$33.7 billion as against \$27.5 billion in 2016-17 and \$31.8 billion in 2015-16. In volume terms, India imported 982 tonnes of the yellow metal in the previous financial year.

India is one of the largest gold importers in the world and the imports mainly take care of demand from the jewellery sector. The All India Gem And Jewellery Domestic Council said the move was "disappointing and unfortunate".

(With PTI inputs)

सोने महागले ८०० रुपयांनी कस्टम ड्युटी वाढविली



लोकमत न्यूज नेटवर्क

नवी दिल्ली : केंद्रीय अर्थमंत्री निर्मला सीतारामन यांनी अर्थसंकल्प सादर करताना सोन्यावरील सीमाशुल्क अडीच टक्क्यांनी वाढविण्याची घोषणा केली. त्यामुळे सोने प्रती दहा ग्रॅम ८०० रुपयांपर्यंत महागले आहे. गुरुवारी मुंबईत सोन्याचा १० ग्रॅमचा दर जो ३५ हजार ८० रुपये होता, तो बजेटनंतर लगेचच ३५ हजार ८६५ रुपयांवर गेला.

सोने महागण्याचा ग्राहकांना मोठा फटका बसणार आहे. पूर्वी १० टक्के सीमाशुल्क आकारले जायचे. आता यात अडीच टक्के वाढ झाली आहे. शिवाय ३ टक्के जीएसटी अनिवार्य आहे. त्यामुळे एकूण १५.५ टक्के सीमाशुल्क व्यापाऱ्यांना भरावे लागेल. दिल्लीच्या करोलबागमधील सोन्याचे व्यापारी विशाल पाटील यांनी नाराजी व्यक्त करीत खरेदी-विक्रीवर परिणाम होण्याची शक्यता व्यक्त केली. लाजपतनगरचे सराफा व्यापारी गोरख पाटील यांनी सीमाशुल्क वाढल्यामुळे तस्करीला प्रोत्साहन मिळेल, असे नमूद केले. ज्या देशांमध्ये सोने स्वस्त आहे, तेथून मोठ्या प्रमाणात भारतामध्ये सोन्याची तस्करी होईल. अशाने महसुलात वाढ होण्याऐवजी घट होण्याचीच शक्यता अधिक आहे, असे ते म्हणाले.

'Disappointed with hike in gold import duty'

PRESS TRUST OF INDIA
NEW DELHI, JULY 6

THE GEMS and jewellery exporters Saturday expressed disappointment over significant increase in the import duty on gold and other precious metals saying the move would result in shifting of businesses to neighbouring countries.

Gems and Jewellery Export Promotion Council (GJEPC) Chairman Pramod Agrawal said:

"We as an industry are greatly disappointed with the increase of import duty on precious metal, gold and silver".

He said that the sector is already going through very tough times with decline in exports and job losses.

According to industry experts, the decision could lead to increase in smuggling of the yellow metal in the country.

In the Budget 2019-20, the government proposed to raise the import duty on gold and other

precious metals from 10 per cent at present to 12.5 per cent.

Agrawal said they had in fact urged the government to cut the import duty as it is an important raw material for the sector.

The government's move "will result in growth of business in neighbouring countries as the foreign tourists will stop buying jewellery from here and processing of larger diamonds will shift to competing countries like China, Vietnam," he said in a statement.

He added that exporters

would again urge the government to review the decision.

World Gold Council India Managing Director Somasundaram PR has said the import duty hike will negatively impact India's gold industry and will impede efforts to make gold as an asset class, particularly when gold prices are already rising globally. India is one of the largest gold importers in the world and the imports mainly take care of demand from the jewellery sector.

Gold and silver on a song

B. KRISHNAKUMAR

The prices of gold and silver were on a strong uptrend in June 2019. International gold prices touched a six-year high towards the end of June. After touching a high of \$1,443 an ounce, comex gold price has been largely range-bound in the past few days. Gold gained 7.8% in June to settle at \$1,413.7 an ounce.

While international silver prices, too, remained strong in June 2019, the momentum witnessed in gold price was not as evident in the case of silver. Silver price gained 4.7% in June to settle at \$15.25 an ounce.

Expectations of an interest rate cut in the U.S. along with a weak trend in the dollar were primary factors driving the price of precious metals to higher levels in June.

Reflecting the positive trend in the international markets, the precious metals moved to higher levels in June, at the Multi Commodity Exchange (MCX), India. The price of gold futures gained about 7% in June to close at ₹34,206 per 10 grams. Silver futures at MCX settled at ₹37,452 per kilogram.

Based on the recent price action, the short-term outlook for gold and silver remains positive. Though there is a chance of a short-term cool off in the prices of gold and silver, such dip in prices could present an opportunity to buy gold for short-term gains.

Comex gold has support zone at \$1,360-1,380 zone. Any bounce off this zone would be a strong

Turning expensive



New heights: Expectations of an interest rate cut in the U.S. along with a weak trend in the dollar drove precious metals to higher levels in June.

signal that gold is on an uptrend from a short-term perspective. If the comex gold stays above the support level at \$1,360, a bounce to the short-term target of \$1,450-1,460 is a likely outcome. A move past \$1,421 would strengthen the case for a rise towards \$1,450-1,460 zone.

The short-term outlook for silver is similar to gold. A rise to the immediate target of \$15.7-\$16 an ounce is likely. A move past \$16 would impart further momentum to the uptrend. The positive view would be invalidated if the price falls below the support at \$14.4-\$14.8 an ounce.

Domestically, the outlook for gold and silver is positive. The gold price at MCX is likely to rise to the immediate target of ₹34,950-35,500 per 10-grams. A fall below ₹32,800-33,000 zone would invalidate the short-term positive outlook for gold. A drop below ₹32,800 would indicate that MCX gold price is in short-term downtrend but it would not alter the medium-term positive

view.

Silver price at MCX achieved the target of ₹37,150.

After touching a high of ₹38,590, silver price has cooled off a bit recently. The short-term outlook for MCX Silver is positive and is likely to touch the immediate target of ₹39,900-40,500 per kilogram. This view would be under threat if the price falls below ₹36,000. Until ₹36,000 is breached, there would be a strong case for a rise to ₹41,500 and beyond.

To summarise, the short to medium-term outlook for precious metals has turned positive. It however remains to be seen if this positive trend will spill over to the long-term time frame.

(The author is a Chennai-based analyst/trader. The views and opinion featured in this column is based on the analysis of short-term price movement in gold and silver futures at comex and Multi Commodity Exchange of India. This is not meant to be a trading or investment advice.)

Iran Set to Break Limits on Uranium Enrichment

Move likely to draw a tougher reaction from President Trump who has pressured Tehran to renegotiate the 2015 nuclear pact

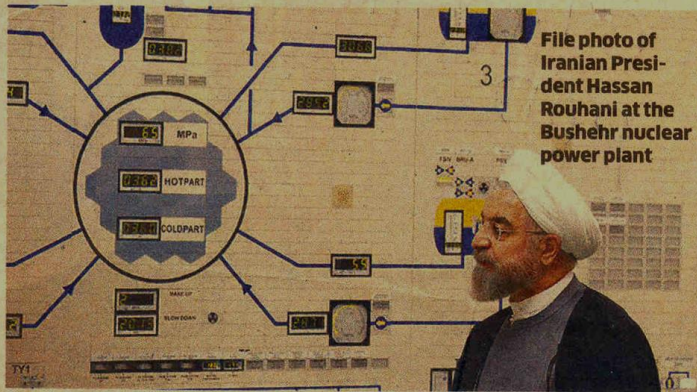
Tehran: Iran said on Sunday it was set to breach the uranium enrichment cap set by an endangered nuclear deal within hours as it seeks to press signatories into keeping their side of the bargain. The move — involving purifying beyond the 3.67% allowed by the 2015 agreement — comes despite opposition from the European Union and the US, which has quit the deal.

President Hassan Rouhani's order to exceed the threshold would be implemented "in a few hours" after the last technical details were sorted, Iran's Atomic Energy Organisation spokesman Behrouz Kamalvandi said live on state television.

Rouhani initially flagged the Islamic Republic's intentions on May 8, exactly a year on from US President Donald Trump unilaterally abandoning the multilateral deal.

He has said the move is in response to a failure by remaining state signatories to keep their promise to help Iran work around biting sanctions reimposed by the US in the second half of last year.

French President Emmanuel Macron told Rouhani of his "strong concern" over the risk of weakening the nuclear agreement and



File photo of Iranian President Hassan Rouhani at the Bushehr nuclear power plant

UNDER THE 2015 NUKE deal, Iran was prohibited from purifying uranium beyond the 3.67% level

the consequences that would follow during a telephone call Saturday, according to a statement from the Elysee Palace. However, the two leaders agreed to "explore by July 15 the conditions for a resumption of dialogue between all parties", the statement said, adding that Macron would consult with Iranian

authorities and international partners to bring about the "necessary de-escalation" of the situation over the coming days.

It is not yet clear how far the Islamic Republic will boost enrichment. But a top advisor to Iran's Supreme Leader Ayatollah Ali Khamenei hinted on Friday it could reach 5%. The 2015 deal was reached between Iran and six world powers — Britain, China, France, Germany, the US and Russia — and saw Tehran agree to drastically scale down its nuclear programme in exchange for sanctions relief. **AFP**

Budget 2019

Not much cheer for metals industry

SATYA SONTANAM

The metal industry's expectations from the Budget had included a reduction in customs duties on raw materials, and an increase in those on finished products.

This was meant to make their products competitive against imports. The lack of such measures in the Budget disappointed the industry.

Steel: A few sops

The domestic steel industry is in a flux amidst the turmoil in global metals trade, reduced exports, softening prices, slowdown in the auto and infrastructure segments, and substantial debt in the balance-sheets of bigger players due to the acquisition of insolvent steel companies under the Insolvency and Bankruptcy Code (IBC).

