खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 3, No-15**

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# खनिज समाचार

# KHANIJ SAMACHAR


A FORTNIGHTLY NEWS CLIPPING SERVICE

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INDIAN BUREAU OF MINES

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

**BUSINESS LINE DATE :5/8/2019 P.N.11**

| GLOBAL | | Change in % | | | 52-Week | |
|---|---|---|---|---|---|---|
| | Price | Weekly | Monthly | Yearly | High | Low |
| **Metals ($/tonne)** | | | | | | |
| Aluminium | 1741 | -2.0 | 0.9 | -13.4 | 2247 | 1719 |
| Copper | 5704 | -4.0 | -2.8 | -6.7 | 6572 | 5755 |
| Iron Ore | 115 | 1.1 | -0.8 | 92.7 | 119 | 61 |
| Lead | 1946 | -5.4 | 3.5 | -7.5 | 2190 | 1767 |
| Zinc | 2341 | -4.4 | -7.7 | -10.7 | 3017 | 2285 |
| Tin | 16971 | -3.9 | -3.9 | -13.7 | 21914 | 17250 |
| Nickel | 14448 | 2.7 | 20.4 | 9.1 | 14684 | 10437 |

THE HITAVADA (CITY LINE) DATE : 1/8/2019 P.N.10

# VED demands establishment of ferroalloys cluster

**Business Bureau**

VIDARBHA Economic Development Council (VED) has demanded to establish ferroalloys cluster. Effective and efficient utilisation of local resources and environment-friendly usage are main objectives behind development of ferroalloys cluster, said Shivkumar Rao, President of VED.

"Thirty years ago, Nagpur and surrounding areas of Vidarbha had the largest ferroalloys manufacturing hubs as leading industry houses came near the source of raw material, i.e. manganese which is mined abundantly in this area. Due to various reasons these units closed even after struggling for survival," he said.

State Government has realised that simply by providing a reduced power tariff and providing a conducive environment, the ferroalloys sector can be easily revived. A further impetus can be given to the raw material manganese which is mined locally, by increasing the value to it and in the process providing employment and economic security to the local people, he said.

"Most of the natural resources of Vidarbha are moving out of the region without any value-addition and economic support to the local population. Minerals and electricity are the main commodities produced here in huge quantities, but since long time no attention has been given to the related possible advantages and its consequent benefit, which could be available to local people," Rao said.

The youth of the region can be provided with bright and gainful opportunities by creating a cluster for the development of a ferroalloys here. Due to the long and sustained efforts of the VED, chances for reviving the sector have started gaining ground and there are hopes of bringing in good investments in the region.

In addition, Maharashtra State Mining Corporation Ltd (MSMC) is the promoter for this. This would be enhanced with the coming here of a ferroalloys cluster, said Rahul Unganlawar, Secretary General of VED.

The proposal is to set up a minerals processing cluster for value-addition of locally available important minerals to cut down the costs of finished products.

"Minerals like manganese ore, iron ore, dolomite, limestone, quartz and coal, which are raw materials for these industries, are available nearby for this cluster. Particularly, the two main raw materials required, namely, Manganese and Power for the development of a Ferroalloys cluster, are easily and abundantly available nearby for the units in this cluster. Nagpur and Bhandara districts have maximum private and public sector mines. There are some large-scale steel-producing plants in the range of about 300 km," he said.

This cluster will directly and indirectly help the rural economy. If the ferroalloys industry is somehow able to cut down on costs and reduce red-tapism, then this industry in Vidarbha will be able to compete with the best of domestic as well as international players, he noted.

"Cutting costs means better utilization of local high value natural resources, which are consumed by Industry, both within and outside the state. Development of this cluster with lower power rates will help in reducing costs by about 15 per cent to 20 per cent. The success of this initiative will support not only the core steel sector that is planning to increase its capacity from present 120 million tonne to 300 million tonne, but also chemical and battery industries, which are major consumers of ferroalloys," Pradeep Maheshwari, Vice-President, VED.

As the country is heading towards a major revolution in reducing the greenhouse gasses and reduction in the carbon footprint by way of bringing electric vehicles, battery-manufacturing units will be set up. This cluster will be a support to such industries, he said.

"VED is moving ahead with full steam with support from key policy-makers and industry experts to change the scenario of Vidarbha from being only an agrarian economy to one with sustainable industry too," Maheshwari added.

BUSINESS LINE DATE : 2 /8/2019 P.N.14

# Gold demand went up 13% in Q1 despite volatile prices

**OUR BUREAU**

Mumbai, August 1

Gold demand in the June quarter was up 13 per cent at 213 tonnes against 189 tonnes logged in the same period last year amid volatile prices.

In terms of value, it jumped 17 per cent to ₹62,422 crore (₹53,260 crore).

### Jewellery demand

Jewellery demand during the quarter under review jumped 12 per cent at 169 tonne (150 tonne) while in value terms it was up 17 per cent at ₹49,380 crore (₹42,200 crore).

While gold prices were down at about ₹32,500 per 10 grams in April and May against ₹33,500 logged in February, it suddenly jumped to a record high of ₹34,006 per 10 grams towards the second half of June in line with global trend .

Demand plunged with the sharp jump in gold prices towards the second half of June. Discount offered on gold bars to jewellers hit $23 an ounce, a level not seen since 2016.

Demand plunged with the sharp jump in prices in the second half of June

### Gold imports

Gold imports increased 28 per cent to 274 tonnes (193 tonnes) on anticipation of higher demand, said the Gold Demand and Trend report released by World Gold Council. However, the slowing economic trend and restrictions on movement of cash were a drag on demand in April and May, it said.

Somasundaram PR, Managing Director (India), World Gold Council, said the demand was boosted by robust trade promotions, a higher number of auspicious days and a positive consumer response to softer prices in April and May.

Significantly, he said bar and coin demand grew to a 5-year high in June quarter. However, the price rise in June and an unfounded expectation of an import duty cut in the fiscal budget, brought demand to a virtual standstill when the quarter ended, he added.

### Gold demand

Overall, gold demand in India, in the first half of 2019 was 372 tonnes, nine per cent higher than last year despite a slowing economic environment and restrictions on the movement of cash during the election season, said Somasundaram.

Contrary to the industry demand, the government increased the import duty on gold to 12.5 per cent from 10 per cent, delivering a big blow to the struggling industry.

Naveen Mathur, Director (Commodities and Currencies), Anand Rathi Shares and Stock Brokers, said gold demand in first half of 2019 hit a three-year high of 2,181 tonnes, mainly due to the central bank policies of China, Russia, Turkey, Poland and Kazakhstan.

Going ahead, he said demand for the yellow metal will remain lacklustre while prices may continue to rally due to Chinese and Russian central banks' gold purchase to hedge trade and geopolitical risks, he added.

**Reuters adds:** Gold demand in India is expected to soften in the September quarter as record high local prices dampen buying, the World Gold Council said on Thursday.

The fall in consumption could weigh on global prices that have risen nearly 10 per cent so far in 2019, but could help in bringing down the country's trade deficit, supporting the rupee. Rural distress, higher prices and a hike in India's import tax could dampen demand during the September quarter, said Somasundaram.

Two-thirds of India's gold demand comes from rural areas, where jewellery is a traditional store of wealth. But this year's monsoon has so far delivered less-than-average rainfall, delaying sowing in many parts of the country and raising concerns the success of summer-sown crops.

### Recovery likely in Q4

However, demand would recover in the final quarter, Somasundaram said. In a report published on Thursday, the WGC forecast India's gold consumption in 2019 at 750 to 850 tonnes, from 760.4 tonnes last year and a 10-year average of 838 tonnes.

"People will get used to these kinds of prices and normal buying will resume," he said.

BUSINESS LINE DATE : 2 /8/2019 P.N.18

# NIOT teams up with Russian research unit to mine for minerals in the deep sea

## India to prospect in the Indian Ocean in an area allotted by UN seabed body

M RAMESH
Chennai, August 1

The National Institute of Ocean Technology, Chennai, will collaborate with Krylov State Research Centre in Russia to develop machines to gather minerals from the ocean floor.

