



खनिज समाचार

**KHANIJ SAMACHAR**

**Vol. 3, No-18**

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

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

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**Asstt. Library & Information Officer**  
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# खनिज समाचार

# KHANIJ SAMACHAR



A FORTNIGHTLY NEWS CLIPPING SERVICE  
FROM  
CENTRAL LIBRARY  
INDIAN BUREAU OF MINES  
VOL. 3, NO-18 , 16<sup>th</sup> – 30<sup>th</sup> SEPTEMBER , 2019

BUSINESS LINE DATE : 16 /9/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1724	-0.9	-3.0	-18.3	2247	1712
Copper	5656	-0.1	-4.5	-6.7	6572	5646
Iron Ore	87	-2.6	-25.4	41.7	119	62
Lead	2013	-2.2	1.1	-2.1	2190	1767
Zinc	2212	-1.5	-10.4	-10.6	3017	2225
Tin	16350	0.9	-6.3	-15.2	21914	15705
Nickel	18004	14.6	25.7	36.4	17859	10437

BUSINESS LINE DATE : 23/9/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1717	-3.2	-0.9	-14.7	2247	1712
Copper	5736	-0.6	1.3	-7.2	6572	5536
Iron Ore	92	-2.7	4.9	41.1	119	65
Lead	2057	-2.5	-2.1	3.1	2190	1767
Zinc	2350	1.6	3.2	-7.0	3017	2202
Tin	16108	-3.7	2.1	-14.5	21914	15705
Nickel	17339	-1.8	9.9	39.0	18625	10437

BUSINESS LINE DATE : 30/9/2019 P.N.11

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
<b>Metals (\$/tonne)</b>						
Aluminium	1774	-0.1	1.3	-11.8	2247	1712
Copper	5770	-3.0	1.5	-5.0	6572	5536
Iron Ore	96	2.2	3.4	49.1	119	65
Lead	2109	0.7	2.5	5.9	2190	1767
Zinc	2312	-3.0	4.3	-5.4	3017	2202
Tin	16726	1.6	1.5	-12.0	21914	15705
Nickel	17660	-0.8	11.2	40.8	18625	10437

### MCX Gold (₹37,524)



October futures contract of gold declined throughout the week. On Friday, the contract opened and slid through the session, and ended the week at ₹37,524, breaking below an important support level of ₹37,620, which opens the door for the possibility of further depreciation. The contract also breached the support at ₹37,915 — the 23 per cent Fibonacci retracement level of the previous uptrend extending from May to September. The short-term downtrend that the yellow metal is currently witnessing will drag the price to the dynamic support offered by the 50-day moving average at ₹37,105 levels. In case the price breaks below that level, it could slump to ₹36,700 in the medium term. However, if weakness is arrested, resulting in an upward movement, the recovery will face a hurdle immediately at ₹37,620, beyond which ₹38,000 will be a psychological level.

### MCX Silver (₹45,761)



Though the December futures contract of silver stayed flat in the first half of the week, the contract was sold off considerably on Friday where it opened at ₹47,052, and ended the session 2.9 per cent lower at ₹45,761. During this downfall, the contract also closed below the 21-day moving average, indicating a potential extension of the prevailing short-term bearish trend. Noticeably, it was on Friday that the contract witnessed selling pressure in the past two weeks of trading, wrapping the week with negative sentiments on both the occasions. The existing bear trend is expected to continue, and in all likelihood, the contract can slump to ₹44,860 in the near term. The 50-day moving average is at ₹44,125, and along with ₹44,000, it will act as a substantial demand zone. In case the contract attempts to recover, it will face a resistance at ₹46,425 levels.

### MCX Copper (₹459.95)



September expiry futures contract of copper was in a consolidation phase last week until Friday, when it moved up sharply by gaining 1.6 per cent and ended the session at ₹459.95. The contract seems to be building on the momentum it carried over from the previous week, as a result of which the price has moved past the important level of ₹455, increasing the probability of further appreciation. The daily relative strength index confirms the strength of the bull trend. On the back of renewed buying interest, there is a high chance that the bullish momentum will sustain and the contract will appreciate further towards ₹470 levels in the near term, beyond which the immediate resistance is at ₹475. In an unlikely event of the price moderating because of an exhaustion in its bullishness, ₹455 will help limit the downside, below which ₹450 is a key support.





### Unanimous resolution against uranium mining

HYDERABAD

An unanimous resolution was adopted in the Telangana Assembly here on Monday requesting the Union government not to permit or allow the mining operations of uranium ore in Nallamala forest area and other areas in Telangana State.

TELANGANA ▶ PAGE 4

# Unanimous resolution against uranium mining

Telangana State Legislative Assembly passes one-line resolution opposing exploration for uranium and its mining in Nallamala forest area

SPECIAL CORRESPONDENT  
HYDERABAD

An unanimous resolution was adopted in the Telangana Assembly here on Monday requesting the Union government not to permit or allow the mining operations of uranium ore in Nallamala forest area and other areas in Telangana State.

The resolution was moved by Minister for Industries, Urban Development, Industries and IT&C Minister K.T. Rama Rao.

Taking up the resolution after the Question Hour, Mr. Rama Rao said the issue was raised by Congress MLA Bhatti Vikramarka in the House on Sunday and Chief Minister K.Chandrasekhar Rao positively responded to the demand that the uranium ore mining operations should not be allowed.

He said the State government was with the people of Telangana who were opposing mining of uranium ore in Nallamala forest area.

In his resolution, the Mi-



Minister for Industries K. Taraka Rama Rao.

FILE PHOTO

nister said the House was requesting the Union government to withdraw its decision to allow mining operations of uranium in Nallamala forest area, known for nature beauty, ecology and environment, and other areas in the State.

#### Rich biodiversity

"Nallamala forest area is the abode of tigers, deers, bisons, bears and other animals and rare medicinal plants and lakhs of varieties of plants and trees are thriving in the forest. Several tribes like Chenchus and other forest dwellers are dependent on the forest for their livelihood. The waterfalls from the high mountain peaks and hills in the forest serve as the catchment area for the Krishna river. Nallamala forest is the basis for the rich biodiversity and taking up mining operations for uranium will damage the ecological balance and will be hazardous for the survival of people and other living beings," he said.

He also said that because of the radioactivity, the cultivable lands, air, drinking water would be polluted and life of human beings would become difficult.

Entire people of Telangana were opposing the proposal for mining of uranium ore in the Nallamala and the Telangana State Legislature was in agreement with the fears and anxiety of people and requested the Centre to withdraw its proposal to mine uranium ore.

## 'Prevent uranium exploration in State'

TRS accuses Congress of politicising the issue

SPECIAL CORRESPONDENT  
HYDERABAD

The Congress party has decided to continue its fight against the proposed uranium ore mining in the Nallamala forest area still even the plan for its exploration is scrapped.