The industry had hoped the Budget would bring in an import duty cut on its key raw material, coking coal, from about 5 per cent to nil. Indian steel companies imports most of their coking coal requirement since it is not available locally.

Also, the industry had sought an increase in the import duties on finished products to 12.5 per cent from the current 7.5-10 per cent. It has been concerned about increasing imports, especially after the tariff imposition by the US.

The import of steel at lower prices is making domestically manufactured steel less competitive.

Though the Budget did make a few announcements for the industry, such as a decrease in import duties on the raw materials used in electric steel and a rise in duty on semi-finished steel products, the changes will not benefit key players in a large way.

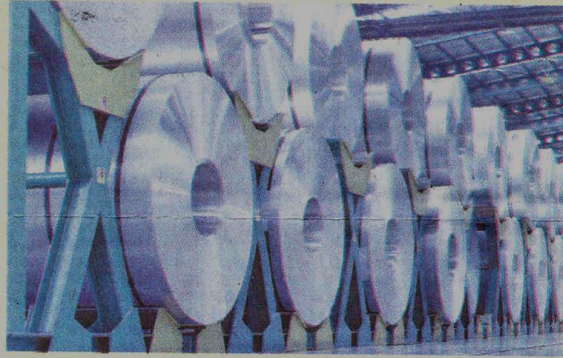
Electric steel, used in power transformers, is a very niche segment with only a few players and with limited production.

Similarly, semi-finished products account for only 8 per cent of the total steel imports. Its significant imports are flat products (65 per cent) followed by long products (13 per cent).

Thus, the customs duty benefits extended by the Budget to the steel industry are not far-reaching.

However, the boost for the affordable housing segment, and a proposed investment of ₹100-lakh crore in infrastructure in the next five years, are expected to give a leg-up to the sector indirectly.

Base metals: No change



ISTOCK.COM/JJAZZIRT

In the aluminium industry, the scrap dealers (small players who import scrap, recycle and convert it into finished products) had anticipated a removal of import duties amid the rising cost of scrap globally.

However, the larger players had requested an increase in customs duties on scrap imports as the demand for aluminium is being met increasingly by recycled products.

Secondary aluminium retains the quality of the primary metal even after recycling and is available at a discounted price. This is reducing the demand for the products of the primary players in the country.

Meanwhile, the domestic copper industry, which is reeling under a supply pressure due to the shutdown of the Sterlite copper plant in Tamil Nadu (which was contributing nearly 40 per cent of the country's output), had fervently hoped for a reduction of customs duty on copper ore imports.

Almost all the domestic copper players import the ore from countries such as Sri Lanka, Bhutan and Nepal, and process it into metal.

Copper ore imports from non-FTA (free trade agreement) countries attract a duty of 7.5 per cent while those from FTA countries are duty-free.

But, much to the dismay of the metal industries, no sops were announced. The Budget maintained the status quo for the industry.

Gold loses sheen with strong US jobs data

Back home, rise in import duty lets gold futures spike

GURUMURTHY K

It was another volatile week for gold. Global spot gold prices surged 2 per cent intraweek to reach a high of \$1,437 per ounce. But the yellow metal failed to sustain the momentum and reversed lower. The down move gained pace on Friday after the release of US jobs data.

The US added 224,000 jobs in June, much higher than the market expectation for an increase of 165,000 jobs in the non-farm payroll. The strong job numbers dashed the hopes for a rate cut from the US Federal Reserve this month. As a result, gold, which had surged above the psychological mark of \$1,400, witnessed a sharp fall on profit booking.

Budget impact

On the domestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) spiked on Friday following the announcement of an increase in import

duty. Finance Minister Nirmala Sitharaman said the import duties on precious metals will be increased to 12.5 per cent from the current 10 per cent.

The MCX-Gold and MCX-Silver futures contract spiked over 2 per cent each intraday following this announcement on Friday to make a high of ₹35,100 per 10 gm and ₹38,075 per kg, respectively. However, the prices reversed lower from the day's high after the global prices ran into a sharp sell-off in the evening after the US jobs data release. MCX-Gold closed the day at ₹34,583 per 10 gm, up 1.1 per cent. The MCX-Silver futures contract closed marginally lower by 0.4 per cent for the week at ₹37,316 per kg.

Dollar surges

The US dollar index got a boost from the jobs data on Friday. The index surged, breaking above 97 on Friday and closing at 97.28, up 1.2 per cent for the week. The near-term outlook is positive. Support for the index is in the 96.90-96.80 region. A rise to 97.80-98 is possible in the coming days, which can con-

tinue to keep gold prices subdued. However, the dollar index has to breach 98 to gain fresh momentum and extend its upmove. A pull-back from 98 may take the index lower to 97 and 96 again, in which case gold prices can reverse higher in the coming weeks.

Gold outlook

The fall in the past week from the high of \$1,437 indicates a



ISTOCK.COM/STOCKYME

double top formation on the daily chart of global spot gold (\$1,399 per ounce) prices. The neckline support of this pattern is poised at \$1,380, which can be tested in the coming days while gold remains below \$1,410. A strong break below \$1,380 will confirm the double top reversal pattern and drag gold lower to \$1,370 or even \$1,360. The level of \$1,360 is a strong support and a further fall below \$1,360 looks unlikely at the moment. On the other hand, if gold manages to sustain above \$1,380 and reverses higher, it can move up to \$1,400 and \$1,410 levels again. In such a scenario, a sideways move between \$1,380 and \$1,440 can be seen for some time.

The outlook for the MCX-Gold (₹34,583 per 10 gm) remains bullish from a medium-term perspective. However, the short-term view looks mixed. The contract can oscillate in a broad range of ₹33,500 to ₹35,000 for some time. An eventual break above ₹35,000 will see the contract surging to ₹36,000 or even higher levels. The bullish outlook will get

negated if the contract declines decisively below ₹33,500. In such a scenario, a corrective fall to ₹32,500 is possible.

Silver outlook

Global spot silver (\$14.99 per ounce) has a cluster of supports between \$14.80 and \$14.70, which can be tested in the near term. Whether silver manages to reverse higher from there or not will decide the next move. A bounce from the \$14.80-14.70 support zone can take silver higher to \$15.10 and \$15.20. But a break below \$14.70 can drag it to \$14.50 and \$14.40.

The outlook for MCX-Silver (₹37,316 per kg) is mixed. It can remain in a broad range between ₹36,000 and ₹38,000. It is now poised around the mid-point of this range and has equal chances of either move up towards ₹38,000, the upper end of the range, or fall to ₹36,000, the lower end. A breakout on either side of ₹36,000 or ₹38,000 will decide the direction of the next move.

(The writer is a Chief Research Analyst at Kshitij Consultancy Services)



MCX-Gold

Supports
₹33,500, ₹32,500
Resistances
₹35,000, ₹36,000

MCX-Silver

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

'NMDC fixed over-ambitious iron-ore production targets'

OUR BUREAU

New Delhi, July 8

The Comptroller and Auditor General (CAG) of India has reported that NMDC Ltd had fixed over-ambitious targets for production of iron ore. In its report on the operational performance of NMDC Ltd, CAG said the 75 million tonnes per annum (mtpa) production target by 2018-19 and 100 mtpa by 2021-22 were fixed without giving due cognisance to the adverse findings of the consultant appointed for the purpose.

These targets were also set without taking into consideration the declining trend in domestic and international prices of iron ore, the CAG said. These targets were subsequently reduced to 50 mtpa by 2018-19 and 67 mtpa by 2021-22. Despite the lower targets, "The enabling action of setting up various projects



Production targets were set without considering the decline in domestic and international prices of iron ore, the CAG said

and infrastructure facilities to achieve the targeted production capacity were not in sync with the envisaged timelines," the CAG noted.

CAG also red-flagged delays in environmental clearances and rapped the company for undertaking risky investments. "The company needs to factor in market trends while fixing targets in its periodic plans, so that the set targets are realistic and achievable...The company needs to

conduct proper due diligence and pay due cognisance to risk factors before embarking on national and international investment ventures," the CAG recommended.

"The company needs to strengthen its project execution mechanism/ strategy to avoid delays in implementation of projects/ construction works and to avoid time and cost overruns so that the envisaged benefits are realised," the CAG added.

‘Hike in gold import duty part of policy to curb non-essential imports’

■ Business Bureau

THE decision to raise customs duty on gold is a part of the Government's stated policy to curb imports of non-essential items, and enforcement agencies will deal with the problem of smuggling, a top official said.

Revenue Secretary Ajay Bhushan Pandey said that economic decisions are based on the overall economic realities and not on the basis of whether somebody's intent to misuse it.

He was replying to a question on concerns being raised by certain quarters that the hike in gold import duty to 12.5 per cent from 10 per cent could lead to problems like smuggling.

"It is the stated policy of the Government to reduce non-essential imports, because we should not be using our foreign exchange for non-essential imports; and gold is definitely one category where importing little less also will be fine, so far



as the country is concerned," he said. "So it (the decision) goes along with that policy. Whether it will encourage smuggling and other things, that is an independent problem which our enforcement agencies will deal with," he added.

Pandey said that just because some problem may arise, and "we do not curb these non-essential imports; that also is not a very sound economic policy".

He said that if one goes by the argument that increase in customs duty on gold to 12.5 per cent would result in smuggling, then the earlier 10 per cent duty

or any tax on the yellow metal was also not justified.

"The question is how far those arguments are valid," he added.

The gems and jewellery industry has expressed disappointment with the Union Budget 2019-20, saying the increase in customs duty will negatively impact the sector, encourage grey market and make jewellery more expensive in the domestic market.