An MoU was signed by M A Atmanand, Director, NIOT, and Rostislav Atkov, Deputy Director General, KSRC, last week to jointly develop machines and technologies for deep-sea mineral mining. The MoU also mentions collaboration in developing a manned submersible vehicle, Samudrayaan, capable of operating in deep seas.

The ocean abounds with mineral wealth, but are difficult to extract. India has been allotted an area in the Indian Ocean by the International Seabed Authority (ISA), the Jamaica-based UN body that regulates mineral-related activities in seas outside various countries' exclusive Economic Zones.

The ocean floor is littered with potato-like 'polymetallic nodules' that bear metals such as copper, nickel, manganese and cobalt. However, the ocean bed is 5,500 metres from the surface. At that depth, the water pressure is a crushing 550 times the atmospheric pressure — enough to crush a car in minutes.

The challenge is to build a machine that can withstand such a pressure, crawl on the soft ocean bed, and gather and bring the nodules to a ship. The machine's tracks can sink in the ocean bed requiring it to be buoyed up. Further, the crushed nodules need to be pumped up 6 km. "It is an extremely challenging task," Atmanand told *BusinessLine* today.

The agreement was signed to jointly develop machines and technologies for deep-sea mineral mining in the Indian Ocean

NIOT says it has developed a vehicle capable of going 6 km deep though it has tested it up to depths of 890 metres.

Krylov wants to use NIOT's know-how; it would bring to the table its expertise in high pressure pumps and the capability to test the vehicle. G Ananda Ramadass, Head of Deep Sea Technologies at NIOT, expects to put the crawler on the Indian Ocean bed for testing in February 2020. A demonstration of mining of minerals could happen in a couple of years from then.

### Exploration rights

The area allotted to India is in the Central Indian Ocean Basin. Ramadass said that India only has exploration rights, though there would be no issues in securing exploitation rights from the ISA after following due process.

A government press release dated August 21, 2017 says that India has rights over 75,000 sq km in international waters allocated by the ISA for developmental activities for polymetallic nodules.

It also says that an area of 7,860 sqkm has been identified in the basin for 'first generation mine site' on the basis of surveys and analysis.

India has secured exploration rights in another area in the Indian Ocean, about a thousand km from Madagascar, at a point where three sub-sea ridges meet. This is a region where metallic sulphides have seeped through vents in the tectonic plates and spread themselves as ridges.

"The area has a lot of potential, and NIOT has begun preliminary surveys," said Ramadass.

THE HINDU DATE : 2 /8/2019 P.N.14

# Global gold demand touches 3-year high

## Continued central bank buying, sustained growth in gold-backed ETFs were the key drivers: WGC

SPECIAL CORRESPONDENT
MUMBAI

Global gold demand in the first half of 2019 jumped to a three-year high on the back of robust demand by central banks and gold-backed exchange-traded funds (ETFs).

Gold demand was pegged at 2,181.7 tonnes in the first six months of the current calendar year, reflecting an 8% rise compared with the first half of 2018, as per the latest report by the World Gold Council (WGC).

"Continued central bank buying and sustained growth in gold-backed exchange-traded funds [ETFs] were the key drivers of this increase," the report stated.

"Central banks bought 224.4 tonnes of gold in Q2 2019. This took H1 [first six months] buying to 374.1 tonnes, the largest net H1 increase in global gold reserves in our data series. In a continuation of recent trends, buying was spread across a diverse range of - largely emerging market - countries," it added.

**Metal craze:** A strong recovery in India's jewellery market pushed overall demand in Q2 by 12% to 168.8 tonnes. V.RAJU

Meanwhile, holdings of gold-backed ETFs grew 67.2 tonnes in the second quarter to a six-year high of 2,548 tonnes. As per the global body, continued geopolitical instability, dovish commentary on monetary policy from central banks and the rallying gold price in June were the main factors driving inflows into the sector.

Incidentally, a strong recovery in India's jewellery market pushed the overall jewellery demand in the second quarter by 12% to 168.8 tonnes. A busy wedding season and healthy festival sales boosted demand, before the June price rise brought it to a virtual standstill, the report stated.

### Bar and coin

Bar and coin investment in the second quarter dipped 12% to 218.6 tonnes and combined with the soft first quarter number, took the first half total to a six-year low of 476.9 tonnes. A 29% year-on-year drop in China accounted for much of the global second quarter decline, according to WGC.

On the other hand, gold supply grew 6% in the second quarter to 1,186.7 tonnes. A record Q2 gold mine production and a 9% jump in recycling, boosted by the sharp June gold price rally, led the growth in supply. On an overall half yearly basis, the supply touched 2,323.9 tonnes, the highest level since 2016.

In terms of price, the yellow metal touched multi-year highs, breaching $1,400/oz for the first time since 2013.

Among the factors driving this rally were expectations of lower interest rates, political uncertainty, with further support coming from strong central bank buying, the report said.

BUSINESS LINE DATE : 3/8/2019 P.N.12

# Spot gold jumps ₹792 on weak rupee, global demand

**RUTAM VORA**

Ahmedabad, August 2

Gold prices in the Indian spot market jumped ₹792 to ₹35,413 for 10 grams on Friday, amid strong global cues for the yellow metal. The rates quoted by Indian Bullion and Jewellery Association (IBJA) for 999 purity gold stood sharply up from Thursday's closing rate of ₹34,621.

In futures, opening trades Friday on MCX showed Gold August futures gaining 0.68 per cent or ₹238 to trade at ₹34,514 per 10 grams. In later trades, August Gold quoted at ₹35,276 up ₹360 or 1.03 per cent. The October contract strengthened further to ₹36,005, up over 1 per cent or ₹372 in the evening trades.

COMEX August Gold firmed by $16.4 to $1,437.3 during Friday trades with highs of $1,448, up from Thursday's closing of $1,420.9.

India gold prices reflect global upside

Analysts attributed the rally in gold prices to global uncertainty and growing trade tension between the US and China. Also, the latest report by the World Bank put India at the seventh rank with the size of the GDP at $2.72 trillion for 2018, down by one rank in 2017. The UK with $2.82 trillion and France with $2.77 trillion stood ahead of India in the global ranking.

Rupee weakened on Friday to close at ₹69.58 against a dollar, down from ₹69.06 on Thursday. So far in 2019, rupee has touched a record low, closing at ₹71.82.

"This development has caused the rupee slide which may also touch ₹70.50 against a dollar given the current situation. This will support prices in gold and silver. Considering the global scenario and weak equity markets, we may see gold prices touch ₹36,200 levels soon and eventually may test ₹37,000 during this month. Internationally, it may touch $1,500 levels," said Ajay Kedia, Director, Kedia Commodity told *Businessline*.

Also on radar will be the emerging physical demand for the yellow metal in the ensuing festival season starting after August 15, Rakshabandhan.

India gold prices reflected global upside in the precious metal after US President Donald Trump signalled imposing additional 10 per cent tariff on Chinese goods. The escalating trade-war situation between the two large economies has further fuelled the demand for gold as a safe-haven asset.

IBJA quoted silver prices at ₹40,755 a kg, up by ₹740 from Thursday's close. In the futures market, MCX September silver contract traded at ₹41,246, up ₹260 or 0.6 per cent.

On technical charts, analysts see silver prices finding support at ₹40,411 with a possibility to test ₹39,835 levels. The resistance is likely to be seen at ₹41,437, a move above could see prices testing ₹41,887, Kedia stated.

On COMEX, Silver futures for August contract stood at$16.135 an ounce up $0.014 from previous close of $16.121 on Thursday.

BUSINESS LINE
DATE : 3/8/2019 P.N.3

# Nalco, MECL, HindCopper, form mining JV

OUR BUREAU
New Delhi, August 1

National Aluminium Company Ltd (Nalco), Hindustan Copper Ltd and Mineral Exploration Co Ltd (MECL) have inked an agreement to set up a 40:30:30 joint venture company called Khanij Bidesh India Ltd (KABIL).