Speaking to reporters here on Monday, secretaries of All India Congress Committee (AICC) Ch. Vamshichand Reddy and S.A. Sampath Kumar said a mere resolution in the Assembly won't do but the State government should pursue the issue till the Centre stopped all its plans on the radioactive mineral's exploration and mining.

They alleged that both Chief Minister N. Chandrababu Naidu and Minister for Industries K.T. Rama Rao

were deceiving people with their lip service on the issue. Stating that there was no need for power generation with uranium in the country now, the Congress leaders said the renewable power solar and wind, generation was huge at 30,000 MW now and it was expected to reach one-lakh MW by the end of 2022. Besides, the quality of uranium found in the country was also poor as per reports and the cost benefit ratio of its mining was also very high.

#### Radioactive mineral

Instead of mining the highly radioactive mineral at a huge cost it could be imported as it was available at ₹1,300 per kg against ₹1 lakh in the past, they pointed out. They demanded that the State go-

vernment should not even allow exploration of the mineral and the Chief Minister should chair the State Wild Life Board meeting immediately to scrap the approval given for exploration.

Speaking on the same issue at the media point in the Assembly, Minister V. Srinivas Goud and TRS MLAs G. Balaraju and V.M. Abraham said the Chief Minister had already made the government as also TRS stand amply clear on uranium ore mining. They alleged that it was the previous Congress government that had given permission for exploration and the present BJP government at the Centre was going ahead with exploration.

#### 'Not to allow'

They thanked the Chief Mi-

nister for introducing a resolution in the Assembly against uranium ore exploration and the House adopting it unanimously. They stated that along with tribal communities in the Nallamala, the TRS would not allow anybody even to cut a tree branch for the purpose. Mr. Balaraju said he would quit as a legislator and would be ready for any sacrifice if uranium ore mining was taken up.

Meanwhile, Nagarkurnool MP P. Ramulu thanked the Chief Minister on behalf of the people of combined Mahabubnagar district for adopting a resolution against uranium ore mining in the Assembly. He met Minister Mr. Rama Rao on the issue and said he would raise the issue in Parliament.

## Telangana not to allow uranium mining in Nallamala forest

### Assembly passes unanimous resolution

OUR BUREAU

Hyderabad, September 16

Amidst widespread protests from various sections, the Telangana Government has decided not to accord permission to exploration and mining of uranium in the Nallamala forest area.

Telangana Industries Minister KT Rama Rao introduced a resolution in this regard in the Assembly on Monday. It was passed unanimously.

The resolution said the exploration and mining of uranium would adversely impact environment in the region besides posing serious health challenges. The Assembly will communicate

the decision to the Centre.

Several people's organisations and environmentalists have been opposing the move to explore and mine uranium from the Nallamala forest, situated in the southern part of the State. They alleged that any attempts to mine uranium would cause severe damage to the environment and serious health issues to the people in the State.

Film actors Samantha, Vijaya Devarakonda and others lent their voice in support of the Save Nallamala movement. Responding to their requests, K T Rama Rao had promised on Twitter that he would convey the people's opinion to Chief Minister K Chandrashekar Rao.

The Chief Minister, on Sunday, assured the As-

sembly that the State will not give permissions for the

mining of uranium in the State.

## Govt launches system to monitor steel imports

**PRESS TRUST OF INDIA**

New Delhi, September 16

The Commerce and Industry Ministry on Monday launched Steel Import Monitoring System (SIMS) which will provide advance information about steel import to government and other stakeholders, including producers and consumers, to have effective policy interventions.

In this system, the importers of specified steel products will register in advance on the web portal of SIMS, providing necessary information.

Commerce and Industry Minister Piyush Goyal said that registration will be online and automatic, and no human intervention will be required.

The importer can apply for registration not earlier than 60th day and not later than 15th day before the expected date of arrival of import consignment.

The automatic registration number thus granted shall remain valid for a period of 75 days.

The information about the steel imports provided by the importers on SIMS will be monitored by the Steel Ministry.

SIMS has been notified with effect from November 1. It shall require importers to submit advance information in an online system for import of 284 steel tariff lines in order to obtain an automatic

registration number by paying prescribed registration fee.

The Ministry has also launched Common Digital Platform for issuance of electronic Certificates of Origin (CoO).

The platform will be a single access point for all exporters, for all Free Trade Agreements (FTAs)/Preferential Trade Agreements (PTAs) and for all agencies concerned.

Certificate of Origin will be issued electronically which can be in paperless format if agreed to by the partner countries. Authorities of partner countries will be able to verify the authenticity of certificates from the website.

Further, it provides administrative access to Department of Commerce for reporting and monitoring purposes.



# Argentina actively woos India for investment in lithium assets

**Offers duty-free import of capital goods, accelerated depreciation**

**M RAMESH**

Chennai, September 16

So keen is Argentina's Ambassador Daniel Chuburu on India investing in his country's lithium resources, that he spent the entire day at a conference on e-mobility, organised here by the Confederation of Indian Industry.

Later, asked about his tarry, Chuburu told *BusinessLine*, that he had attended many similar e-mobility conferences in India.

His pitch to India, made in a presentation at the conference and in his chat with *BusinessLine*, is simple: "Argentina is getting into mining, notably, mining of lithium; India is invited to participate."

**'Where is India?'**

The Chinese, the Americans, the Japanese, the Canadians



A file photo of the Salinas Grandes desert, which is a rich source of various minerals, including lithium. An Indian delegation is set to visit Argentina to explore opportunities in mining lithium ISTOCK

and the French have already put their foot onto the Argentine mines; where is India? This is the question the ambassador has been asking.

His efforts are seeing some results. Later this year, an Indian delegation, comprising members from the industry and the government, is set to visit Argentina to explore opportunities in mining lithium.

On offer is a host of incentives, including duty-free import of capital goods and accelerated depreciation. "We are very keen to work with the

Indian industry for the production of lithium," he said. Argentina, the ambassador said, was ranked third among nine lithium-producing countries in the world.

Today, it produces 38,000 tonnes of Lithium Carbonate Equivalent (LCE) from two mines, but a massive expansion is on the cards, so that the production increases to 290,000 tonnes by 2023.

Lithium deposits occur in two forms — in salt waters under salt flats called 'salars' (similar to India's Rann of Kutch) and in the form of

crystals trapped in igneous pegmatite rocks. Argentina has 23 salar projects (two in operation, one under construction and the others in advanced feasibility stage), and six 40 pegmatite exploration projects. Its 'inferred reserves' are estimated at 212 million tonnes of LCE.

Argentina is a mineral-rich country, like its neighbours Chile and Bolivia, and the three countries are sometimes referred to as ABC of lithium, or 'lithium triangle'. But while Chile and Bolivia have vibrant mining industry, Argentina "is getting into mining" (only now).

Asked why a mineral-rich country such as Argentina has been lagging in mining, he said the country has been more focussed on agriculture.