All India Gem And Jewellery Domestic Council Chairman N Anantha Padmanaban has stated that the increase in customs duty and goods and services tax (GST) will hike the prices by 15.5 per cent, which will benefit the grey market. India is one of the largest gold importers in the world and the imports mainly take care of demand from the jewellery sector. Gems and jewellery exports declined 5.32 per cent to USD 30.96 billion in 2018-19.

The country's gold imports dipped about 3 per cent in value terms to USD 32.8 billion.

ईरान ने डील तोड़ी, यूरेनियम संवर्धन 4.5% के पार

एजेंसी | तेहरान

ईरान 2015 की एटमी डील को तोड़ने की दिशा में आगे बढ़ गया है। स्थानीय मीडिया के अनुसार, उसने समझौते में यूरेनियम संवर्धन की तय सीमा को तोड़ दिया और इसका यूरेनियम संवर्धन 4.5% के पार पहुंच गया।

2015 में यूएन सुरक्षा परिषद के स्थायी सदस्यों (पी5), जर्मनी और ईयू के साथ ईरान की डील हुई थी जिसके तहत यूरेनियम संवर्धन की सीमा 3.67% तय की गई थी। तेहरान ने यह सीमा ऐसे वक्त में तोड़ी है जब उसने करार बचाने के लिए 60 दिन का समय दिया है।

ट्रंप बोले- ईरान सावधान रहे

अमेरिकी राष्ट्रपति डोनाल्ड ट्रंप ने ईरान को इस मुद्दे पर आगाह किया है। उन्होंने नकहा, 'बेहतर होगा कि ईरान सावधान रहे, यह सही नहीं है।' इससे पहले विदेश मंत्री माइक ने कहा था कि ईरान को और सख्त प्रतिबंधों का सामना करना पड़ेगा।

SAIL makes 'triple' offer on divestment of 3 units

Mine lease, 3,155 acres part of package

INDRANI DUTTA
KOLKATA

The Steel Authority of India (SAIL) is offering lease of a limestone mine, forest clearance till 2030 and 3,155 acres as part of the strategic divestment programme for three of its special steel plants whose losses totalled ₹375 crore in 2018-19.

The plants on offer are Alloy Steel Plant (ASP) in Durgapur, Salem Steel Plant (SSP) in Tamil Nadu and Visvesvaraya Iron and Steel Plant (VISP) in Karnataka. Global bids for expression of interest in these units were floated last week. Debts of these three units will remain with SAIL. According to the Department of Investment and Public Asset Management (DIPAM), these units

would be transferred on a going concern basis.

VISP, based in Bhadravati, brings to a prospective investor 847.3 acres on perpetual lease and 636.8 acres of township land on a leave licence basis for five years at market rates.

Agreements for shared services may also be signed as part of the transaction, which includes transfer (with the State government's approval) of a limestone mine in Bhadravati.

An iron ore mining lease in Bellary would also be on offer if SAIL receives the lease before the divestment. Forest clearances till 2030 also come with the package. Many of VISP's steel-making units are shut down due to lack of orders.

BUSINESS LINE DATE : 11/7/2019 P.N.15

21 States have framed rules to curb illegal mining: Minister

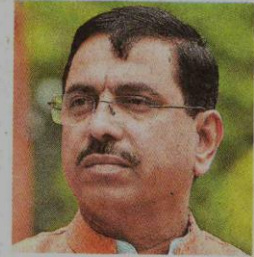
PRESS TRUST OF INDIA

New Delhi, July 10

Twenty one States, including mineral-rich Jharkhand and West Bengal, have framed rules to check illegal mining, Parliament was informed on Wednesday.

"As per information provided by the Indian Bureau of Mines, 21 State governments... have framed rules to curb illegal mining under Section 23C of the MMDR Act, 1957," Coal and Mines Minister Pralhad Joshi said in a written reply in the Lok Sabha.

State governments, he said, are empowered to make rules for the preven-



Coal and Mines Minister Pralhad Joshi

tion of illegal mining, transportation and storage of major and minor minerals, the Minister said.

In fiscal 2018-19, there were 1.1 lakh cases of illegal mining for both major and minor minerals.

BUSINESS LINE DATE : 11/7/2019 P.N.15

Singareni Collieries starts work at Naini coal block in Odisha

The block has a reserves of 34 crore tonnes of coal

OUR BUREAU

Hyderabad, July 10

Singareni Collieries Company Ltd (SCCL) has initiated steps to commence work on the Naini coal block in Odisha, which is known to have reserves of 34 crore tonnes of coal.

It plans to produce about 100 lakh tonnes per annum.

N Sridhar, Chairman and Managing Director of SCCL, met Odisha Chief Minister Naveen

Patnaik and State Chief Secretary Aditya Prasad Padhi on Wednesday at Bhubaneswar to discuss the modalities relating to the Naini coal block. The Ministry of Coal had allotted the block located in Angul district in Odisha to Singareni and requested the State government to provide full co-operation in issues relating to forest, transfer of revenue land, rehabilitation and railway lines.

The CMD explained that out of the 912.79 hectares required for the mine, 783.27 hectares of forest land along with 129.52 hectares belonging to 6 villages is available and only 14 families need to

be rehabilitated. He requested co-operation and permissions for the land acquisition, along with the extension of the railway lines from other coal blocks up to Naini coal block. The Chief Secretary responded to this request positively.

Boost in output

The Naini coal block has reserves of 34 crore tonnes. The mining operations at the block will boost the Singareni output. The mining company is making plans for the production of 1 crore tonnes (10 million) coal production every year from the 34 lakh

tonnes (340 million) of coal reserves. The company has begun drilling work and it is engaging two drilling machines in the area. It has been decided that all permissions from the Forest Department are to be obtained by March 2020 and coal production is to start by February 2021. The company is planning to speed up the process and start production ahead of schedule.

The SCCL management contributed ₹1 crore to the Chief Minister's Relief Fund as assistance to the recent floods in Odisha. It had sent rescue and medical teams during the floods.

Odisha responds positively to SCCL on mining at Naini coal block

CMD N. Sridhar meets Chief Minister Naveen Patnaik; seeks cooperation on issues relating to forest, transfer of revenue lands, rehabilitation and railway lines

SPECIAL CORRESPONDENT
HYDERABAD

Odisha Chief Minister Naveen Patnaik and Chief Secretary Aditya Prasad Padhi have responded positively to the request of Singareni Collieries Company officials for the State's cooperation for land acquisition and other permissions required for the mining at 'Naini' coal block.

SCCL Chairman and Managing Director N. Sridhar met the Chief Minister Naveen Patnaik and his Chief Secretary at Bhubhaneshwar on Wednesday.

Mr. Sridhar explained to them that the Ministry of Coal allotted the Block situated at Angul district in Odisha to Singareni and requested the State government for its cooperation on issues relating to forest, transfer of revenue lands, rehabilitation and railway lines.

Of the 912.79 hectares of land required for the mine,

783.27 hectares are of forest land along with 129.52 hectares of land belonging to six villages and only 14 families needed to be rehabilitated, he said and sought permission for the land acquisition.

Mr. Sridhar also requested the railway lines erected for other coal blocks be extended up to Naini coal block.

Naini Coal block which was scheduled to start next year would be a boon for the Singareni company which is making plans for production of 10 million tonnes of coal production every year from the 340 million tonnes of coal reserves.

Drilling has been taken up with two drills in the coal block area. All permissions with the help of the government and permissions from the Forest Department are expected to be obtained by March 2020 and coal production is to start by February 2021. Company is, ho-



N. Sridhar

wever, planning to speed up the process and start production before time.

Mr. Vijaya Rao, General Manager, has been appointed as the supervising official for this mine and the progress is monitored every month. Social welfare activities have been taken up in the coal block affected villages like Thalipasi, Kudapasi, Kasidiha, Dourakhaman, Bheem Bhadrapur, Tentu-

loyi and Gopinadhpur.

Out of six villages, only 14 families from Thalipasi village would have to be rehabilitated and the company is taking necessary steps. Free driving and tailoring activities have already been taken up for the youth of nearby villages and clean water bores and water tankers are being provided, according to a release.

The Singareni CMD handed over a cheque of ₹1 crore to Odisha Chief Minister Naveen Patnaik for the CM's Relief Fund to provide assistance in the areas affected by the recent heavy rains and floods. The SCCL had also sent rescue and medical teams which had provided services for 20 days. Mr. Patnaik thanked the Singareni for the gesture.

Along with CMD Sridhar, Advisor (Mining) D.N. Prasad, GM (Naini) Vijaya Rao and other officials met the Odisha Chief Minister.

Process simplified for e-auction

SCCL has already sold 10.7 m tonnes through e-auction

SPECIAL CORRESPONDENT
HYDERABAD

Singareni Collieries Company Ltd (SSCL) on Tuesday conducted an awareness meet on supply (sale) of coal through e-auction system to industries other than power generation.

Representatives of cement, paper, captive power plants, fertilizers, pharmaceutical and medical industries from Telangana, Andhra Pradesh and Karnataka attended the meeting.

Details of procedure

Executive Director (Coal Movement) J. Allwyn, General Manager (Corporate Quality) Venkateswar Reddy, AGM (Marketing) N.V.K. Srinivas, DGM (Coal Sales) N.V. Ra-

 **1.44 million tonnes of coal placed for e-auction from July 16.**

ANTHONY RAJA,
General Manager (Marketing).

jashekar Rao and DGM T. Srinivas explained the details of the e-auction. General Manager (Marketing) Anthony Raja explained that 10.7 million tonnes of coal was sold to 150 industries through e-auction system already and another 1.44 million tonnes of coal was being placed for e-auction from July 16. He stated that the industries other than power generation were required to take permissions from New Delhi to buy coal from Singareni earlier and it was very slow and

tedious process consuming time even to know whether the coal required was allotted or not.