"The objective of constituting KABIL is to ensure a consistent supply of critical and strategic minerals to the domestic market. While KABIL will ensure the mineral security of the nation, it will also help in realising the overall objective of import substitution," said Minister of Coal, Mines and Parliamentary Affairs, Pralhad Joshi, in a statement.

A Mines Ministry statement said: "The sourcing of these minerals or metals is to done by creating trading opportunities, government-to-government collaborations with the producing countries or strategic acquisitions or investments in the exploration and mining assets of these minerals in the source countries. The new company will help in building partnerships with other mineral rich countries like Australia and those in Africa and South America, where Indian expertise in exploration and mineral processing will be mutually beneficial."

THE HINDU DATE : 4 /8/2019 P.N.4

# Singareni to mine 5.7 million tonnes coal in August

## Company plans to start production in new open cast mines this year

SPECIAL CORRESPONDENT
HYDERABAD

Singareni Collieries Company Ltd (SCCL) has set a target of producing 5.7 million tonnes of coal during August at the rate of 1.85 lakh tonnes a day to meet the annual target. It has also set the goal of despatching an equal volume of coal and to remove overburden of 1.13 million cubic meters from the open cast mines every day.

Chairman and Managing Director of the company N. Sridhar reviewed the plans at a meeting held here on Friday with the company's directors and area managers. He asked the officials to ensure commencement of production in the new open cast mines, including Kishtaram OC, Kakatiya Khani OC-3, Godavari Khani OC-5, Koyagudem OC-3 and Indaram OC, during the current financial year.

Mr. Sridhar also reviewed the ongoing exploration works in the Naini coal block allotted to SCCL by the Ministry of Coal in Odisha. He told the officials concerned to take up coal production from the block next year by securing necessary permissions and clearances.

**First quarter**

Expressing satisfaction over the progress made by the company till July during the current fiscal, the CMD stated that the company had achieved 17% growth rate in coal production, 3% increase in coal despatches and 6% higher overburden removal in the first four months of 2019-20 compared to the same period last year.

He explained that the coal production in the April-July period this year was 22.2 million tonnes against 19 million tonnes last year. Similarly, the coal despatches were 22 milion tonnes this year against 21.4 million tonnes during the first four months of the last fiscal.

**Last year performance**

The overburden removal during the period this year was 124 million cubic meters against 117.7 million cubic meters last year.

The production, despatches of coal and overburden removal during July was 16%, 13% and 38.8% higher, respectively, this year compared to last year.

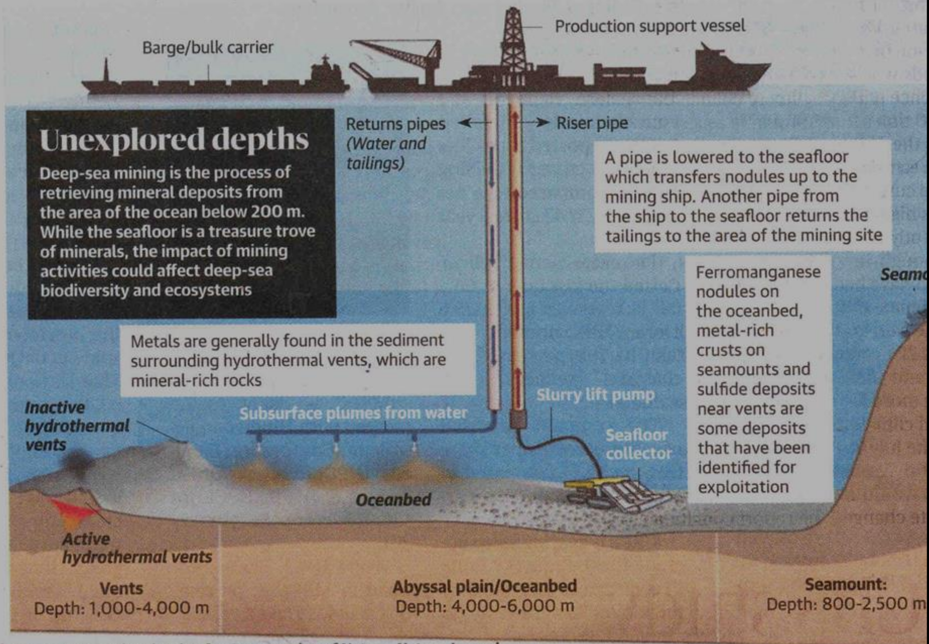
Directors of the company S. Shankar (E&M), S. Chandrasekhar (Operations), N. Balram (Finance), Executive Director (Coal Movement) J. Allwyn, Advisor (Mining) D.N. Prasad and several general managers and area managers attended the meeting.

# Why is India pulled to deep-sea mining?

## What is the country's Deep Ocean Mission all about? What are the metals that can be extracted?

ASWATHI PACHA

**The story so far:** India's ambitious 'Deep Ocean Mission' is all set to be launched this year. Dr. Madhavan Rajeevan, Secretary, Union Ministry of Earth Sciences, announced on July 27 that the ₹8,000-crore plan to explore deep ocean minerals will start from October. He said, "We finally have the in-principle approval to go ahead with the mission. Now expenditure plans will be drawn up and circulated [to various institutions affiliated to the Ministry] for executing programmes and we hope to launch by October 31."




Source: International Union for Conservation of Nature, Nature Journal

**What will be mined from the deep ocean?**
One of the main aims of the mission is to explore and extract polymetallic nodules. These are small potato-like rounded accretions composed of minerals such as manganese, nickel, cobalt, copper and iron hydroxide. They lie scattered on the Indian Ocean floor at depths of about 6,000 m and the size can vary from a few millimetres to centimetres. These metals can be extracted and used in electronic devices, smartphones, batteries and even for solar panels.

**Where will the team mine?**
The International Seabed Authority (ISA), an autonomous international organisation established under the 1982 United Nations Convention on the Law of the Sea, allots the 'area' for deep-sea mining. India was the first country to receive the status of a 'Pioneer Investor ' in 1987 and was given an area of about 1.5 lakh sq km in the Central Indian Ocean Basin (CIOB) for nodule exploration. In 2002, India signed a contract with the ISA and after complete resource analysis of the seabed 50% was surrendered and the country retained an area of 75,000 sq km.

According to a release from the Ministry of Earth Sciences, the estimated polymetallic nodule resource potential in this area is 380 million tonnes (MT), containing 4.7 MT of nickel, 4.29 MT of copper, 0.55 MT of cobalt and 92.59 MT of manganese. Further studies have helped narrow the mining area to 18,000 sq km which will be the 'First Generation Mine-site'.

**Which are the other countries that are in the race to mine the deep sea?**
Apart from the CIOB, polymetallic nodules have been identified from the central Pacific Ocean. It is known as the Clarion-Clipperton Zone.

According to the ISA's website, it has entered into 15-year contracts for exploration for polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the deep seabed with 29 contractors. Later it was extended for five more years till 2022. China, France, Germany, Japan, South Korea, Russia and also some small islands such as the Cook Islands, Kiribati have joined the race for deep sea mining. Most of the countries have tested their technologies in shallow waters and are yet to start deep-sea extraction.

**When will India start mining?**
India's mining site is at about a depth of 5,500 metres, where there is a high pressure and extremely low temperature. Explains Dr. G.A. Ramadass, head of the Deep Sea Technologies Group, National Institute of Ocean Technology, Chennai, "We have developed and demonstrated the mining technology with artificial nodules at 500 metres depth. We have also deployed Remotely Operated Vehicle and In-situ Soil Tester in the depth of 6,000 metres and have a thorough understanding of the mining area at the Central Indian Ocean Basin." He adds, "The mining machine newly developed for 6000 metres depth was able to move about 900 metres and will be deployed soon at 5,500 metres. We hope to test it in October this year. Weather conditions and availability of ships also play a role. More tests are being conducted to understand how to bring the nodules up to the surface. A riser system comprising an umbilical cable or electromechanical cable and a hose is being developed."