"Argentina has a population of 45 million, but it produces food for 500 million people," said Chuburu, and added that despite the economic problems that the country is facing, he wants India to have a positive perception of Argentina.



# MoEF panel nod for SCCL thermal expansion

The expert committee stipulates several conditions in addition to standard ones

**B. CHANDRASHEKHAR**  
HYDERABAD

In a boost to the plans of Singareni Collieries Company Ltd (SCCL) to expand its thermal power project – STPP – with the addition of an 800 MW unit to the existing two 600 MW units, an expert appraisal committee of the Ministry of Environment and Forests (MoEF) has recommended environmental clearance by stipulating several conditions.

The expansion plans of the SCCL's thermal power plant at Pegadapalli in Mancherial district have run into rough weather with the MoEF's expert committee rejecting the proposal thrice raising several queries and seeking additional information from November last year, when the proposal for increased unit capacity, from 600 MW to 800 MW, was submitted first. The proposal was turned down again in June and July this year for want of more information and gaps in the plans to address environmental issues.

At a meeting of the expert

## Special conditions

- Un-utilised fly and bottom ash should be disposed in the abandoned/working coal mines of Singareni in 50 km radius as back filling material
- Irrigation Department has given approval for drawal of 1.05 tmc ft water per annum from Godavari river with a 8.65 km pipeline from Shetpalli village during lean season
- Another 2 tmc ft per annum is allowed to be drawn from Pranahita river with a 43.5 km pipeline from Devulawada village
- Installation of FGD plant for the existing 2×600 MW units is scheduled to be completed by June 2022
- The project proponent has to take further extension for installation of FGD for running even the existing units since it won't be completed by December this year as stipulated by CPCB

appraisal committee held on August 23 in New Delhi, the panel members considered the additional information submitted by the project proponent, SCCL, and recommended grant of environmental clearance by stipulating conditions in addition to the standard ones.

## Land limit

According to officials, the MoEF panel has stipulated that requirement of land for

establishing the 800 MW unit should not exceed 127.31 hectares, including for main plant, equipment, coal handling plant, ash dyke and greenbelt.

On the coal requirement for the new unit, the committee specified that it should not exceed 4.05 million tonne per annum (MTPA) out of the planned production of 10 MTPA from the Naini coal block located at Chhendipada in Angul district of Odisha. Further, the

panel asked SCCL to transport the required coal only by rail and road transportation is not permitted.

## Coal source

However, in case of change in coal source and its location, a fresh reference has to be made to the MoEF for seeking amendment in EC for assessing adequate impacts and stipulating pollution control measures. The new emergency ash pond for the 800 MW unit should be restricted to only 30 ha and the remaining area of 29.44 ha towards Pegadapalli should only be developed as greenbelt. Besides, the committee has further stipulated that total requirement (drawal) of water from Pranahita and Godavari rivers should not exceed 1,35,800 cubic meters a day, including 88,800 cubic meters for the 800 MW unit and 48,000 cubic meters for the existing 2×600 MW units. The panel also stipulated conditions on the implementation of new emission norms and measures for rainwater harvesting.

## SAIL allowed to offload 25% of iron ore output

OUR BUREAU

New Delhi, September 17

The Ministry of Mines has allowed Steel Authority of India Ltd (SAIL) to offload, in a year, up to a quantity equivalent to maximum of 25 per cent of total iron ore production in the previous year. This is subject to clearance from the respective State governments where the mines are located, a statement said.

It is valid for a period of two years. This development implies that around 7 million tonnes (mt) of iron ore, produced at mines in Jharkhand, Odisha and Chhattisgarh, can be offloaded by SAIL to the domestic market after getting the necessary clearances. SAIL has also been allowed to dispose of old stock of 70 mt of low-grade iron fines and ores (including slime) dumped across different captive mines of SAIL, after getting the necessary permission from Jharkhand, Odisha and Chhattisgarh, where the mines are located. According to Section 8A(6) of Mines and Minerals (Development and Regulation) Act, 1957, the lease of 31 working mines of iron ore expires on March 31, 2020. This is expected to lead to a shortfall of 60 mt of iron ore in the market.

NAVBHARAT(NAGPUR PLUS)DATE :19/9/2019 P.N.7

## संपर्क की प्रमुख भाषा है हिन्दी

व्यापार प्रतिनिधि

नगरपुर. भारतीय खान  
ब्यूरो मुख्यालय में  
निदेशक, अयस्क  
प्रसाधन, इन्दिरा



रवीन्द्रन की अध्यक्षता

IBM में विभिन्न गतिविधियों का आयोजन  
में हिंदी दिवस, हिंदी पखवाड़ा समापन समारोह एवं पुरस्कार वितरण कार्यक्रम आयोजित किया गया। इस अवसर पर वीएनआईटी के निदेशक डा. प्रमोद पडोले मुख्य अतिथि थे। मुख्य खान नियंत्रक पी.एन. शर्मा, मुख्य खनन भूविज्ञानी एस.के. अधिकारी, मुख्य खनिज अर्थशास्त्री डा. पी.के. जैन भी इस अवसर पर उपस्थित थे। समापन समारोह के अवसर पर हिंदी गृह पत्रिका 'खान भारती' - 2019 का विमोचन भी किया गया। इन्दिरा रवीन्द्रन ने कहा कि संपर्क भाषा के रूप में हिंदी का महत्वपूर्ण स्थान है। पडोले ने कहा कि सभी सरकारी कर्मचारियों को अपना दैनंदिन कार्य हिंदी में करना चाहिए। पी.एन. शर्मा ने कहा कि हिंदी भाषा का विकास जरूरी है, परंतु साथ ही अन्य भाषाओं का निरादर भी नहीं होना चाहिए। पी.के. जैन ने पखवाड़े के दौरान की गई गतिविधियों और विभिन्न प्रतियोगिताओं के आयोजन की जानकारी दी।

कार्यक्रम में नीलेश महात्मे, अभिनवकुमार शर्मा, मिताली चटर्जी, असीम कुमार, किशोर डी. पारधी, जगदीश अहिरवार, श्रीनाथ, प्रदीपकुमार सिन्हा, एन.एम. मोरे और ए.के. नाल्हे का सहयोग मिला।



## DPIIT notifies FDI relaxation norms in coal mining, contract mfg, single-brand retail

NEW DELHI, Sept 18 (PTI)

THE Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday notified the recent decisions to relax foreign direct investment (FDI) norms in sectors such as coal mining, contract manufacturing, and single-brand retail trading.

The DPIIT, under the commerce and industry ministry, deals with FDI-related issues. It notifies FDI-related Government decisions through Press Notes.

The department has also notified the decision to allow 26 per cent FDI in digital media, a move over which certain industry and



experts have raised issues.

On August 28, the Government allowed 100 per cent foreign investment in coal mining and contract manufacturing, eased sourcing norms for single-brand

retailers and approved 26 per cent foreign investment in digital media, as it looks to boost economic growth from over six-year low of 5 per cent.