Process abolished

However, the Ministry of Coal had abolished the process and had given an opportunity to such industries to procure coal through e-auction.

Further, he said MSTC, a public sector e-commerce company, was given the responsibility to conduct the e-auction.

He explained that as soon as MSTC announces the availability of coal through e-auction based on the stock available with the coal producing company, the prospective customers would

have the opportunity to acquire the coal within the stipulated time.

The process of participating in the e-auction and quoting a price was explained by the officials of SCCL and MSTC.

Doubts clarified

They also clarified doubts raised by the representatives of non-power generation industries. Representatives from companies such as ITC, Nava Bharat, Sirpur Paper Mills, Doctor Reddy's Labs, Divis Laboratories, Kesoram Cements, Ultratech Cements, My Home, Bhavya Constructions, Rain Cements and 29 others companies participated in the meet.

UP Illegal Sand Mining: CBI Files 2 New Cases, Searches 12 Locations

Our Political Bureau

New Delhi: The Central Bureau of Investigation has registered two fresh and separate cases in connection with an alleged illegal sand mining in Uttar Pradesh and conducted searches at twelve locations in

eight cities/districts of Uttar Pradesh. The first case has been registered on charges of criminal conspiracy, cheating and under the Prevention of Corruption Act against Abhay Singh, the then District Magistrate, Fatehpur (Uttar Pradesh) and six others including Gayathri Prajapati, the then Mining Minister; three public servants during Akhilesh Yadav's term as Uttar Pradesh's Chief Minister.

Abhay Singh is currently the district magistrate of Bulandshahr.

The case has also been registered against two private persons and unknown public servants & other unknown persons. The CBI earlier had



conducted a preliminary enquiry on the orders of Allahabad High Court. It was alleged that the then District Magistrate, Fatehpur and the then Mining Minister of U.P. Govt and other public servants entered into a conspiracy with private persons and renewed three sand mining lease in favour of two private persons, both residents of Fatehpur (U.P.).

It was further alleged that the then DM, Fatehpur fraudulently executed deeds in compliance of illegal orders of renewal of three sand mining leases in favour of the

said private persons. These sand mining leases were allegedly renewed in violation of orders of U.P. government wherein it was clearly directed that all such leases should be granted through e-tendering process. The other case has been registered on charges of criminal conspiracy, cheating, forgery and under the Prevention of Corruption Act against Vivek, the then District Magistrate, Deoria, UP and eight others including the then Additional District Magistrate, Deoria (U.P.); three public servants; four private persons and other unknown public servants & private persons.

Earlier, a PE was registered on the orders of Allahabad High Court. It was alleged that the then District Magistrate, Deoria (UP) along with other officials of his office and private persons entered into conspiracy and fraudulently approved renewal of two sand mining leases in favour of two private persons, both residents of Deoria.

It was further alleged that the then Mining Inspector, Deoria abused his official position and misappropriated MM-11 forms meant for transportation of minor minerals.

Jewellery Tourism May Shift From India to Other Countries, say Traders

Sutanuka.Ghosal@timesgroup.com

Kolkata: A budget proposal to impose higher import duty on gold may see jewellery tourism shifting from India to member states of the Gulf Cooperation Council, and Singapore, Malaysia and Sri Lanka, gold traders and jewellers said.

Jewellery tourism refers to a phenomenon where visitors come to India to buy gold jewellery.

Finance minister Nirmala Sitharaman proposed an increase in customs duty to 12.5% from 10%. After the hike, the total tax on gold comes to around 15.5%, including GST of 3%.

"Tourists who come to India to buy gold jewellery will now look at other countries where they will get it at a lesser rate. Also, they will get a refund on Value Added Tax in these countries. In India, there is no provision to refund GST on gold purchased by foreign tourists," Saurabh Gadgil, chairman and managing director, PNG

Jewellers, and director of the India Bullion and Jewellers' Association told ET.

For organised jewellery makers with a presence in overseas markets, the situation is mixed.

"The additional import duty will hurt the domestic gold and jewellery market and promote illegal gold business,



which is detrimental to the Indian economy," said Shamlal Ahamed, managing director, international operations at Malabar Gold and Diamonds.

Neighbouring jewellery markets will stand to gain, he said.

"The price advantage of 10%-12.5%, along with VAT refunds for tourists, will definitely lead to GCC, Singapore, Malaysia and Sri Lanka benefiting from jewellery tourism," he said. The GCC members include the UAE, Bahrain, Qatar, Kuwait, Oman and Saudi Arabia.

Gold prices are currently trading below ₹34,500 per 10 gm at the MCX futures ex-

change, correcting from a life-time high of ₹35,100 after the hike in import duty. Indians may offload household gold to take advantage of the higher prices, analysts said.

"The sluggish retail demand may keep India gold prices under pressure, in addition to rise in import cost, which will limit new gold buying. We can expect a rise in scrap gold and household gold supply as a few may take advantage of higher gold prices by selling in the spot market," said Tapan Patel, senior analyst (commodities) at HDFC Securities.

Gold has seen limited upside in India as a stronger rupee and weak physical demand kept a lid on prices, but they are likely to trade in the upper band as international spot gold prices firm up.

"We expect prices to trade in the upper range to \$1,360-\$1,440 per troy ounce in the near term on slower economic growth and rise of central bank easing. A possible rate cut from the US Federal Reserve will have strong upside on gold prices, with resistance (levels) at \$1,480/\$1,520," Patel said.

उत्तर प्रदेशातील खाण घोटाळा : माजी मंत्री गायत्री प्रजापती आरोपी सीबीआयने दाखल केले आणखी दोन गुन्हे

लोकमत न्यूज नेटवर्क

नवी दिल्ली : उत्तर प्रदेशातील खाण घोटाळ्यात केंद्रीय गुप्तचर खात्याने (सीबीआय) दोन नवे गुन्हे दाखल केले असून, त्यात चार भारतीय प्रशासन सेवेतील (आयएएस) अधिकारी आणि माजी मंत्री गायत्री प्रजापती यांचे आरोपी म्हणून नाव आहे. याचप्रकरणी सीबीआयने राज्यात १२ ठिकाणी छापे घातले आहेत, असे बुधवारी अधिकाऱ्यांनी सांगितले. सीबीआयने दाखल केलेल्या गुन्ह्यात समाजवादी पक्षाच्या सरकारमध्ये तेव्हा मंत्री असलेले प्रजापती, तत्कालीन प्रधान सचिव जिवेश नंदन, विशेष सचिव संतोष कुमार, तत्कालीन

नूतनीकरणासाठी कारस्थान

◆ दुसऱ्या एका प्रकरणात सीबीआयने विवेक यांची देवरियात जिल्हादंडाधिकारी म्हणून नियुक्ती असताना शारदा यादव यांच्या कराराचे नूतनीकरण करून दिले, असा आरोप केला आहे.

जिल्हादंडाधिकारी अभय आणि विवेक यांची नावे आहेत.

उत्तर प्रदेश सरकारने ३१ मे २०१२ रोजी वाळू खाणीसाठी नव्याने करार करणे आणि आधीच्या कराराचे नूतनीकरण करण्यासाठी ई-टेंडरिंग बंधनकारक केले होते व ते अलाहाबाद उच्च न्यायालयाने २९ जानेवारी २०१३ रोजी योग्य ठरवले होते.

प्रजापती यांचा संबंध असलेल्या प्रकरणात सीबीआयने असा आरोप केला आहे की, शिव सिंह आणि सुखराज या लाभार्थींनी मंत्र्यांच्या स्थानाचा प्रभाव वापरून कराराचे नूतनीकरण करून घेतले. नंदन कुमार आणि फतेहपूरच्या तत्कालीन जिल्हादंडाधिकाऱ्यांनी सुखराज प्रकरणात २०१४ मध्ये कराराचे

◆ अलाहाबाद उच्च न्यायालयाने शारदा यादव यांनी कराराच्या नूतनीकरणासाठी केलेली याचिका ५ एप्रिल, २०१३ रोजी फेटाळली होती; परंतु याच यादव यांनी विवेक आणि इतर अधिकाऱ्यांसोबत कटकारस्थान करून दुसऱ्याच दिवशी कराराचे नूतनीकरण करून घेतले, असा सीबीआयचा आरोप आहे.

नूतनीकरण करून घेण्यासाठी मंत्र्यांसोबत हातमिळवणी केली, तर २०१२ मध्ये शिव सिंह यांनी त्यांच्या कराराचे नूतनीकरण करून घेतले होते, असा सीबीआयचा आरोप आहे. राज्य सरकारच्या ई-टेंडरिंग धोरणाचे उल्लंघन करून या करारांचे नूतनीकरण करून घेण्यात आल्याचे सीबीआयचे म्हणणे आहे.

UP mining case: CBI books SP ex-mantri, 4 IAS officers

Rohan Dua & Pathikrit Chakraborty

Lucknow: The CBI probe into the 2013-17 UP mining lease renewal controversy widened after the agency on Wednesday registered two separate cases of criminal conspiracy, forgery and corruption against four IAS officers and Gayatri Prajapati, a minister under the Samajwadi Party government.

The CBI probe had begun on the directions of Allahabad high court over the irregularities in e-tendering procedures, renewal of existing leases and fresh leases during 2012-17.

According to one FIR, the then UP principal secretary (geology and mining) Jiresh Nandan, a 1985-batch IAS officer; then special secretary (geology and mining) Santosh Kumar (1995-batch IAS) and then Fatehpur district magistrate Abhay Singh (2007-batch IAS), had allegedly colluded with Prajapati to favour two businessmen by granting licence to mine land in 2014 despite several objections on pending dues and environmental clearances between 2010-12. Both businessmen — Shiv Singh and Sukhraj — belong to Fatehpur.