> The deep sea's biodiversity and ecology remain poorly understood, making it difficult to assess the environmental impact and frame adequate guidelines

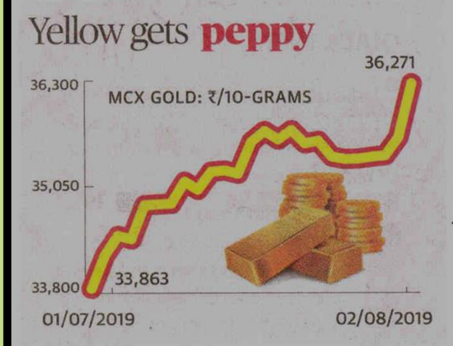
**What will be the environmental impact?**
According to the International Union for Conservation of Nature (IUCN), these deep remot locations can be home to unique species that hav adapted themselves to conditions such as poor oxygen and sunlight, high pressure and extremel low temperatures. Such mining expeditions can them go extinct even before they are known to science. The deep sea's biodiversity and ecology remain poorly understood, making it difficult to assess the environmental impact and frame adeq guidelines.

Dr. Ramadass adds that though strict guideline have been framed, they are only exploration guidelines. A new set of exploitation guidelines a being worked out and discussions are on with th ISA. Environmentalists are also worried about th sediment plumes harming the filter feeders in th upper ocean layers. Additional concerns have be raised about the noise and light pollution and oil spills.

**Is deep sea mining economically viable?**
The latest estimate from the ISA says it will be commercially viable only if about three million tonnes are mined per year. More studies are bei carried out to understand how the technology c scaled up and used efficiently.

THE HINDU DATE : 5/8/2019 P.N.13

# Gold and silver largely range-bound in July




B. KRISHNAKUMAR

After a strong uptrend in June, the prices of gold and silver in the international market remained largely range-bound in July. Though the precious metals managed to eke out marginal gains on a month-on-month basis, the strength in the U.S. dollar arrested the scope for significant gains.

Comex gold futures edged up 1.7% in July to settle at $1,437.8 an ounce. Silver, on the other hand, recorded a more robust gain of 7.5% in July, to close at $16.4 an ounce. While the expectations of an interest rate cut in the U.S. was the primary driving force of the rally in precious metals in June, the announcement of the rate cut triggered a cool-off in gold and silver prices.

Gold slipped to a two-week low on August 1, a day after the U.S. Federal Reserve cut interest rates for the first time in a decade. Precious metals staged a modest recovery on August 1 after the U.S. President said he would impose an additional 10% tariff on $300 billion worth of Chinese imports on September 1.

In the domestic market, the price of gold futures at MCX gained about 3% in July to close at ₹35,419 per 10 grams. MCX silver futures settled at ₹41,227 per kilogramme by the end of July. The short-term outlook for international prices of gold and silver hinges on what the price does over the next few days. Comex gold has a support zone at $1,400-1,410 and resistance at $1,460-1,470 an ounce. A breakout through either of these levels is likely to trigger a move in the direction of the breakout.

A move past the resistance at $1,470 would impart a positive trend and could push gold price to the immediate target of $1,495-1,505 an ounce. A breach of the support at $1,410 could impart short-term weakness and trigger a slide to $1,370-1,380 range. The short-term outlook for silver is slightly negative. A fall to the immediate target of $15.5-$15.75 appears likely.

The negative view for silver would be invalidated if the price moves past the resistance at $16.9. A breakout past $17 would help the price move towards the major target of $17.8-18. Until $16.9 is not taken out, there would be a case for a slide to $15.75.

Domestically, the outlook for gold is positive while silver is likely to remain range bound. The gold price at MCX is likely to rise to the immediate target of ₹36,800-37,000 per 10-grams. A fall below ₹33,500-33,800 zone would invalidate the short-term positive outlook for gold.

Silver price at the MCX achieved the target of ₹40,500 mentioned in the previous column. After touching a high of ₹41,825, silver price has eased a bit recently. MCX silver is likely to cool off to ₹39,600-39,800 range in the short-term. A breakout past the immediate resistance at ₹41,900 would be a sign of strength and push the price to ₹42,800-43,000. Until ₹41,900 is taken out, MCX silver is likely to remain subdued in the short-term.

To summarise, the short-term outlook for precious metals is not too bullish. Rangebound action can persist until there is fresh breakout above resistance levels. The medium-term however remains positive.

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

**BUSINESS LINE DATE : 5 /8/2019 P.N.11**

# Gold gains sheen on renewed US-China tiff

## The ongoing sell-off in equities can boost the metal's prices

GURUMURTHY K

It was a volatile week for gold. The global spot gold prices began the week on a stable note. But events in the second half of the week led to a volatile price movement. Prices tumbled to test $1,400 per ounce on Thursday, but managed to claw back and surge to a high of $1,450. The spot gold prices came off from the high and closed the week at $1,440.83 per ounce, up 1.5 per cent.

Two major events triggered the volatility. One, the Fed's rate cut by 25 bps was widely expected by the market. But the Fed Chairman in his press conference indicating that the current rate cut is just a "mid-cycle adjustment" and there may not be further rate cuts, dashed the hopes of the market which had been expecting three rate cuts by the end of the year.

The Fed meeting outcome saw the US dollar index surging above 98 to test 99. As a result, gold tumbled from around $1,430 to test $1,400 and was threatening to decline below this psychological mark. But the impact of the Fed decision was short-lived. Trump's decision on Thursday to levy fresh tariffs on Chinese goods, led to gold prices moving up again. The new tariffs on China triggered a sharp sell-off in global equities. Gold, in turn, rallied on a safe-haven bid and the price of the yellow metal surged to the week's high of $1,450.

The renewed trade tensions between the US and China and the weakness in global equities may continue to aid gold prices.

ISTOCK.COM/ANDRIANO_CZ

### Gold outlook

The near-term outlook is positive for gold. The global spot gold ($1,440.83 per ounce) has support in the $1,435-1,430 region. As long as gold trades above this support zone, a rise to $1,460 looks likely in the coming days. A break above the intermediate resistance at $1,450 can trigger this rise. A break above $1,460 will see the up-move extending to $1,470. Gold will come under pressure only on a sharp fall below $1,400, which looks less probable in the near term.

### Silver underperforms

Silver prices failed to gain strength in tandem with gold. The global spot silver prices fell in the past week. The prices tumbled from around $16.60 per ounce to test $16 during the week. Silver has closed at $16.20 per ounce, down 1.2 per cent for the week.

The price action on the chart indicates that silver lacks strength to decisively breach $16.60. This leaves the near-term outlook negative for silver; a break below $16 and a fall to $15.75 or even lower in the coming days is possible. A strong break and a decisive close above $16.6 is needed to bring back the bullish momentum and take the prices higher to $17.

### Rupee boost

The outcome of the US Federal Reserve meeting and the renewed trade tension between the US and China dragged the rupee sharply below 69 against the dollar last week. This helped the domestic gold and silver prices outperform the global prices.

The gold and silver futures contracts on the Multi Commodity Exchange (MCX) were up 2.3 per cent and 0.5 per cent, respectively. The MCX-Gold futures contract closed the week at ₹35,577 per 10 gm, and the MCX-Silver contract at ₹41,364 per kg.

### Outlook

The short-term outlook for the MCX-Gold (₹35,577 per 10 gm) futures contract is bullish. The immediate resistance is at ₹35,800. A strong break above this hurdle will pave way for a fresh rally to ₹36,350-36,400 thereafter. But if the contract fails to breach ₹35,800, it can fall lower to ₹35,000 or ₹34,850 on profit-booking.

The MCX-Silver (₹41,364 per kg) has a strong support at ₹40,500 and ₹40,000, which has been holding well as of now. As long as it trades above these supports, the outlook will remain bullish. A rise to ₹42,000 is likely in the near term. A break above ₹42,000 will increase the likelihood of the contract extending its up-move to ₹43,000 thereafter. An inability to breach ₹42,000 can keep the MCX-Silver futures contract in a broad ₹40,000-42,000 range for some time.