According to the Press Note of the department, 100 per cent FDI is permitted for sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957. Amending FDI norms for the manufacturing sector, it said foreign investment in 'manufacturing' sector is under automatic route.

THE HITAVADA DATE : 20/9/2019 P.N. 11

## Plans to boost mineral output by 200% in next 7 yrs: Joshi

NEW DELHI, Sep 19 (PTI)

AIMING to boost India's mineral output by 200 per cent in the next seven years, Union Minister Pralhad Joshi on Thursday said about Rs 1,500 crore lying in exploration trust, could be used for accelerating this work.

He said, the mining industry is undergoing reforms through transformative investor friendly interventions like the Mines and Minerals (Development and Regulation) Amendment Act 2015, that introduced transparent and competitive auction process for grant of mineral concessions besides setting up of National Mineral Exploration Trust (NMET) to accelerate mineral exploration activity.

"More than Rs 1,500 crore has been accumulated in the NMET



fund during last three years. And as far as the information I have, today out of that around Rs 200 crore have been spent. For exploration activities there is a fund to invest," he said urging geo scientists to come forward.

The Union Mines and Coal Minister Joshi urged the geo-scientists to come forward to unearth deep-seated minerals as demands on mineral resources in the country are at an all-time high.

"Mining sector has a pivotal role to play in the 'Make in India' vision of the Prime Minister.

Growth of economy is dependent on uninterrupted supply of minerals, which form the basic raw materials for industry. The Government aims to increase mineral production (in value terms) by 200 per cent in 7 years," the Minister said during National Geoscience Award 2018.

He said to boost mining, National Mineral Policy 2019 has been unveiled that proposes to attract private investment through various incentives like financial package, right of first refusal at the time of auction etc.

The Minister said that since the search for the near surface deposits have reached a point of saturation, the country now faces the challenge of finding deep-seated and concealed mineral resources by applying state-of-the-art technologies.



# NEERI, WII to study impact of coal mines, power plant on Tadoba Res

## MoEFCC Asks To Prepare Mitigation Plan

Vijay.Pinjarkar@timesgroup.com

**Nagpur:** The MoEFCC has asked National Environmental Engineering Research Institute (NEERI), Nagpur, and Wildlife Institute of India (WII), Dehradun, to prepare a management plan by studying possible impacts of Western Coalfields Limited (WCL) mines and Chandrapur Super Thermal Power Station (CSTPS) on Tadoba-Andhari Tiger Reserve (TATR).

The MoEFCC direction on September 11, 2019 is sequel to 324<sup>th</sup> report of Parliamentary Standing Committee (PSC) on science and technology, environment & forests, which visited TATR on April 25, 2018. The PSC, headed by Anand Sharma, had tabled the report titled 'Status of forests in India' in Rajya Sabha and Lok Sabha on February 12, 2019.

The panel had held discus-

➤ TATR is vital as it has 80 species of mammals, 280 species of aves, 54 species of reptiles, 11 species of amphibians and 84 species of pisces, besides 667 species of flora are also found in TATR

➤ The park is an important catchment area of Irai and Andhari river and is a major source of livelihood to the people living in its surroundings

### WHAT PARLIAMENTARY PANEL SAID



➤ With 1.80 lakh tourists visiting Tadoba generating ₹11 cr revenue in 2018-19, it has positively impacted the revenue generation through wildlife tourism, thereby creating indirect economy in the area

“Air and water pollution from power plant and WCL mines are one of the biggest threats, besides forest fires, encroachments under FRA and linear projects in the landscape. If not handled properly TATR will be on the brink. I had submitted a memorandum to the panel on these issues

**SURESH CHOPNE**  
PRESIDENT, GREEN PLANET  
SOCIETY, CHANDRAPUR

sions with representatives of local NGOs and forest officials on environmental issues specific to TATR. Suresh Chopne, president of Green Planet Society, Chandrapur, said, “Air and water pollution from power plant and WCL mines are one of the biggest threats, besides forest fires, encroachments under FRA and linear projects in the landscape. If not handled properly TATR will be on the brink. I had submitted a me-

morandum to the panel on these issues.”

Chopne says at least 12 big coal mines are in operation in Chandrapur district alone badly damaging tiger corridors. At least 5-6 mines are in close vicinity of TATR. Durgapur opencast mine is already under process of expansion. WCL produces over 6 million tonnes of coal annually most of which is supplied to CSTPS.

Wildlife biologist Milind

Pariwakam and Eco-Pro founder Bandu Dhotre, who too represented the panel in Kolara, said, “The 1,727 sqkm (core & buffer) of TATR is susceptible to threats like mining, poaching, encroachments, forest fires, electrocution, drowning in open wells, epidemics, illicit felling, grazing, proposed Human dam etc. The committee desired to know as to what steps had been taken to provide safety of wild animals from the above-

mentioned threats.”

The letter issued by MoEFCC joint secretary Geeta Menon has asked both NEERI and WII to assess impact on tiger reserve on the southern border of the park and suggest remedial measures. Both the agencies have been told to prepare a master plan and furnish it for consideration. The expenses of studies will be borne by Mahagenco and WCL.

“We have already written to NEERI and WII to submit technical and financial offers for preparation of suitable management plan. This will be the first such major exercise involving big institutions to prepare a mitigation plan for Tadoba,” said WCL officials.

It is an important source population of tigers and there are 66 tigers in the reserve and its landscape. In the past 5 years, TATR has seen rise in number of tourists and tourism has become an important source of livelihood for guides, gypsy owners, drivers and people working in resorts and other facilities. It was also generates indirect employment avenues for many.

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## Engineering exporters may get domestic steel at global prices

International prices are substantially lower; ministers discuss proposal

AMITISEN

New Delhi, September 19

To prop up top export sectors, which have been ailing, the government is working out an arrangement to allow exporters of engineering goods to get steel from domestic suppliers at international prices, which are substantially lower than domestic prices, under the Advance Authorisation scheme.

“A meeting on the issue has

already taken place between the Ministers of Commerce & Industry and Steel and an understanding reached. The Steel Ministry is now working on issuing the necessary instructions,” a government official told *BusinessLine*.

Engineering exporters have been long demanding that a mechanism for providing steel, the major input for the industry, at export parity price be immediately notified for

MSME exporters. They argue that higher domestic price of steel was rendering exports uncompetitive. Outbound shipments of the items dropped 9.3 per cent in August to \$6.5 billion compared to the same month last year.

The difference in domestic and global prices of steel is due to the fact that while in the international market there is a downward pressure on prices because of low demand and excess capacities in steel plants, India has managed to protect its local producers from a surge in im-

ports by putting in place various trade remedial measures like anti-dumping duties and safeguard duties.

“The Commerce and Steel Ministries have discussed the possibility of supplying steel on FOB (freight-on-board) export prices to engineering goods exporters who will use the steel only for items to be exported. This could be done under the Advance Authorisation scheme,” he said.