While Shiv Singh had Rs 6.2 lakh in government dues outstanding against him following his renewal application in 2009 March and a curt reply of "not maintainable" by then Fatehpur DM in 2010, the next DM Abhay Singh allegedly over-

turned the decision in 2012 and granted him licence to carry on mining in 100-acre land in Korra-kanak village of Fatehpur on January 10, 2014, for a three-year period, the CBI has alleged.

Similarly, Abhay also allegedly overturned the February 2014 decision of the principal secretary (geology and mining) Chandra Prakash to not issue state mining lease to another businessman Sukhraj for 90-acre land in village Korakkana in Fatehpur. Abhay, allegedly, colluded with Prajapati to order renewal for a three-year period.

The CBI has said that Abhay Singh also renewed Sukhraj's second mining site in village Guruwal in Fatehpur. The CBI on Wednesday said that it has recovered Rs 45 lakh from Abhay, a charge which he denied.

In the second FIR, the CBI has found that then DM Fatehpur Dr Vivek (2009-batch IAS) had allegedly renewed licences for two businessmen Phool Badan Nishad and Sharda Yadav despite objections by the Allahabad high court.

Full report in www.toi.in

CBI books Prajapati, 4 IAS officers in mining scam

NEW DELHI, July 10 (PTI)

THE Central Bureau of Investigation (CBI) has registered two fresh cases in Uttar Pradesh mining scam naming four IAS officers and former minister Gayatri Prajapati as accused and carried out searches at 12 locations in the State, officials said on Wednesday.

The agency's FIR names Prajapati, a former minister in the Samajwadi Party Government, and then Principal Secretary Jiresh Nandan, Special Secretary Santosh Kumar, then District Magistrates Abhay and Vivek, they said.

The Uttar Pradesh Government had mandated e-tendering for renewal and award of fresh lease for sand mining in the State on May 31, 2012, which was upheld

CBI also carried out searches at 12 locations in Uttar Pradesh

by the Allahabad High Court on January 29, 2013.

In the case involving Prajapati, the agency has alleged that beneficiaries Shiv Singh and Sukhraj used the influence of the Minister to get their lease renewed.

The agency has alleged that Nanadan Kumar and then District Magistrate of Fatehpur Abhay allegedly conspired with the minister to get the lease renewed in the matter of Sukhraj in 2014 while Singh managed to get his lease renewed in 2012. The lease were allegedly renewed in violation of e-tendering policy of the State Government.

(Contd on page 6)

CBI books Prajapati, four IAS officers....

In the second case, the agency has alleged that Vivek while posted as the DM in Deoria allowed renewal of lease of one Sharda Yadav. Yadav, whose petition for renewal of lease was dismissed by the Allahabad High Court on April 5, 2013, managed to get it renewed next day in conspiracy with Vivek and other officials of the district, the CBI alleged.

The agency teams descended at 12 locations in the State, including in the premises of 2007-batch IAS officer Abhay, presently the District Magistrate of Bulandshahr, and 2009-batch IAS officer Vivek, the mission director of Uttar Pradesh Skill Development Mission to carry out

searches after registering the FIRs, they said.

The searches are spread at 12 locations including Bulandshahr, Lucknow, Fatehpur, Azamgarh, Allahabad, Noida, Gorakhpur, Deoria among others.

The officials said cash of around Rs 47 lakh was recovered from the premises of Abhay while around Rs 10 lakh was recovered from the residence of Devi Sharan Upadhyay, the then ADM of Deoria.

Upadhyay is presently posted as the CDO in Azamgarh, which was also searched.

The agency also seized some documents related to properties from the premises of Vivek.

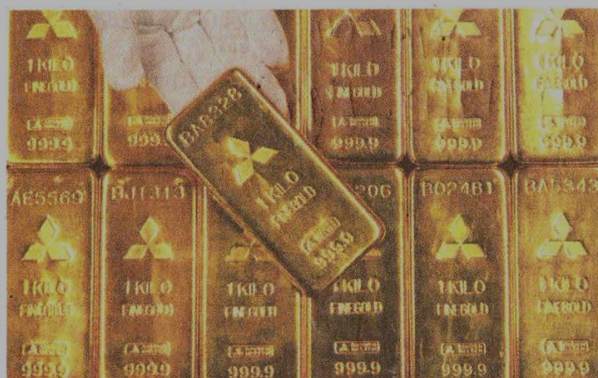
'Global gold demand may fall 2.4%'

World Gold Council cites Centre's decision to raise duty on yellow metal

SPECIAL CORRESPONDENT
MUMBAI

The government's decision to increase duties on gold could result in 2.4% decline in the global demand for the precious metal in 2019, while the long-term demand in the Indian market could fall by around 1% every year if the duty becomes permanent, according to the World Gold Council (WGC).

"... we estimate that the recent announcement of a 2.5% increase to gold's import duty by the Indian Ministry of Finance may result in a reduction in 2019 demand of approximately 2.4%. And that, if the higher levy were to become permanent, it could reduce long-term Indian consumer demand by slightly less than 1% per year," stated a report by



Reforms being implemented in India and China are likely to support long-term gold demand, says WGC. ■ REUTERS

the global organisation.

While presenting the Budget on July 5, Finance Minister Nirmala Sitharaman proposed increasing the customs duty on gold and other precious metals from 10% to 12.5%.

Incidentally, the All-India

Gem and Jewellery Domestic Council had sought a reduction in import duty on gold, in its pre-budget recommendations submitted to the Finance Ministry.

Meanwhile, WGC is of the view that broad structural economic reforms that are

being implemented in both India and China are likely to support long-term demand for gold. The global body also expects central bank gold demand, led by emerging markets, to remain positive in the near future.

Overall demand 'robust'

"For the rest of the year, we believe that consumer demand may be soft and speculative activity could amplify price movements but, overall, it is likely that investment demand will remain robust and central banks will continue their net purchasing trend," added the report.

According to WGC, over the next 6-12 months, financial market uncertainty and accommodative monetary policy are likely to support gold investment demand.

Vedanta eyes 70 pc topline growth

MUMBAI, July 11 (PTI)

RESOURCES major Vedanta is expecting 60-70 percent revenue growth over next three years when its Rs 55,000-crore capex programme gets completed, according to a top company official.



Navin Agarwal

The company has completed a Rs 10,000 capital expenditure in the just concluded year.

"We had a strong year of performance. We have a capex programme of Rs 55,000 crore for the next three years. Of this, Rs 25,000

crore are for base metal (primarily zinc) expansion, Rs 20,000 crore will be spent in the oil and gas sector and the remaining Rs 10,000 crore in aluminium. "As we complete this capex programme we expect our revenue to grow 60-70 percent from where we are currently and once this capex is over, we expect our volumes to grow by 50 percent," Chairman Navin Agarwal told reporters on the sidelines of the 54th annual general meeting.

He said majority of the capex funds will be met through internal accruals and the company will go for any external debt for this. Whether they are planning any production cuts due to the falling commodity prices, he said, "Commodity prices will go up and down. We follow a very strict capital allocation policy which is based on very conservative commodity price forecast and our minimum hurdle rate, which is a 20 percent return on investment. And due to this, we don't see any risks."

He said following this expansion and the projected growth plans, Vedanta will be the largest zinc producer and one among the top three silver producers globally. The company commissioned the Gamsberg mining complex in South Africa earlier this year, he said.

Vedanta plans to invest ₹55,000 cr. to up output

Eyes world's 'largest zinc producer' tag

SPECIAL CORRESPONDENT
MUMBAI

Diversified resources major Vedanta Ltd. plans to spend as much as ₹55,000 crore (\$8 billion) in the medium term to boost output across its businesses, chairman Navin Agarwal informed the shareholders.

Addressing the company's 54th annual general meeting (AGM) on Thursday, he said the company planned to invest ₹25,000 crore in the zinc business, ₹20,000 crore in oil and gas, and ₹10,000 crore in the aluminium business over the next three years.

"Looking at the medium term, our plans include a total capital investment of ₹55,000 crore to increase production by about 50% across our businesses which we expect to fund from internal cash flows," said Mr. Agarwal.

On the energy business, Mr. Agarwal said, "India currently imports around 80%

of its oil and gas requirements, amounting to \$150 billion. As India's largest private sector oil and gas producer, the company aims to double its current contribution of 27% of the nation's production.

"The company is now, also, the largest private acreage holder in the country with the acquisition of 53 new blocks under the new licensing policy."

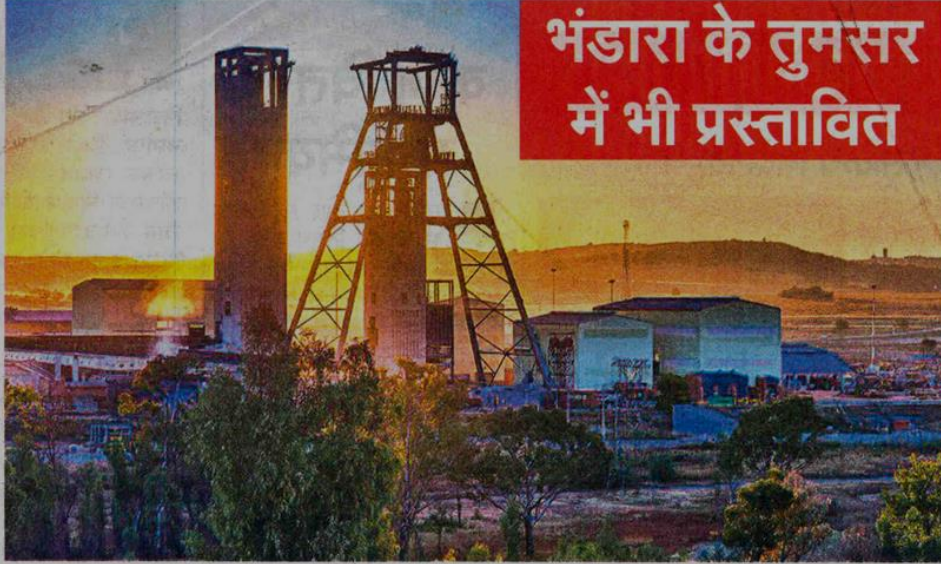
One of India's largest aluminium producers, Vedanta plans to enhance production capacity by 50% to produce three million tonnes of integrated aluminium.