*The writer is Chief Research Analyst at Kshitij Consultancy Services*

**MCX-Gold**
**Supports:**
**₹35,000/34,850**
**Resistances:**
**₹35,800/36,350**

**MCX-Silver**
**Supports:**
**₹40,500/40,000**
**Resistances:**
**₹42,000/43,000**

THE ECONOMIC TIMES DATE : 6/8/2019 P.N.10

# Centre to Auction 27 Coal Blocks to Pvt Cos

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**Kolkata:** The Centre has decided to auction 27 coal blocks to private companies that would be allowed to sell 25% of the produce in open market at a premium of 15% over their bid price for each block. Intended for iron & steel, cement and captive power plants, rest of the produce is meant for captive consumption only.

Out of the 27 blocks on offer, 19 are Schedule III mines, meaning they are ready to produce with almost all clearances and plans in place. One is a Schedule II mine, which was producing when it was taken back by the government. These 20 mines are estimated to hold an extractable reserve of 1 billion tonne. According to mining plans, these blocks can produce a total of 36 million tonne a year, of which 9 million can be sold in the open market.

Rest of the six blocks on offer are Schedule I mines, explored with rough estimates of reserves, they are in various stages of development and will require some time before production in these mines can start. Pending milestones for these blocks include mining plans, forest clearances, environmental clearances, mining lease and land acquisition. The Centre has decided to auction these blocks in three tranches — eight, nine and 10. While tranche eight and 10 are offering ready to produce — Schedule III and II mines — tranche nine is offering Schedule I mines.

"This time, 27 coal blocks have been placed on offer against 19 offered in the previous sixth and seventh rounds, that were later cancelled," said Jayanta Roy, senior vice-president at ICRA Ltd. "Out of the 27 offered in the current rounds, nine blocks hold reserves of less than 25 million tonne each where scale benefits could be limited for bidders."

According to senior government officials, there were a large number of potential bidders for each block and a number of them had asked for more time in submitting technical bids. In the meantime, elections were nearing, which prompted the government to cancel the sixth and seventh tranche of auctions.

THE HITAVADA DATE : 6 /8/2019 P.N.11

# Gold touches all time high; silver soars by Rs 1,000

NEW DELHI, Aug 5 (PTI)

GOLD prices on Monday surged Rs 800 to hit an all-time high of Rs 36,970 per 10 gram at the bullion market here amid strong trend overseas as investors preferred the yellow metal due to escalation of trade tensions between the United States of America and China.

Tracking the movement of gold, silver also soared Rs 1,000 to 43,100 per kg on the back of robust demand from industrial units and coin makers. Experts said gold reaching its highest level since May 2013 due to the US-China tensions and increased demand by local jewellers were the factors that propelled the yellow metal to record high level in the domestic market.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity surged Rs 800 to Rs 36,970 and Rs 36,800 per 10 gram, respectively. Gold prices had risen by Rs 540 to Rs 36,170 per 10 gm on Saturday.

THE TIMES OF INDIA
DATE : 8/8/2019 P.N.11

# Tata Steel Q1 profit drops 64% on weak demand

TIMES NEWS NETWORK

**Mumbai:** Lower prices and weak demand pulled Tata Steel's profits down by 64% to Rs 702 crore in the first quarter of fiscal 2020. Turnover, however, increased marginally to Rs 35,947 crore, aided by robust domestic production.

The sector has been impacted by low steel prices, high raw material (iron ore, coking coal) costs, cheap imports and subdued economic activity. These factors have squeezed local producers' profitability.

JSW Steel, which announced its first quarter numbers some days ago, also saw its profit decline by 56% to Rs 1,028 crore.

Companies are looking to cut costs and produce higher-value differentiated products to boost profits even as they expect increased government

## TURNOVER UP

spending on infrastructure and efforts to address the liquidity crunch to revive domestic demand and steel prices in the second half of the year.

"The sector is facing headwinds, which has affected spreads (defined as product price minus cost) and overall profitability," said Tata Steel CEO T V Narendran. Steel spreads have dropped by \$80 to \$100 a ton. A slowdown in the automobile sector, forcing vehicle makers to cut production, have also added to steel producers' woes.

Despite the overall market weakness, including the slowdown in the automotive sector, Narendran said that the company's "strong" India business model has helped it to contain the impact on margins. The India business accounted for 70% of Tata Steel's revenues. The company's consolidated operating profit stood at Rs 5,530 crore, while the operating profit of its India unit was Rs 5,117 crore.

THE HINDU
DATE : 8/8/2019 P.N.14

# Ramco Cements profit up 53.6%

SPECIAL CORRESPONDENT
CHENNAI

Ramco Cements Ltd. (RCL) registered a 53.6% increase in its standalone net profit for the first quarter ended June 2019 to ₹191.97 crore.

During the quarter, total revenue increased to ₹1,392 crore from ₹1,225 crore. Operating profit grew to ₹367 crore (₹255 crore). RCL sold 2.70 million tonnes against 2.61 million tonnes.

"Cost control measures and customer preference for new variety of cement gave us premium and profit," said A.V. Dharmakrishnan, CEO, Ramco Cements. He said by end 2020, capacity will be enhanced to 20 million tonnes per annum (MTPA) from 12 MTPA.

THE HITAVADA DATE : 8/8/2019 P.N.9

# Gold hits all-time high, nears Rs 38,000 mark

NEW DELHI, Aug 7 (PTI)

GOLD prices on Wednesday surged Rs 1,113 to hit an all-time high of Rs 37,920 per 10 gram in the national capital on sustained buying from jewellers amid strong trend overseas as fresh trade tensions between the US and China prompted investors to move towards gold as safe haven asset.

Silver also followed the suit and rose by Rs 650 to Rs 43,670 per kg on increased offtake by industrial units and coin makers.

Analysts said the rise in local demand, coupled with robust global trend, mainly led to the surge in gold prices.

"Bullion prices traded higher with international spot gold prices rallying to USD 1,490 on Wednesday. Gold prices witnessed safe haven buying due to global economic uncertainty on trade war escalation and weak investment sentiment," HDFC Securities Senior Analyst (Commodities) Tapan Patel said.

The worsening Sino-US trade talks may lead to further rate cuts from US Fed to support lingering economy, he added. "Gold price of Rs 37,920 per 10 gram is the highest in the domestic market till date," Surendra Jain, Vice-President of the All India Sarafa Association said.

In the national capital, gold of 99.9 per cent purity surged Rs 1,113 to Rs 37,920, while that of 99.5 per cent climbed Rs 1,115 to Rs 37,750 per 10 gram on Wednesday. Sovereign gold also rose by Rs 200 to Rs 27,800 per eight gram.

BUSINESS LINE DATE : 8/8/2019 P.N.2

# Why Tata Steel's failure to sell off S-E Asian biz could actually be a boon

The steel major has called off its asset-sale deal with Chinese firm HBIS

ANALYSIS

SATYA SONTANAM
BL Research Bureau

Tata Steel's attempts to reshape the company by focussing exclusively on Indian operations by divesting non-core overseas businesses has met yet another hurdle.

On Tuesday, the company had announced that its plan to sell-off its South-East Asian operations to China's HBIS was terminated.

This is the second setback for the company after the European Commission rejected its plan to merge its European operations with the German conglomerate, thyssenkrupp AG.

The company's inability to complete these strategic sales, may however work in its favour. Given the weak domestic outlook for the steel sector, a presence in the overseas markets could help Tata Steel'sconsolidated earnings.

## What happened?

South-East Asian businesses — NatSteel Holdings at Singapore and Tata Steel (Thailand) Public Company — have been delivering weak performance in the last few years. While the aggregate revenue from the segment contributes close to 7-10 per cent to the group, the operating profit and the net profit contribution is miniscule.

This is due to the sluggishness in the demand for steel on account of weak construction activity in both Singapore and Thailand over the past few years. For FY19, a loss of ₹89 crore was reported from this segment against a profit of about ₹141 crore in the previous year.

Experts had hailed the company's decision, in January, to withdraw from the less profitable South-East Asian operations.This would have resulted in greater focus on the Indian market; which had a better growth outlook.

On January 28, , T S Global Holdings, an indirect wholly-owned subsidiary of the Tata Steel, had entered into a definitive agreement with HBIS Group, to divest its equity stake in Tata Steel (Thailand) Public Company and NatSteel Holdings. The stake was to be sold to a new company that would be governed by HBIS and Tata Steel. Tata Steel was expected to hold 30 per cent of the equity of the resultant company.