As per plans, the steel companies would provide FOB price of steel at the respective price of the day of supply

(shipping bill value) and steel would be provided to exporters at that price.

“Engineering good exporters allege that the domestic producers were charging a premium up to \$150 per tonne when they sold to local buyers including the engineering goods industry. Steel companies, however, say that the premium was much lower. The fact remains that bringing about a parity with international prices will lower input costs for exporters of finished goods,” the official said.

## MCX-Zinc tests key support level



**AKHIL NALLAMUTHU**

BL Research Bureau

The September expiry contract of Zinc futures on the MCX witnessed volatility in the past week as it tested both ends of the range ₹183.3-189.25, within which it has been moving for the past three weeks. The contract opened at ₹187.3 a kg for the week, and after marking a high of ₹189.25, ie, the upper boundary of the range, it declined 3.2 per cent to ₹183.3 — the lower boundary.

In case the prevailing bearish price swing extends, and the contract breaks below ₹183 levels, it will find support at ₹182. Below this level, there is considerable support at ₹180.7 — the current month low. On the other hand, if the price bounces taking support at the range bottom, it could rally towards ₹185.75, beyond which it will face strong resistance at ₹189 levels.

The three-month rolling forward contract of Zinc on the LME faced stiff resistance at \$2,400 and the contract started depreciating from that level. Currently trading at \$2,320, it declined below the 21-DMA and is approaching a support in the band between \$2,295 and \$2,300. However, a break below these levels can intensify the sell-off and drag the price to \$2,230 in the days to come. Alternatively, a bounce from the support band may result in the price appreciating to \$2,355.

### Trading strategy

The recent downtrend in global prices may weigh on the MCX-Zinc futures contract, pushing it to break below the crucial support at ₹183. Also, there's an equal probability that it might bounce from the current level since it is the range bottom and may become a support level.

Hence, it is advisable to wait until a decisive break of that support is observed. In such a case, one can initiate short positions with stop-loss above ₹186 where the price might potentially depreciate to ₹182 and even to ₹180.7 in the near term.



# माइनिंग कलस्टर के नाम पर युवकों को गुमराह न करें

नागपुर | रामटेक विधानसभा क्षेत्र अंतर्गत विगत 25 साल से एक भी उद्योग की स्थापना तो दूर उसके लिए प्रयास भी नहीं हुआ, परिणामस्वरूप युवावर्ग बेरोजगारी के दलदल में फंसा जा रहा है। वर्तमान में विधानसभा चुनाव आते हैं बेरोजगारों को नई एमआईडीसी की स्थापना का प्रलोभन देकर भ्रमित करने की शिकायत पंचायत समिति के पूर्व उपसभापति और नागपुर जिला ग्रामीण कांग्रेस कमेटी के महासचिव उदय सिंह उर्फ गज्जू यादव ने मुख्यमंत्री, विभागीय आयुक्त और खनिज विकास

महामंडल के व्यवस्थापकीय संचालक को दिए ज्ञापन में की। पारशिवनी तहसील के कान्द्री (कन्हान) के भूमापन क्रमांक 333, क्षेत्रफल 3.67 हेक्टेयर, भूमापन क्रमांक 40, क्षेत्रफल 4.40 हेक्टेयर भूमि महाराष्ट्र औद्योगिक विकास महामंडल के नाम पर दर्ज है।

उसी प्रकार पेंच रोड पर भूमापन क्रमांक 194 /2 महाराष्ट्र औद्योगिक विकास महामंडल उद्योग, ऊर्जा व कामगार विभाग के नाम पर पहले से ही शासन के राजस्व रिकार्ड में दर्ज है,

लेकिन इन जगहों पर आज तक नए उद्योगों की स्थापना नहीं की गई।

पूर्व सांसद मुकुल वासनिक को एक निवेदन देकर 3 मार्च 2012 को रामटेक विधानसभा क्षेत्र में महाराष्ट्र औद्योगिक विकास महामंडल की स्थापना की मांग की थी, उनकी सिफारिश के बाद शासन द्वारा महाराष्ट्र औद्योगिक विकास महामंडल के प्रादेशिक अधिकारी को 19 मई 2012 को आवश्यक कदम उठाने के लिए निर्देश दिया गया था। प्रादेशिक अधिकारी ने उपविभागीय अधिकारी को 30 अक्टूबर

2013 को पत्र देकर निर्देश दिया और उस पत्र के बाद उपविभागीय अधिकारी द्वारा मौजा चारगांव दफाई के भूमापन क्रमांक 74 के समीप 70 एकड़ गैर खेतिहर जमीन उपलब्ध होने का प्रस्ताव भेजा था। जिस भू-मापन क्रमांक 74 के पास की गैर खेतिहर जमीन के भूगर्भ में खनिज संपदा होने का कारण बताते हुए औद्योगिक प्रादेशिक अधिकारी ने प्रस्ताव नामजूर कर दिया था। उस जनहित के प्रस्ताव को राज्य सरकार से मंजूरी दिलवाने का प्रयत्न नहीं किया। उपरोक्त निवेदन पर ध्यान देकर

उचित कदम उठाने की मांग उदयसिंग उर्फ गज्जू यादव सहित जिला नियोजन समिति एवं विरोधी पक्ष नेता कन्हान नगर परिषद नरेश बर्वे, नगर सेवक एवं कन्हान शहर कांग्रेस कमेटी के अध्यक्ष राजेश यादव, तहसील खादी ग्रामोद्योग विकास संस्था के अध्यक्ष रणवीर यादव, सचिन खागर, मोरेश्वर हिंगे, प्रशांत कामडी, मोहन भगत, दुर्गेश नायडू, रोहित ताटी, संतोष बोरिकर, पारशिवनी तहसील के डोमन चकोले, बबलू बर्वे, नावेद रोख, अनुज वानखेड़े, आशीष भड़, प्रज्वल भक्ते आदि ने की है।

## MCX Gold (₹37,727)



The October futures contract of gold began the week on a positive note as it opened at ₹37,774 and closed at ₹38,180 on Monday, posting a gain of 1.75 per cent. This was preceded by a gradual decline for seven consecutive trading sessions. However, the price started to moderate again, and made an intra-week low at ₹37,438 — the 50-day moving average — on Friday, and ended the week at ₹37,727. The contract currently seems to be trading in a tight range between ₹37,438 and ₹38,215. A decline below ₹37,400 levels may invite more bears because a break below that level might change the medium-term trend to bearish and the contract might dwindle to ₹36,700, the 38 per cent Fibonacci retracement level. But in the event of the bulls gaining traction, the price will find a hindrance at ₹38,125, beyond which it will appreciate towards ₹38,650.