"Our growth plans will see us become the world's largest zinc producers and one among the top three silver producers globally.

"We successfully built and commissioned the Gamsberg mining complex in South Africa, this year, which is the world's largest undeveloped zinc deposit," said Mr. Agarwal.

रामटेक में बनेगा माइनिंग क्लस्टर

300
एकड़ जमीन
लेने की
प्रक्रिया शुरू



**भंडारा के तुमसर
में भी प्रस्तावित**

25
करोड़ का
आरंभिक निवेश

उन्होंने बताया कि पहले चरण में बुनियादी विकास के लिए एमएसएमसी 20 से 25 करोड़ रुपये का निवेश करेगी. एमएसएमसी ने इसके लिए राशि का प्रावधान भी कर लिया है. प्रोजेक्ट के आने से एमएसएमसी को वर्ष में ही करोड़ों रुपये की आय सुनिश्चित हो जाएगी. सबसे बड़ी बात यह है कि रामटेक के लोगों को बड़े पैमाने पर रोजगार मिलेगा और स्थानीय युवा सक्षम हो सकेंगे.

MSME ने की पहल

व्यापार प्रतिनिधि

नागपुर. राज्य में खनिज नीति से हुए नुकसान की भरपाई करने के लिए महाराष्ट्र राज्य खनिज विकास निगम (एमएसएमसी) ने अपनी पहल शुरू कर दी है. इसके तहत एमएसएमसी ने खनिज संपदाओं से समृद्ध रामटेक और भंडारा में 2 माइनिंग क्लस्टर बनाने की योजना तैयार कर ली है और रामटेक में जमीन अधिग्रहण का काम भी शुरू कर दिया है. प्रोजेक्ट के आने से हजारों स्थानीय युवाओं को रोजगार के अवसर तो उपलब्ध होंगे ही, निवेश को बड़े पैमाने पर आकर्षित करने में भी मदद मिलेगी.

■ रामटेक में 300 एकड़ जमीन अधिग्रहित करने की प्रक्रिया भी आरंभ कर दी गई है. यहां पर खनिज से जुड़ी कंपनियों को कच्चे माल की प्रोसेसिंग करने के लिए जगह दी जाएगी और फिर यहां से तैयार माल को अन्य प्रदेशों में भेजने की योजना है.

■ एमएसएमसी के अध्यक्ष आशीष जायसवाल ने कहा कि यह सही है कि राज्य में पिछले 20 वर्षों से खनिज नीति नहीं बनाई गई है. इसके लिए पहल शुरू है, परंतु इस बीच एमएसएमसी को लगा कि उपलब्ध संसाधनों से विकास की राह खोली जा सकती है. अब तक विदर्भ के खनिजों के साथ न्याय नहीं हो रहा था, जिसके कारण हम पिछड़ते जा रहे थे, उसे इससे दूर किया जा सकता है. उन्होंने कहा कि राज्य में रामटेक ही एक ऐसा स्थान है, जहां पर कोयला, मैंगनीज सहित कई अन्य खनिज संपदा प्रमुख मात्रा में है. इसलिए सबसे पहले रामटेक में माइनिंग क्लस्टर बनाने की पहल की गई है.

कई कंपनियों से बातचीत जारी

अध्यक्ष ने बताया कि क्लस्टर में इकाई लगाने के लिए कई कंपनियों से बातचीत की गई है. उनकी जो भी जरूरतें थीं, उसे पहले ही जुटाने का प्रयास एमएसएमसी की ओर से किया जा रहा है. हम यह दावा से कह सकते हैं कि जमीन अधिग्रहण और बुनियादी विकास के तत्काल बाद यहां पर कंपनियां आनी शुरू हो जाएंगी.

राज्य में 8 क्लस्टर बनेंगे

उन्होंने बताया कि राज्य में रामटेक के बाद भंडारा के तुमसर और इसके बाद वणी, चंद्रपुर, यवतमाल सहित कुछ अन्य स्थानों पर क्लस्टर विकास की योजना है. जहां-जहां कच्चा माल उपलब्ध होगा, उसके समीप ही माइनिंग क्लस्टर का निर्माण एमएसएमसी की ओर से किया जाएगा.

₹4.40 यूनिट बिजली

जायसवाल ने बताया कि माइनिंग क्लस्टर में आने वाले उद्योगों को 4.40 रुपये प्रति यूनिट की दर से बिजली दी जाएगी. इसके लिए महाजनको से बात हो गई है. ऊर्जा मंत्री चंद्रशेखर बावनकुले ने हामी भर दी है. किसी भी उद्योग को संचालित करने के लिए बिजली की दर सबसे अहम है. इससे कंपनियां आकर्षित होती हैं. उस समस्या का समाधान निकाल लिया गया है. रही बात कोयले की, तो इसके लिए भी वेकोलि से बातचीत हो चुकी है और वेकोलि ने भी यहां के उद्योगों को पर्याप्त कोयला देने अपनी तैयारी दर्शाई है. जल्द ही इस संबंध में एमओयू होने की संभावना है. मायल से भी कच्चे माल की आपूर्ति के लिए बात अंतिम चरण में है. ये प्रक्रिया पूर्ण होते ही आने वाले उद्योगों की जरूरतें पूरी हो सकेंगी.



Rajasthan's mining industry is far from the modernised operation one expects it to be

TARU BAHU

When one enters a fancy resort and glides through hallways that glisten with polished marble, sandstone and granite floors, does the mind ever wander towards the countless deaths that are unofficially recorded in the stone quarrying and mining villages from where the impeccably cut and polished stone slabs are sourced?

Rajasthan attracts over 45 million tourists every year, with many undertaking road journeys across the towns of Bundi, Tonk, Jhalawar, Karauli and Bijola. Wide, four-lane, metalled roads allow smooth travel but piles of stone slabs stacked along the routes, many from illegal mining, hide the killer mines and "widow villages" they shield in the vicinity.

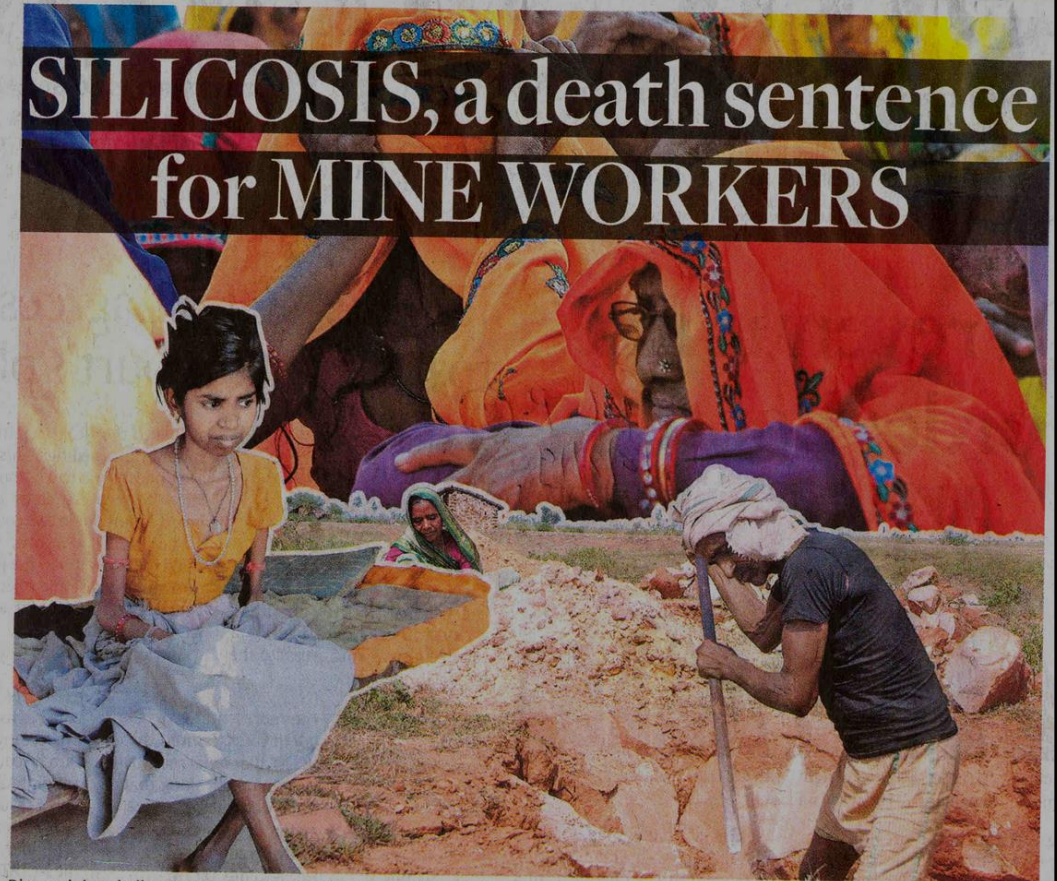
'Our fingerprints have faded'

Rajasthan prides itself on its rich reserves of minerals, with mining being second to agriculture. As many as 42 major minerals and 23 minor ones are extracted in over 35,000 mines (Department of Mines and Geology, Rajasthan, 2015) that employ roughly 2.5 million workers.

Given that mining activity generates sandstone, which is in great demand internationally, for tiles, slabs and cobbles, one would expect it to be a modernised, worker-friendly industry. However, the truth cannot be more distorted.