Post sale, assets worth ₹4,139.45 crore and liabilities worth ₹1,426 crore were expected to move off the consolidated balance sheet of Tata Steel.

The deal was likely to have boosted Tata Steel's South-East Asian business as it could then have had access to resources, technical expertise and regional understanding of HBIS. However, the deal will never see the light of the day as HBIS couldn't obtain the Hebei Government's approvals, one of the key conditions for the proposed transaction.

Thus, both parties have, therefore, decided not to extend the definitive agreements. But Tata Steel states that the company is set to begin its attempts to find another investor to find a partner for the South-East Asian business.

## Is this a silver lining?

These setbacks could also be seen as boon in disguise by Tata Steel. As the demand in the domestic market, too looks bleak, presence in overseas market could help the company reduce risk somewhat through diversification.

This could be an opportunity to the company to review the demand in both, the domestic and global market, evaluate whether to turnaround the overseas operations or to stick to its strategy of focussing entirely on the Indian market.

BUSINESS LINE DATE : 8/8/2019 P.N.10

# MCX logs highest gold delivery

Reflects confidence reposed by the bullion hedging community, says PS Reddy, MD

OUR BUREAU
Mumbai, August 7

The Multi Commodity Exchange has handled record delivery of 5,158.80 kg (valued at ₹1,821 crore) of gold on expiry of its August contracts amid volatile prices.

The open interest in gold contracts (all variants) also had earlier seen a six-and-a-half year high level of about 35,000 kg in July 2019. Gold (0.999 purity) prices last month increased by ₹1,250 per 10 grams to touch ₹34,923 per 10 grams from ₹33,673 on July 1.

Similarly, gold (0.995) jumped by ₹1,245 per 10 grams to ₹34,783 from ₹33,538 on July 1. Volatile gold prices had pushed jewellers and bullion dealers to hedge their


positions on the exchange platform.

Factors such as increased volatility, market uncertainty, change in duty structure and increase in gold prices encouraged both buyers and sellers to use the MCX derivative contracts to hedge their margins and meet delivery commitments, said MCX in a statement on Wednesday.

The last time delivery in MCX gold contract crossed 5,046 kg-mark was in October, 2009.

MCX prices provide a three-way cover against fluctuations in international prices, currency as well as changes in duty tariff.

PS Reddy, Managing Director, MCX, said the record delivery reflects confidence reposed by the bullion hedging community including refiners, bullion traders, jewellers and importers in the exchange mechanism.

## Credibility

Prithviraj Kothari, National President, India Bullion and Jewellers Association, said this record delivery signifies a lot for the commodity derivatives market in terms of how an institutional strength and credibility is built over a period of time.

It shows how information efficiency got captured in the MCX gold derivatives as there were significant factors interplaying in the August contract series, he said.

On Wednesday, pure gold prices continued its upward march to touch ₹564 per 10 grams to ₹37,042 from ₹36,478.

**THE HITAVADA DATE : 9/8/2019 P.N.9**

# Gold surges to fresh all-time high of Rs 38,470; silver crosses Rs 44,000 mark

NEW DELHI, Aug 8 (PTI)

GOLD prices on Thursday crossed the Rs 38,000-mark for the first time by soaring Rs 550 to hit a fresh high of Rs 38,470 per 10 gram here, as investors continued to prefer the precious metal as a safe-haven asset amid the ongoing US-China trade tensions and over economic concerns.

Crossing the Rs 44,000-mark, silver surged Rs 630 to hit Rs 44,300 per kg on increased offtake by industrial units and coin makers. Analysts said international gold prices breaching USD 1,500 an ounce on Wednesday for the first time in six years amid growing US-China trade tensions, mainly prompted investors to rush towards gold.

Besides, concerns over the domestic economic slowdown also lifted precious metal's appeal.

In its third bi-monthly review of 2019-20, the RBI's Monetary Policy Committee on Wednesday reduced its growth projection for the Indian economy to 6.9 per cent for the current financial year as compared with 7 per cent predicted in June, due to a slowdown in demand and investments.

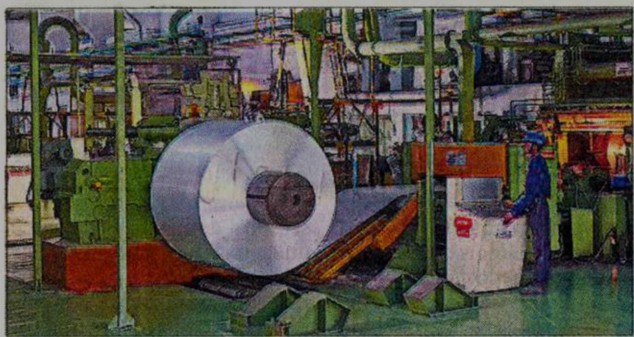
"Spot gold held near the psychological level of USD 1,500 an ounce in the international market, its highest level since 2013. Policy easing by central banks around the world amid slowing economic outlook and intensifying trade dispute between US and China lifted gold's safe haven demand. A weak dollar and geopolitical tensions in Middle East also aided lower level support to the commodity," said Hareesh V, head (commodity research), Geojit Financial Services. According to the All India Sarafa Association, in the national capital, gold of 99.9 per cent and 99.5 per cent purity surged Rs 550 each to Rs 38,470 per 10 gram and Rs 38,300 per 10 gram, respectively.

The yellow metal had risen Rs 1,113 on Wednesday.

**THE HITAVADA DATE : 10/8/2019 P.N.11**

# Hindalco Q1 profit at Rs 1,063 cr

NEW DELHI, Aug 9 (PTI)



ADITYA Birla Group flagship firm Hindalco Industries on Friday posted 27.9 per cent decline in consolidated profit at Rs 1,062.89 crore for June quarter 2019 on the back of lower commodity prices and the global downturn.

The company had posted a profit of Rs 1,474.69 crore in the year-ago period, Hindalco Industries said in a filing to BSE.

Revenue from operations in April-June dropped to Rs 30,268.20 crore from Rs 31,205.61 crore in the year-ago period.

While profits were impacted by the global downturn and lower commodity prices, Hindalco held its ground and delivered a steady performance," the company said in a statement.

"We continued to maintain our strong position in aluminium and copper in Q1 FY'20 despite headwinds. The resilient performance owes as much to our backward integration, resource security, strong balance sheet, operational capabilities and rich product portfolio," Hindalco Industries Managing Director Satish Pai said.

"Today, 79 per cent of Hindalco's consolidated EBITDA is non-LME linked, reflecting a balanced and sustainable business model, which will serve us well in all market conditions," Pai said. Novelis led from the front to achieve record quarterly results, and the Indian businesses put up a resilient show amid subdued economic conditions, the company said. "Profit After Tax was at Rs 1,063 crore in Q1 FY20 compared to Rs 1,475 crore in the corresponding quarter last year," the statement said.

The company further said all regulatory approvals for the Aleris acquisition continue to progress and are expected to close in the third quarter of 2019-20.

Utkal Alumina's brownfield capacity expansion is on track and is expected to be operational by the middle of 2020-21 financial year.

THE ECONOMIC TIMES DATE : 10/8/2019 P.N.7

# Hindalco Q1 Profit Falls 28% on India Hit

**Our Bureau**

**Mumbai:** Lower realisations in its Indian business pulled down Hindalco's consolidated net profit for the April-June quarter, though its US value-added products maker subsidiary, Novelis, posted healthy performance, cushioning earnings in a quarter marked by low aluminium prices.

Consolidated net profit dropped by 28% to ₹1,063 crore for the quarter hit by lower realisations as price of aluminium on the London Metal Exchange dropped 21% from the same quarter last year. Net sales declined 3.7% at ₹29,972 crore. Operating income or Ebitda dropped 13% to ₹3,769 crore.

In the standalone business in India, including Utkal Alumina, net profit plummeted 95% to ₹22 crore against ₹413 crore last year, while Ebitda dropped 42% to ₹889 crore.