## MCX Silver (₹46,523)



The December month futures contract of silver, like that of gold, opened the week on a positive note at ₹46,100, and closed Monday's session at ₹47,218 with a 3.2 per cent gain. However, the positive sentiment did not sustain long as the contract price dropped to an intra-week low of ₹45,900, briefly trading below the ₹46,000 level, subsequently closing the week at ₹46,523. On viewing the chart, one can observe that the price is oscillating within a range between ₹45,900 and ₹47,440, and is currently trading below the 21-day moving average, implying a weakness. So, if the price breaks below ₹45,900, it may slump to ₹45,130, the 61.8 per cent Fibonacci retracement level of the previous bull trend. Below that, the sell-off could intensify, and the contract may weaken to ₹44,360 in the medium term. Alternatively, if the contract gains, the price could appreciate to ₹48,000 levels.

## MCX Copper (₹443.5)



After showing signs of an uptrend by breaking above crucial resistance levels, the September month futures contract of copper reversed the trend abruptly and tumbled last week to a low of ₹442.5, before closing at ₹443.5. The commodity contract posted a loss of 3.6 per cent for the week. In fact, the price has slumped below key support levels at ₹455 and ₹450. Apparently, it has also dipped below both 21- and 50-day moving averages, possibly indicating further depreciation. It is highly likely that the bearish momentum will sustain and will be carried over to the upcoming sessions. As a result, the contract will most probably weaken further from the current level towards ₹436.5 in the coming days, below which the next support comes in at ₹434.4. On the other hand, if it manages to arrest the decline and move up, it will face significant resistance at ₹450 levels.



NMDC

# Feeling the heat

If company-specific issues are resolved favourably, long-term prospects will be good

SATYA SONTANAM

The stock of NMDC, the country's largest iron ore producer, has fallen by about 7 per cent from our last 'buy' call in mid-December 2018. The fall has been in tandem with the sell-off across the metal and mining space, in the wake of trade tensions between the US and China. For NMDC, in particular, the shut-down of its Donimalai mines at Belary, post the Karnataka government imposing conditions for extension of the mining lease, has been an added dampener. Given that the matter is pending before the Mines Tribunal, the stock could remain under pressure in the near term. The overall slowdown in the steel sector only accentuates the problem.

That said, while NMDC is likely to feel the heat in the next one year, long-term fundamentals and prospects remain intact.

Hence, investors with a long three- to five-year horizon can hold the stock. After a notable fall over the past nine months, the downside could be limited hereon, with most of the negatives priced in the stock. A favourable order leading to the opening up of the Donimalai mines can be a key positive for the stock, though restarting operations could take a while.

At the current price of ₹85, a multi-year low, the stock trades at about six times its trailing 12-month earnings, against its three-year historical average of 13 times. Good dividend yields, zero debt, healthy margins and strong cash flows should hold the company in good stead over the long run.

## Uncertainties exist

NMDC, a navratna Central Public Sector Enterprise (CPSE) has production capacity of 44 million

tonnes of iron ore per annum. The company operates open cast mines at Kirandul (three mines) and Bachel (two mines) in Bailadila sector of Dantewada district in Chhattisgarh State, and at Donimalai (two mines) in the Bellary district of Karnataka State.

On November 2, 2018, the Karnataka government imposed a premium of 80 per cent of the sale value of the ore extracted as premium, to extend the mining lease. Challenging this, NMDC filed a petition in the Karnataka High Court; the matter is still to be heard. Even if the judgment goes in favour of NMDC, commencing mining operations is expected to take considerable time.

Another key overhang on the company is the uncertainty over two mines in Chhattisgarh, in the light of the ongoing skirmish at the Donimalai mines. The lease on the Chhattisgarh mines is due to expire in March 2020.

These mines contribute nearly 65 per cent of NMDC's output. Hence, any setback in production can affect the company's sales.

Coupled with the overall slowdown in the steel sector, company-specific issues have kept NMDC investors on tenterhooks. To ward off the threat from steel players bidding for captive iron ore mines, NMDC is looking at forward integration into steel-making to utilise its iron ore resources. The operations of the three-million tonne steel plant, set up by the company, is slated to commence in the beginning of FY21. While, over the long run, this can pay off, in the near term, the weak steel cycle can play spoilsport.

## Healthy fundamentals

One of the key positives for all PSU stocks, including NMDC, has been the strong dividend payouts over the years. NMDC has given a dividend yield of about 5

per cent, during the period.

Also, the company's operating margins have been around 55 per cent in the last few years. Iron ore prices depend mostly on the demand-supply factors in a particular state.

NMDC generally fixes the price for its output on a monthly basis, based on global prices and demand-supply in India. It has been able to pass on costs consistently to customers, aiding margins.

The company has been able to maintain healthy cash flows. For FY19, the company has generated operating cash flows of about ₹4,000 crore.

NMDC's strong fundamentals will help it benefit from a turnaround in the sector over the medium term. Thanks to the government's initiatives — such as Make-in-India, building freight corridors, smart city drive, rural electrification and housing for all — steel demand could recover over the next year.



## Why

- Good dividend yield
- Cheap valuation
- High operating margins



## Steady performance



# JSW Steel calls for 25% safeguard duty on imports

PRESS TRUST OF INDIA

New Delhi, September 23

JSW Steel on Monday demanded a 25 per cent safeguard duty on imports of steel to protect domestic players.

JSW Steel Joint Managing Director and Group Chief Financial Officer Seshagiri Rao said this while speaking to reporters on the sidelines of an industry event here.

On domestic steel sector being impacted due to the ongoing trade war between the US and China, he said it is a matter of concern. Lot of diversion of steel products is happening into India, affecting the domestic industry.

In August, imports went up and a major part of it was from FTA countries. Most of the coun-

tries have taken protectionist measures and the domestic steel industry has also been seeking safeguard duty, he said.

"A 25 per cent duty we are looking at on steel imports. It is very much essential. There are FTAs signed and majority of imports are coming from FTAs. Imposing safeguard duties is very much essential. All other countries have taken measures," Rao said.

According to official data, in 2018-19, finished steel exports stood at 6.36 million tonnes, a decline of 33.87 per cent compared to the previous year. Imports stood at 7.83 million tonnes, a growth of 4.7 per cent from last year. Thus, India was a net importer of total finished steel.