Bela Ram, one of 300 migrant families living in village Budhpura of Bundi district, says they moved here 20 years ago and immersed themselves in whatever work came their way in the stone quarrying mines. Their condition has remained the same if not worse.

"We work in the very same pathetic conditions as our ancestors did, carving and processing stone manually, with hammers



Diagnosis is a challenge with mine workers having trouble even finding out if they have tuberculosis or silicosis

and chisels. Our villages shift every year with movement of mining activity. We have no identity proof and cannot make a thumb impression on government documents since our fingerprints have faded. The only difference is, we now know that most of us will die by the time we are 40 because we are inhaling hazardous levels of silica, which corrodes lung tissue and re-

duces immunity to respiratory ailments like asthma, tuberculosis and silicosis, commonly known as *patharkhi bimaari*. Our forefathers were ignorant of this reality."

Silicosis is among the list of occupational diseases recognised by the Factories Act and Employees Compensation Act, which mandates employers must pay compensation to workers who are afflicted. It is an in-

curable, deadly and largely unnoticed and under-reported condition that develops over time when silica dust found in rock, sand quartz and other building materials is ingested. Diagnosis is a challenge with mine workers having trouble even finding out if they have tuberculosis or silicosis. The nodules that collect to form a mass can take up to 20 years to be identified in chest x-rays

CONTD..ON PAGE 35

BUSINESS LINE DATE : 13/7/2019 P.N.2

and the victim notices symptoms only after many years of exposure to silica.

Denial of problem

To reduce transmission of tuberculosis, last year, the Ministry of Health, identified priority groups, such as miners, who are at greater risk because of work conditions and reduced access to medical services.

State-run medical colleges set up Pneumoconiosis Board Centres to diagnose silicosis but are these measures good enough? Can TB and silicosis in mines be prevented and are mine owners adopting measures such as wet drilling and giving workers protective masks to reduce vulnerability?

The truth is, mine owners are reluctant to use these simple and inexpensive measures, instead offering lame logic, saying that wet drills slow down production and increase costs or citing the case of open-cast quarries where sand disperses and does not collect, and that NGOs are raising an unnecessary alarm. According to local NGOs working in the area, there has been complete denial among officials and mine owners.

More transparency needed

Rajasthan has no accurate data on silicosis, thanks to poor health infrastructure to diagnose the disease and regulate unchecked mining and quarrying. On the basis of a coal mining report, silicosis was first made noticeable under the Factories Act and later the Workmen Compensation Act 1923, Rajasthan Silicosis Rules, 1955 was established.

In 2012, a Rajasthan State Human Rights Commission scheme announced a compensation of ₹1 lakh to workers certified

with silicosis by government hospital boards and ₹3 lakh to families of those who died post diagnosis. It is with great difficulty and with the intervention of dedicated NGOs that those with confirmed silicosis are able to benefit from this compensation. The majority are unaware of the regulations and even for those who know, the procedure for filing compensation petition is complicated.

"Doctors deliberately treat patients for TB and avoid talking about silicosis because, if diagnosed, they have to testify in court, which is time-consuming and a nuisance" says

Sajid Ali, Coordinator for local NGO Manjari, that works with the community and has, in the last year, got at least 100 families certificates from the Pneumoconiosis Board to claim compensation.

Meanwhile, in the



In the "villages of widows" silicosis is wiping out the entire male population at an average age of 40. Often, the women too succumb to the disease, leaving behind orphaned children.

"villages of widows" entire male populations are being wiped out at an average age of 40. Their wives are often victims to the disease too, leaving behind orphaned children. In the absence of regulatory frameworks, an unhealthy and commercial ecosystem thrives.

From country liquor sold at every corner to trafficking, sexual abuse, domestic violence and unscrupulous money-lenders, the poor are further squeezed. There has to be stricter enforcement to ensure that standard operating procedures are enforced. Mine workers have a right to know their risks, protective equipment must be mandatory and companies should be liable to penalty in case of default.

The writer is a freelance journalist, based in Delhi

Allahabad Bank reports ₹1,775 crore fraud by Bhushan Power & Steel

ENS ECONOMIC BUREAU
KOLKATA, JULY 13

AFTER PUNJAB National Bank (PNB), another state-owned lender Allahabad Bank on Saturday reported fraud of over Rs 1,774 crore by Bhushan Power and Steel to the Reserve Bank of India.

Allahabad Bank, in a regulatory filing, said on the basis of forensic audit investigation findings and CBI filing an FIR against the company and its directors, alleging diversion of funds from banking system by Bhushan Power and Steel (BPSL), a fraud of Rs 1,774.82 crore has been reported by the bank to the RBI.

Last week, PNB reported a fraud worth Rs 3,805.15 crore by the bankrupt steel company by misappropriating funds and manipulating its books of accounts.

Around 85 per cent of PNB's Rs 4,399-crore exposure to the company had been siphoned off. Allahabad Bank also said it

PNB recently reported a fraud worth Rs 3,805.15 crore by BPSL by misappropriating bank funds. Around 85 per cent of PNB's Rs 4,399-crore exposure to the company had been siphoned off

has been observed that the company has misappropriated bank funds and manipulated books of accounts to raise funds from consortium lender banks.

The bank has already made provisions amounting to Rs 900.20 crore against exposure of the bank in BPSL, it said.

At present, the case is in the NCLT, which is in advance stage and the bank expects good recovery in the account. It is expected that more banks may report fraud committed by BPSL as the CBI complaint registered in April names several other lenders.

According to the CBI, BPSL diverted around Rs 2,348 crore through its directors and staff from the loan accounts of PNB (IFB New Delhi and IFB Chandigarh), Oriental Bank of

Commerce (Kolkata), IDBI Bank (Kolkata) and UCO Bank (IFB Kolkata) into the accounts of more than 200 shell companies without any obvious purpose.

The agency said that the company in doing so had misused the funds and the FIR named chairman Sanjay Singhal, vice-chairman Aarti Singhal, along with other directors as suspects.

"It was further alleged that the said company availed various loan facilities from 33 banks/financial institutions during the year 2007 to 2014 to the tune of Rs 47,204 crore (approx) and defaulted on repayments. Subsequently, lead bank PNB declared the account as NPA, followed by other banks and financial institutions," the CBI had stated. **FE**

“Oil and Mining are Likely to Attract Huge Private Investment”

NITI Aayog Vice-Chairman **Rajiv Kumar** is confident that the panel on liberalising mines, which he chairs, will ensure that the sector becomes attractive to private bidders. In a freewheeling interview to **Shantanu Nandan Sharma**, Kumar says banks will now start lending as the government and the private sector are going to be equal partners in public-private partnership (PPP) projects. Edited excerpts:

The finance minister in her budget mentioned the government's intention of investing Rs 100 lakh crore in infrastructure in the next five years. That won't be possible without huge private investment. How do you see the journey of PPP from now on?

The journey of PPP has to be different now on. The previous PPP model of inviting private companies in the power sector, for example, has not succeeded. The key is, the government and private sector have to share risks more equitably. In the infrastructure sector, TOT (toll, operate and transfer) is a model for the future. Here the government would complete the project and then hand it over to the private party for maintaining the asset. Another successful PPP model is through hybrid annuity. Here both the public and private sectors are partners in developing a project.

Also, leasing existing airports to private parties, as has been experimented recently, will be yet another way of getting private investment. To begin with, private parties will operate and maintain six airports (Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru). More will follow.

Does this mean there will be a major shift from PPP in constructing new projects to PPP in existing government assets?

PPP in construction will also take place, but more emphasis will be laid on hybrid models. The government and the pri-

rate sector can develop a project together. After all, the government can't leave all the risks and problems associated with a project to its private sector partner. What the government will do now is to extend a helping hand to the private partner so that the project turns successful.

“PPP in construction will also take place, but more emphasis will be laid on hybrid models”

Do you feel the banks will come forward and lend in the PPP projects? The public sector banks, for example, have of late been reluctant to lend to such projects.

Earlier, PPP projects were such that the private sector partner was asked to fend for itself. So many of those projects failed. But once the PPP projects are developed in a way where the government and the private company are equal partners, the banks will start lending, for sure. When a government asset, for example a road or an

airport, already exists, and it is being handed over to a private sector, it will be a bankable project.

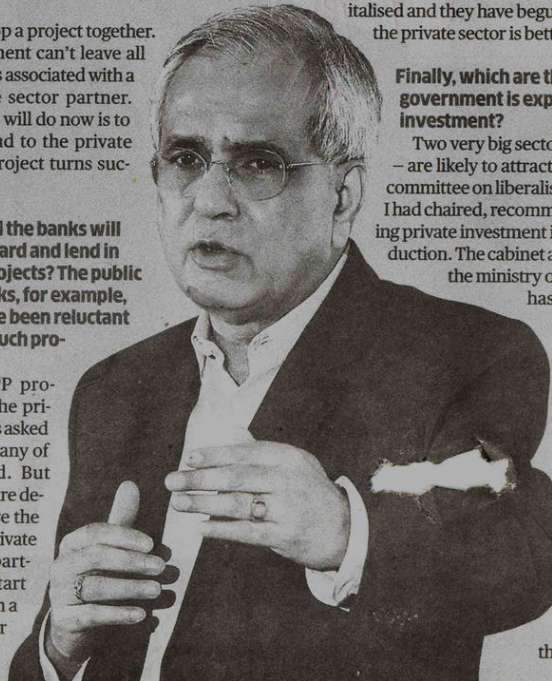
But the same NDA government had in 2014 emphasised a lot on EPC (engineering-procurement-construction) contracts, bringing down PPP projects. How is 2019 different from 2014?

In 2014, the private sector was not coming forward to invest. There was no adequate lending. So, the government needed to spend more from its exchequer to keep the GDP growth going. But things have changed a lot. Banks are being recapitalised and they have begun to lend now. So, naturally, the private sector is better placed today.