Novelis, on the other, hand posted a 26% increase in net profit at $145 million due to higher total shipments with the low aluminium price playing to the advantage of its automotive sheet and beverage can making business model.

"Aluminium prices have come down by 21% since Q1 of last year as the general macro environment is cloudy because of the US-China trade war and economic growth slowing in most countries affecting aluminium demand especially in China," Satish Pai, MD at Hindalco, told **ET**.

"However, 79% of Hindalco's consolidated Ebitda is non-LME linked and so this balanced business model makes sure that when the India business goes down, our converter business props us up," he said.

THE HITAVADA DATE : 11/8/2019 P.N.10

# Steel prices slip Rs 5,000/tonne in 2 months

- In mid June, the prices of 8 mm bars were at Rs 36,500 per tonne (excluding 18% GST) and for 10mm to 25 mm bars, it were between Rs 35,000 and Rs 35,600 per tonne

**Business Bureau**

AMID a bevy of negative economic sentiments, steel prices have been registering a significant fall for the past two months. The prices have slipped by about Rs 4,500 to Rs 5,000 per tonne during the period which is seen as one of the major dips in the recent past.

In mid June, the prices of 8 mm bars were at Rs 36,500 per tonne (excluding 18% GST) and for 10mm to 25 mm bars, it were between Rs 35,000 and Rs 35,600 per tonne (excluding 18% GST).

However, on Friday, the price of 8 mm bars was at Rs 31,500 (excluding GST) and prices of 10-25 mm bars were quoted at Rs 30,500 per tonne (excluding GST).

Rajesh Lakhotia, President of the Steel and Hardware Chamber of Vidarbha, confirmed that the prices are diluting. "We are all surprised to see that the steel prices are falling each passing day. It does not happen every now and then," he said.

Lakhotia added that steep prices fall in monsoon season. "Normally we see marginal dip in the prices at the beginning of monsoon season. It is because construction activities take back seat in monsoon and so the demand for steel products is at its lowest level of the year. But this time, prices are falling beyond our imaginations," he said.

Sources in the market believe that the fall in prices would continue till year end. "There are no signs of improvement in near future. There will be state elections in the coming days and election code of conduct will come into play. It will further impact the demand for steel products," they said.

Sources also told *The Hitavada* that the international factors like US-China trade war, lack of liquidity in the domestic markets and slow pace of mega projects are some of the parameters that are affecting the prices.

In addition to this, recent shortage of water in some of the regions had also brought down the demand. "However, we are now witnessing satisfactory rainfall in many parts, we do see it will improve demand for steel very soon," said another dealer, who preferred not to be quoted.

THE ECONOMIC TIMES DATE : 12/8/2019 P.N.7

# Tata Steel to Simplify Structure, Reduce Arms in India, Europe

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Kolkata: Tata Steel has embarked on an exercise to restructure and simplify its group structure by cutting down and reorganising its subsidiaries in Europe and India.

"In Europe, we have some 300 subsidiaries. The clean-up has already started and we are looking to reduce them by 100 to 120 this year," said Tata Steel chief executive TV Narendran.

At one point in time, Tata Steel Europe had 300 legal entities. Some of them were created in the 1880s and are 100-150-years-old. "They have old liabilities and issues which need to be sorted out," he said, adding, "The journey is a bit tedious."

In India, where Tata Steel has 30 subsidiaries, the exercise will have more to do with operating companies. These will be reorganised in four areas to bring simplicity and leverage the synergy and scale.

The four areas could be long products, downstream, infrastructure and utilities and mining assets, Narendran said.

"The restructuring move could be particularly useful in India, where there are operating companies that could unlock much value," a metals analyst said.

THE HITAVADA(CITY LINE) DATE : 14/8/2019 P.N.10

# Gold prices touch all-time high of Rs 38,800

■ Business Bureau

GOLD prices are heading northwards. The yellow metal prices which were hovering between Rs 32,000 and Rs 32,900 per 10 gm have touched Rs 38,800 (including GST), sources in the market said. Kishore Dharashivkar, President of Nagpur Sarafa Association said, "The US-China trade war, weakening of international currency such as dollar and yuan and rise in gold demand globally are some of the major reasons for the rise in gold prices."

Rajesh Rokde, Secretary of Nagpur Sarafa Association and Regional Director of Gems and Jewellery Council of India said, "The demand for both gold jewellery and investment in gold has swelled by 13 per cent in the second quarter (Q2) of 2019. While the gold demand in India in the second quarter of current fiscal was 213.2 tonne, the demand in gold investment was 44.5 tonne. Comparatively, in the Q2 of 2018, the total gold demand was 189.2 tonne and gold investment demand was 39.3 tonne." He said, in families where the marriages have been arranged next year, they have started placing orders anticipating the prices may further scale up. Investors are concentrating on gold as they feel that other tools of investment may not give them substantial returns.

He said, "We were expecting the prices of gold may move in the range of Rs 37,500 to Rs 38,000 once the festive season commences. But, they have touched Rs 38,800 before Diwali. In Diwali, if the international trends does not alter, we feel that the prices may coolly cross a barrier of Rs 40,000 per 10 gm."

Pradeep Kothari said, the market is under influence of US-China trade war, Trump's policies, Brexit and other rising political tensions in Middle East and fears of a global economic slowdown. Such issues will not resolve before US Presidential election.

THE HIDU DATE : 14/8/2019 P.N.4

# SCCL, cement industry review coal supply

SPECIAL CORRESPONDENT
HYDERABAD

The Singareni Collieries Company Limited has agreed to hold quarterly interaction with the cement manufacturers association, allowing both sides to review the supply side situation and boost offtake by the cement industry.

The decision came during a meeting convened by the Cement Manufacturers' Association with senior officials of the SCCL here on Tuesday. The meeting witnessed commitment from the two sides to work towards improving the offtake of coal by the cement industry. Senior officials of the SCCL responded to a range of queries from the cement industry concerning quality, timely supplies and third-party inspection methodologies. The CMA felt reassured by the positive response from SCCL and CMA representative Sathia Raj termed SCCL customer-centric and attentive to feedback received from the industry.

BUSINESS LINE DATE : 14/8/2019 P.N.5

# NMDC Q1 profit rises 21% to ₹1,179 crore

**OUR BUREAU**
Hyderabad, August 13

State-run NMDC posted a 21 per cent rise in profit at ₹1,179 crore for the first quarter ended June 30, against ₹975 crore clocked in the corresponding quarter of last year.

The iron ore mining company posted revenues of ₹3,264 crore (₹2,422 crore).

In absolute terms, this is the best result in the last 5 years and if revenues from Donimalai are excluded, this is the best ever turnover for Q1 since inception, NMDC said.

During the first quarter, the company achieved total iron ore production of 8.43 million tonnes, up 21 per cent,against 6.98 million tonnes. The average sales realisation was ₹3,705 per tonne (₹3,536 per tonne).

N Baijendra Kumar, Chairman and Managing Director, NMDC, said "The company created new benchmarks both in physical and financial performances in spite of closure of Donimalai mine in Karnataka and challenges at Bailadila Complex in Chhattisgarh."

He hoped NMDC would surpass its targets set for FY20.

# Shale gas exploration: Addressing water issues

The Environmental Impact Assessment of 36 fracking projects in three States is flawed. It overlooks impact on water resources

MPRAM MOHAN
SHASHIKANT YADAV

In May 2019, the Ministry of Environment, Forest, and Climate Change (MoEFCC) granted its first environment clearance to a private entity for exploring shale gas reserves in West Bengal. This is addition to the 2018 clearance to a state-owned enterprise for exploration in Gujarat and Andhra Pradesh.

The Environment Impact Assessment's (EIA's) reports of these projects propose fracking in 36 wells (20 in West Bengal, 11 in Gujarat and five in AP) with fresh water requirements of 3.5-6 million litres per activity in each well. The EIA reports clarify that these environmental clearances are sought only for preliminary exploration of shale gas reserves. Nonetheless, the Directorate General of Hydrocarbons (DGH) estimates that the commercial production of shale gas would require multiple fracking activities in each well with water requirement of up to nine million litres per fracking activity. As of today, 56 sites across six States have been identified for fracking, and according to the World Resources Institute, all of them fall under 'water stress' zones, having limited supply of fresh water.