# बाहर न जाए कच्चा माल

दिल्ली कार्यालय

दिल्ली. पेट्रोलियम व इस्पात मंत्री धर्मेन्द्र प्रधान का निर्देश है कि किसी भी तरह का कच्चा माल भारत से बाहर नहीं जाना चाहिए। यहां उन्होंने भविष्य में देश के इस्पात क्षेत्र के विकास की रूपरेखा की तैयारियों के लिए चिंतन शिविर का आयोजन कराया, जिसमें सरकारी और निजी क्षेत्र की बड़ी कंपनियों के अलावा सेकेंडरी स्टील से जुड़ी सैकड़ों छोटी कंपनियों के प्रतिनिधियों ने भी हिस्सा लिया। उनके बीच प्रधान ने कहा, 'अगले दो-तीन सालों में हर हालत में यह कोशिश करनी है कि बाहर से यहां इस्पात आना बंद हो जाए और एक लंबी अवधि के लिए भारत इस क्षेत्र का निर्यातक देश बन जाए।' भारत में अभी लोहे की खपत प्रति व्यक्ति 74 किलो तक पहुंच पाई है, जबकि विश्व में यह औसत 230 किलो का है और वर्ष 2031 में जब भारत की स्थापित क्षमता 300 मिलियन टन तक करने की जो योजना सरकार ने घोषित कर रखी है, उसमें भी प्रति व्यक्ति खपत 160 किलोग्राम तक ही पहुंच पाएगी। उन्होंने कहा, 'जब जापान हर तरह का कच्चा माल दुनिया के अन्य देशों से लेकर क्वालिटी स्टील सबसे सस्ते में बनाकर सबको बेच रहा है, तो भारत की कंपनियां इस तरह की प्रतिस्पर्धा क्यों नहीं हो सकती ?'

## प्रधान का कम्पनियों को निर्देश



इस्पात के क्षेत्र में सरकारी हस्तक्षेप या विभिन्न मसलों पर उससे आदेश लेने की बात प्रधान को बिल्कुल पसंद नहीं है और वे चाहते हैं कि इससे जुड़ी फाइलें उन तक बिल्कुल ना जाएं। हम तो चाहते हैं कि सरकार इस्पात क्षेत्र में बिल्कुल न हो। स्टील मिनिस्ट्री के पास कोई काम न रहे, यह मेरी दिली इच्छा है। मंत्रालय रहे या ना रहे, कोई फर्क नहीं पड़ता। बीते सप्ताह मंगोलिया के शासनाध्यक्ष जब जहां प्रधानमंत्री नरेंद्र मोदी से मिले, तो यह तय हुआ कि ट्रांस साइबेरियन रेल लिंक से जोड़ते हुए भारत मंगोलिया से एक लिंक बनाएगा, ताकि वहां का कोयला भारत आ सके।

## भारत का लोहा खरीदें

प्रधान हाल ही में सऊदी अरब व यूएई के मंत्रियों से मिले और भारत उनसे इतना अधिक कच्चा तेल खरीदता है-यह याद दिलाते हुए उनसे आग्रह किया कि वे भारत का लोहा खरीदना शुरू करें। इस चिंतन शिविर में राज्यमंत्री फगन सिंह कुलस्ते ने कहा कि उद्योग जगत को भारत सरकार हर तरह की मदद करने का तैयार है। मंत्रालय के सचिव विनय कुमार ने कहा कि स्क्रैप नीति अगले महीने आ जाएगी और वह इस्पात क्षेत्र के लिए गेम चेंजर साबित होगा। जिन 38 लौह अयस्क खदानों की लीज मार्च 2020 में खत्म हो रही है, उनकी नीलामी ओडिशा से जल्द ही प्रारंभ हो जाएगी और बिना किसी दिक्कत के इस विषय को हल कर लिया जाएगा।

## पानी की दिक्कत पर भी ध्यान

ओडिशा के मुख्य सचिव असित त्रिपाठी ने कहा कि कलिंगनगर में 13000 हेक्टेयर जमीन खाली है, जबकि राउरकेला में भी नए इस्पात संयंत्र के लिए काफी जमीन बाकी है।

उद्योग के लिए पानी की दिक्कत की ओर उन्होंने ध्यान खींचा। उन्होंने बताया कि जल्द ही ओडिशा में एक अट्टारह मंजिली इमारत में विश्वस्तरीय कौशल विकास केंद्र प्रारंभ होने जा रहा है, जिसमें 1000 से अधिक युवा हर साल ग्रेजुएट होंगे और सिंगपुर उसे विकसित कर रहा है। जमीन अधिग्रहण के वर्तमान प्रावधानों से अधोसंरचना का विकास कर पाना लगभग अलंभव हो गया है।

सेल के सीएमडी अनिल चौधरी, टाटा स्टील के सीईओ टीवी नरेंद्रन व जेएसडब्ल्यू स्टील के शेषगिरी राव ने भी इसे संबोधित किया। मंच पर जेएसपीएल के एमडी नवीन जिंदल भी थे।



## MCX-Aluminium near key demand zone

### MCX Aluminium



AKHIL NALLAMUTHU

BL Research Bureau

During the previous week, the September futures contract of Aluminium on the Multi Commodity Exchange depreciated to a low of ₹138.55, from ₹140.35 a kg before closing for the the week at ₹138.75 on Friday. The contract experienced bear hammering after recording an intra-week high of ₹141.65, where the 21-day moving average acts as a resistance.

The contract opened on a flat note at ₹138.55 on Monday. It then slid to make an intra-day low of ₹138.05. Currently, it tests a key support area between ₹137.8 and ₹138. If the futures contract attracts buying, it may appreciate towards a crucial resistance in the band between ₹139 and ₹139.25. A breakout beyond these levels will take the contract price towards ₹140 over the medium term. However, if the current support does not hold, the contract may come under more selling which could drag the price down to ₹135.

### Global trend

After breaking an important level of \$1,800, the three-month rolling forward contract on the London Metal Exchange could not rally further and declined to a low of \$1,765. During the previous week, the contract opened at \$1,810 and registered a low of \$1,765 before closing the week at \$1,795, though it was largely trading between \$1,780 and \$1,800.

Since the price has bounced up from \$1,765 levels twice, the contract seems to have formed a higher base indicating some buying interest. Hence, trading beyond \$1,800 will most likely take the contract towards \$1,860. However, if the contract faces more selling at the \$1,800 area, the price could be dragged down towards \$1,765, below which the price might re-test the earlier low at \$1,755 level.

### Trading strategy

The contract seems to be moving sideways between key levels at ₹139.25 and ₹137.8. Hence, from the perspective of trading it is advocated to wait until the price decisively breaks either of the levels.



# US asks for WTO panel to settle dispute with India over retaliatory duties on 28 products

Dispute-settlement body to respond to the request at its next meeting

AMITI SEN

New Delhi, September 23

The US has asked the World Trade Organisation (WTO) to set up a dispute panel to settle its disagreement with India over retaliatory import duties imposed by the country on 28 American products which include walnuts, apples, almonds, chemicals, chickpeas, pulses and some steel products.

New Delhi imposed higher duties on select items imported from the US in June this year in response to Washington's decision to increase import duties on Indian aluminium and steel by 10 per cent and 25 per cent respectively in 2018 on the ground of security concerns.

"The additional duties measure applies only to products originating in the United States. The additional duties measure does not ap-

ply to like products originating in the territory of any other WTO Member, and thus appears inconsistent with the most-favoured nation obligation in Article I of the GATT 1994," the US said in its submission to the Dispute Settlement Body (DSB) of the WTO.