Finally, which are the new sectors where the government is expecting big private sector investment?

Two very big sectors – oil and gas, and mining – are likely to attract huge private investment. A committee on liberalising oil and gas sector, which I had chaired, recommended measures for attracting private investment in both exploration and production. The cabinet accepted it (in February) and the ministry of petroleum and natural gas has begun to implement that decision. We are expecting private companies, both domestic and foreign, to come forward in a bigger way.

I am now chairing a committee on the mining sector where there are potential for private sector investment. The idea is to liberalise mines, minerals and coal so as to ramp up production. We will ensure that mining becomes attractive to the private sector.



Tata Steel to further reduce debt this year

SPECIAL CORRESPONDENT
KOLKATA

Tata Steel Limited (TSL) is planning to further de-leverage its balance sheet during this fiscal and beyond through a combination of internal cash flow generation and continuing efforts to rationalise the portfolio to focus on core businesses and markets.

This was stated by CEO and MD T.V. Narendran and executive director and chief financial officer Koushik Chatterjee in TSL's latest annual report. They said through rigorous efforts, gross debt had been reduced by ₹17,864 crore to end the year with a ₹1,00,816 crore debt."

"We will continue to focus on deleveraging as a primary strategic initiative to rebuild the balance sheet strength," they said.

Maturity profile

"Despite some stress in the domestic debt markets, we extended the company's debt maturity profile by successfully raising ₹4,315 crore through non-convertible debentures with a maturity of 15 years. We also put in place a 12-year, long-term, take-out financing for ₹15,500 crore at Tata BSL Ltd," they said.

On the demand scenario, Mr. Narendran and Mr. Chatterjee felt although the first half was stable, the second half has brought with it a distinct decline in the automotive sector and other sectors too.

A key issue "has been the credit flow to the system and we hope that policy actions will be undertaken to ensure increased credit flow is restored and private investment is encouraged to revive the economy." Globally, while demand is expected to see gradual recovery, it will be at a lower pace (2018 global steel demand grew 2.1%), due to uncertainty in the trade environment.

THE TIMES OF INDIA DATE : 15/7/2019 P.N.7

Pak fined \$6bn in mining lease cancellation case

Omer Farooq Khan | TNN

Islamabad: The World Bank's International Centre for Settlement of Investment Disputes (ICSID) has imposed a penalty of almost \$6 billion—one of the biggest in its history—against Pakistan in the Reko Diq case.

The tribunal announced its 700-page ruling against Pakistan on Friday. The ICSID awarded a \$4.08bn penalty and \$1.87bn in interest. Reko Diq is a town in a region known for its reservoir of rare metals. Reko Diq, according to the Geological Survey of Pakistan, holds about 5.9 billion tonnes of ore, making it the world's fifth largest deposit of gold and copper.

Reko Diq mines have been the centre of controversy since their discovery by BHP, an Anglo-Australian multinational mining, metals and petroleum dual-listed public company. In 1993, then caretaker chief minister of restive Balochistan province Naseer Mengal

had granted exploration rights to BHP for the entire Chagai area under the Chagai Hills Joint Venture Agreement (CHEJVA).

BHP later sold its stakes to Tethyan Copper Company (TCC). In August 2010, TCC completed the feasibility study of the project and submitted it to the provincial government of Balochistan. In November 2011, the Balochistan government rejected TCC's application for mining lease, while in 2013, former chief justice of Pakistan Iftikhar Chaudhry terminated the Reko Diq deal.

To protect its legal rights, TCC, claiming \$11.43 billion in damages, commenced international arbitration proceedings at two forums: one against the Pakistan government with ICSID, asserting breaches of the investment treaty between Australia and Pakistan, and another against the Balochistan government with the International Chamber of Commerce, asserting breaches of CHEJVA.

Steel users urge govt not to accept manufacturers' plea to hike import duty

OUR BUREAU

Mumbai, July 14

Major small and medium steel-using industries have approached the government against the plea of the Indian Steel Alliance, to impose a 25 per cent duty on imports.

In a letter to the Prime Minister Narendra Modi and Finance Minister Nirmala Sitharaman, the user industry said that imports as of May, accounted for less than 4.68 per cent of the country's total gross production.

The steel companies' claims that South Korea, Japan and China have diverted large volumes to India due to trade barriers imposed by the US and the EU is false, as the three countries export very little to the US, said the user industry.



Steel prices in India are higher than that of international rates

Safeguard measures are an emergency response to sudden surge in imports.

But, in reality, imports have come down in the last three years due to protective measures taken since September 2015, said the letter, which was also addressed to the Commerce, Steel and MSME Ministers.

Earlier, the Indian Steel Alliance petitioned the Directorate General of Trade Remedies for levying 25 per cent safeguard duty on a range of imported steel items.

While the safeguard duty lapsed a few months ago, the anti-dumping duty is in place on most steel items. Steel prices in India are substantially higher than that of international rates.

With the 12.5 per cent customs duty and surcharge of 10 per cent on most flat steel products, imports from China, Europe and Commonwealth states have become unviable, said the steel user industry.

The user industry is represented by associations such as the Hooghly Chamber of

Commerce and Industry, the Steel Chamber of India and the Federation of Industries of India.

Few will be helped

Vaibhav Purohit, spokesperson of Citizen Civic Solutions Foundation — which is coordinating with the steel users associations — said levy of safeguard duty on steel imports will help only a few mills to create a monopolistic market in India and give rise to agitation among steel users, traders, SMEs and MSMEs.

If the import duty is hiked, MSMEs have to either cut output due to non-availability of steel or shut down shop, leading to an increase in unemployment in the country, said the letter.

Gold can consolidate in a range

The dollar's weakness helped gold cross the \$1,400-mark

GURUMURTHY K

Gold prices managed to claw back after declining in the initial part of the week. The global spot gold prices fell to a low of \$1,386 per ounce and reversed sharply above the psychological level of \$1,400. Gold surged to a high of \$1,427 and came-off slightly from there to close the week 1.2 per cent higher at \$1,415.75 per ounce.

The US Federal Reserve hinting for a rate cut in the near future helped gold prices reverse higher in the past week.

Silver, on the other hand, traded high all through the week. The global spot silver prices were up 1.5 per cent for the week and closed at \$15.22 per ounce.

On the do-

mestic front, the gold and silver futures contract on the Multi Commodity Exchange (MCX) moved in tandem with the global prices. The MCX-Gold futures contract closed the week at ₹34,905 per 10 gm and was up 0.9 per cent for the week. The MCX-Silver futures contract surged over 2 per cent to close the week at ₹38,390 per kg.

Rate cut boost

The US Federal Reserve Chairman in his testimony last week said that the central bank will act appropriately to sustain growth. This strengthened the case for a rate cut from the Fed in the near future, most probably in its meeting this month on July 31. However, the inflation

data showed a pick-up in the US inflation in June. The US Core Consumer Price Index (CPI) inflation increased by 2.1 per cent (Y-o-Y) in June from 2 per cent in the previous month. This data follows the strong job numbers released earlier this month. The data releases so far from the US suggests that even the Fed reduces the rates this month itself, in line with market expectations, the pace of cut may not be as aggressive as the market expects.

Dollar: beaten down

The Fed Chairman hinting for a rate cut dragged the US dollar index sharply lower last week. The dollar index, which began the week on a positive note, was beaten down after the Fed strengthened the case for a rate cut.

The dollar index tumbled from its high around 97.60, giving back all the gains made during the week and closed 0.5 per cent lower at 96.81. As long as the index remains below 97, the near-term outlook will be negative. The index can fall to 96.5 or even 96 in the coming days. Such a fall in the dollar index can take gold prices further higher.

Gold outlook

The bounce above \$1,400 last week has reduced the danger of gold declining below \$1,380. The global spot gold (\$1,415.75 per ounce) can consolidate between \$1,380 and \$1,440 for some time.

A breakout on either side of \$1,380 or \$1,440 will determine the direction of the next move. On the charts, the bias is bullish for gold to breach \$1,440 and rise to \$1,480 in the coming weeks. The bullish outlook will get negated only if gold declines below \$1,380. Such a break, though less probable, can drag gold lower to \$1,360 and \$1,350.

The MCX-Gold (₹34,905 per 10gm) is getting good support near ₹34,300. The outlook is bullish. A strong break above ₹35,000 is needed to gain momentum. Such a break can take the contract higher to ₹35,350 and ₹35,500. But inability to breach ₹35,000 can keep the

contract range-bound between ₹34,300 and ₹35,000 for some time. The outlook will turn negative if the contract declines below ₹34,300. In such a scenario, the MCX-Gold futures contract can fall to ₹33,750.

Silver outlook

The global spot silver (\$15.22 per ounce) can consolidate between \$14.90 and \$15.40 in the near term. This bias is positive to see a break above \$15.40 eventually. Such a break can take silver up to \$15.50 initially.

A further break above \$15.50 will then boost the momentum and pave way for a fresh rally to \$15.75 and even \$16. Silver will come under pressure if it declines below \$14.9. In such a scenario, a fall to \$14.70 is possible.

The outlook for the MCX-Silver (₹38,390 per kg) is bullish. The contract has support at ₹37,750, which can limit the downside. A strong break above the immediate resistance level of ₹38,500 will take the contract higher to ₹39,000 and ₹39,200 in the coming days. The bullish outlook will get negated if the contract declines below ₹37,750. In such a scenario, the contract can fall to ₹37,200 and ₹37,000. But such a fall looks less likely.

The writer is a Chief Research Analyst at Kshitij Consultancy Services



MCX-Gold

Supports
₹34,300, ₹33,750
Resistances
₹35,000, ₹35,350
MCX-Silver
Supports
₹38,000, ₹37,700
Resistances
₹38,500, ₹39,000