Internationally, countries pursuing shale gas production have faced serious water management issues in fracking activities. Fracking has now been banned in Bulgaria, France Germany, Ireland and the Netherlands. Countries that are pursuing shale gas extraction (the US, Argentina, the UK and China), have made fracking-specific water regulations.

The EIA reports seem substantively inadequate, as they do not clearly address fracking-specific water issues. Compounding this, the MoEFCC is also yet to come up with a fracking-specific EIA manual.

## Sourcing of water

Fracking involves the creation of fractures/cracks in non-porous, low-permeable rocks by injecting a large amount of water mixed with sand and chemicals (fracking fluid) at very high pressure, allowing shale gas to escape from dense rocks. In the EIA for fracking 20 wells in West Bengal, uniquely, sourcing 3.5 million litres of waste water generated from the oil and gas extraction activities has been proposed. This is very different from the DGH's suggestion and international experience. The EIA reports for fracking 11 wells in Gujarat and five in AP estimate freshwater requirement

**Fracking leads** to serious water issues

up to six million litres per well sourced through "privately owned tanker" and "nearby water sources", without disclosing any specific sourcing channels. This raises several doubts regarding the potential impact on the local community, drinking water sources, land, etc.

Additionally, the extensive usage of water during fracking generates a considerable amount of 'flow-back water', the fracking fluid that returns to the surface once the pressure used to inject the fracking fluid eases out. Studies have reported that the flow-back water is up to 30-40 per cent of the total water used and is reported to have higher contamination than the fracking fluid. Unfortunately, the EIA reports do not mention any specific method to treat or dispose flow-back water, but casually refer to waste-water treatment plants. The United States Environmental Protection Agency in several sites noted fracking-induced methane seeping into drinking water and groundwater sources.

The MoEFCC assesses the suitability of any new project in light of its impact on the environment and overall sustainability by constituting an 'Expert Appraisal Committee'. The committee raises project-specific 'Terms of References' (ToRs) after studying the nature, scale, location, and potential impact of the proposed activities. The project proponent is required to explain the issues raised in ToRs comprehensively.

The DGH has proposed fracking-specific ToRs that the MoEFCC may issue to a project proponent. The ToRs require a project proponent to: disclose adequacy for handling the flow-back water; make and maintain a dedicated website/portal disclosing the water quality data and use of chemicals in fracking fluid; and a fracking-specific community sensitisation plan. Surprisingly, none of these ToRs was taken into consideration by the MoEFCC while granting environmental clearances. Instead, the MoEFCC in the guise of 'specific' ToRs issued general terms of reference normally used for conventional oil and gas extraction activities.

Since the water cycle during fracking is more complicated than the conventional oil-and-gas extraction, issuing such common ToRs seems a grossly inadequate application of mind at best. The National Green Tribunal has also expressed concern over such prototypical ToRs.

## The way forward

In the pursuit of becoming a natural-gas-based economy, the government has implemented various policies to foster the exploration and production of shale gas. Although the environmental clearances granted to fracking are to carry out exploring shale-gas project, these should not become a prototype for preparing the EIA reports. A considered assessment of risk and benefit based on international experience and specific water management issues in India needs to be undertaken.

The MoEFCC should identify issues of shale-gas fracking activities in each proposed site on the yardstick of the DGH's fracking-specific ToRs.

*Mohan is Associate Professor, IIM-A. Yadav is a legal researcher based in New Delhi. Views are personal.*

# Jindal Aluminium Limited (JAL)
# Shaping the country for a better future

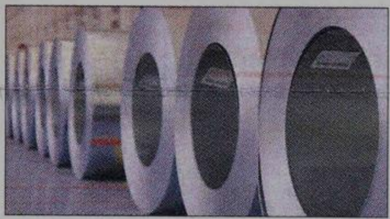
Aluminium, a versatile material integral to modern life, is found in every possible thing in today's world — from foils to cell phones to window frames to motor vehicles to light fixture and even to airplanes. In terms of metals, aluminium is perhaps the youngest. This wonder metal was discovered only in 1886. Since then, it has been an integral component in the journey of growth for the nation, and JAL has been one of the largest contributors to this industry. Being one of the largest manufacturers of aluminium extrusion and aluminium flat rolled products, with a legacy of 50 years (founded in 1968), JAL has been the largest supplier of quality extrusions and second largest supplier of flat rolled products in India. In their five-decade-old journey, it has been associated with some of the world's finest companies in their growth and success.

What started as a single extrusion press operation with a production of 5000 tons in 1968, the company has grown to a production of above 1.25 lac ton of extruded and flat rolled aluminium products in the fiscal year 2018-2019, clocking a turnover of Rs. 30 Billion. Founded by Dr. Sitaram Jindal, the Chairman and Managing Director (CMD) of the company, JAL has always maintained its responsibility to share its growth with the society. Dr. S R Jindal nurtured this desire to give back to society by spending quality time and enormous funds for various social and charitable activities. He founded Sitaram Jindal Foundation and Jindal Naturecure Institute to further this cause. Across the country, JAL or its associated entities have established and run several philanthropic institutions in the field of education, health, social welfare. Taking the legacy forward, Pragun Jindal Khaitan was appointed as the Director of Jindal Aluminium in 2013 and promoted to Managing Director in the year, 2017. Under his leadership, JAL has grown at an attractive annual rate of 25 percent between the years 2013-2017.

The company's core manufacturing is in the production of aluminium extrusions and flat-rolled products. With 11 aluminium extrusion presses, JAL has India's largest installed capacity of 1, 20,000 MT per annum in extrusions. And with 5 continuous casters and a state of the art cold rolling and foil mill, JAL has India's second largest rolled products capacity of 48,000 MT per annum. JAL has also been a pioneer in the renewable energy sector, being the first company to set up both wind power (1997) as well as solar power (2013) plants in Karnataka. It has been a major contributor to nation building through its path-breaking manufacturing technologies that enable it to deliver international standard quality aluminium products to Indian consumers – who otherwise would have had to import it at much higher prices. Throughout the history of the country, major technological advances have required our aluminium to enable them to become a reality. From the first satellite made in India to the latest solar panels – JAL has supplied aluminium extrusions or flat rolled products to them all. Sectors such as building and construction which have experienced technological and customer-preference changes, have always counted on JAL to supply aluminium that meets their changing needs over time.

With a rich history and a glorious future, Jindal Aluminium Limited stands firm as the flag bearer of the nation, taking India on the path of development.

**Dr. S. R Jindal –** *Chairman and Managing Director of Jindal Aluminium Limited (JAL) | Founder, Jindal Naturecure Institute & Sitaram Jindal Foundation;* **Mr. Pragun Jindal Khaitan –** *Managing Director of Jindal Aluminium Limited (JAL)*



THE HINDU DATE : 15/8/2019 P.N.7

# Govt. set to ease norms for mining

## This will avoid a dip in iron production

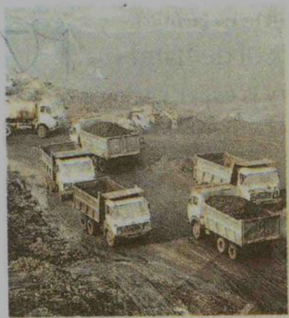
JACOB KOSHY
NEW DELHI

The Union Environment Ministry plans to provide "temporary" forest clearances to prospective bidders for mines whose leases are set to expire in March 2020. The bulk of such mines are located in Odisha and Karnataka.

Officials said that the Environment Ministry would enable clearances to avoid a potential drop in iron production between 2020 and 2022, and catalyse moribund mining auctions. The traditional process has been for mine developers to be responsible for obtaining necessary clearances to start work at a mine.

### A key change

This relaxation was necessary because of a change in the Mines and Minerals (Development and Regulation) Amendment Act, which was amended in 2015. The key change is that, unlike the previous years when mining leases were extended every 20 years, new leases would be issued for 50 years and they would be made available via an auction.



**Black gold:** Trucks on the move in the Mahanadi coal fields in Odisha. ▪REUTERS