Moreover, the additional duties measure results in rates of duty greater than the rates of duty set out in India's schedule of concessions, and thus appears inconsistent with multilateral trade rules, the submission added. The DSB will respond to the request possibly in its next meeting.

The US had requested consultations with India on the matter in July which is the first step that a complainant needs to take before it requests for a dispute panel to be formed. "Unfortunately,



these consultations did not resolve the dispute," the US submission said.

India has been defending its move on the ground that retaliatory tariffs are permitted under the WTO's Agreement on Safeguards. The US, however, argued that the additional import duties imposed by it on Indian steel and aluminium were not safeguard duties (imposed when there is a surge in imports on a particular commodity) but were taken on grounds of national security.

The WTO panel, once constituted, will now take a call on whether India was justified in imposing unilateral duties on American products in response to Washington's penal duties on its aluminium and

steel. Interestingly, India too has filed a case against the US for its duties on aluminium and steel.

India's increase in import duties for certain American products is relatively substantial. While import duty on walnut has been hiked to 120 per cent from 30 per cent, duty on chickpeas, Bengal gram (chana) and masur dal were raised to 70 per cent, from 30 per cent. Import duty on lentils was increased to 40 per cent.

**India has been defending its move on the ground that retaliatory tariffs are permitted under the WTO's Agreement on Safeguards.**

DAINIK BHASKAR DATE : 24/9/2019 P.N.8

## खनिज क्षेत्र में निजी क्षेत्र को मिले अनुमति : फिमी

एजेंसी | नई दिल्ली, फेडरेशन आफ इंडियन मिनरल इंडस्ट्रीज (फिमी) ने खनिज क्षेत्र में निजी क्षेत्र को उतरने की अनुमति देने की मांग दोहराते हुए सोमवार को कहा कि उद्योग की प्रगति इन दिनों सबसे धीमी दौर से गुजर रही है जिस पर सरकार को तत्काल ध्यान देने की जरूरत है। फिमी के अध्यक्ष सुनील दुग्गल एवं महासचिव आर के शर्मा ने यहां संवाददाताओं से कहा कि खनिज क्षेत्र की प्रगति इस समय इसके इतिहास के सर्वाधिक बुरे दौर से गुजर रही है। रोजगार देने में अग्रणी भूमिका निभाने वाले इस क्षेत्र की समस्याओं की ओर तत्काल ध्यान दिये जाने की जरूरत है। उन्होंने निजी क्षेत्र को इस क्षेत्र में उतरने की अनुमति देने संबंधी अपनी मांग दोहराते हुए कहा कि इसके

व्यापक और दूरगामी परिणाम होंगे। बड़ी संख्या में रोजगार के अवसर उत्पन्न होने के साथ ही विदेशी मुद्रा की आय हो सकेगी। अभी इनके आयात पर खर्च होने वाली विदेशी मुद्रा न केवल बचेगी बल्कि विदेशी मुद्रा की आवक बढ़ाने में मदद मिलेगी। उन्होंने इस क्षेत्र की नियामक संस्थाओं पर सुचारु एवं उचित रूप से काम न करने का आरोप लगाते हुए कहा कि इन्हें दुरुस्त किये जाने की महती आवश्यकता है। इनकी बेहतर काम न करने से इस क्षेत्र के विकास पर तो असर पड़ती ही है राजस्व की भी हानि होती है। उन्होंने इंडस्ट्रियल और नॉन मेटालिक खनिज जैसे वोलास्टोनाइट, फ्ल्यूरोसाइट आदि को माइनर खनिज में शामिल करने और इसकी अधिसूचना तत्काल जारी करने की मांग की।

## लौह अयस्क उत्पादन बढ़ाना होगा : प्रधान

नवभारत समाचार सेवा

हैदराबाद. केंद्रीय पेट्रोलियम व प्राकृतिक गैस एवं इस्पात मंत्री धर्मेन्द्र प्रधान ने एनएमडीसी के मुख्यालय में कंपनी के सीएमडी, निदेशकों तथा कर्मचारियों से मुलाकात की तथा गृह राज्य मंत्री जी. किशन रेड्डी की उपस्थिति में कंपनी के कार्यों की समीक्षा की गई. प्रधान ने कहा कि भारत की सबसे बड़ी खनन कंपनियों में से एक होने के कारण एनएमडीसी को लौह अयस्क उत्पादन में वृद्धि पर ध्यान केंद्रित करना चाहिए. इससे कोमलों पर नियंत्रण रहेगा. एनएमडीसी के अध्यक्ष एन. बैजेन्द्र कुमार ने चल रही परियोजनाओं की प्रगति की सूचना दी. उन्होंने



आश्वासन दिया कि कंपनी की उत्पादकता एवं लाभप्रदता को अधिकतम करने के प्रयास किए जा रहे हैं. इस अवसर पर इस्पात सचिव विनय कुमार, अपर सचिव रसिका चौबे, एनएमडीसी के कार्यकारी निदेशक, इस्पात मंत्रालय तथा एनएमडीसी के वरिष्ठ अधिकारी थे.

## Impact of strike will last just a day, says Pralhad Joshi

OUR BUREAU

New Delhi, September 24

The impact of a strike by Coal India trade unions will last for a day and production is expected to resume normalcy tomorrow said Minister for Coal, Mines and Parliamentary Affairs, Pralhad Joshi.

Speaking to reporters on the sidelines of Federation of Indian Mineral Industries' 53<sup>rd</sup> Annual General Meeting, Joshi said, "Major impact is for a day, and from tomorrow I am quite hopeful that it will be normal. We are open to the talks."

In response to queries, Joshi said that no meetings had been called between the trade unions and the Centre yet.

Five federations that represent over half-a-million



Responding to queries, the Coal Minister said meetings had not yet been held between trade unions and the Centre

workers of Coal India Limited and Singareni Collieries went on strike on Tuesday. The unions are opposed to the Centre's move to allow 100 per cent Foreign Direct Investment in coal mining.

It is estimated that Coal India will lose nearly 1.5 million tonne of production due to the day-long stir.

The Indian National Mineworkers' Federation (INTUC), Hind Khadan Mazdoor Federation (HMS), Indian Mineworkers' Federation (AITUC), All India Coal Workers' Federation (CITU) and All India Central Council of Trade Unions (AICCTU) have called this one day strike.

### BMS' strike

The Rashtriya Swayamsevak Sangh-affiliated labour union Bharatiya Mazdoor Sangh (BMS) is said to be observing a five-day cease work from Monday till September 27 on the same issue.

The BMS-affiliated workers are not a signatory to Tuesday's one-day strike.



## Mine auction regime to stay, says Mines Secretary

'25 mines to become operational this fiscal'

OUR BUREAU

New Delhi, September 24

The norms for auctioning mining leases are here to stay, said Anil Mukim, Secretary, Ministry of Mines.

Speaking at the 53<sup>rd</sup> Annual General Meeting of the Federation of Indian Mineral Industries, Mukim said, "Let me make it very clear, that auction regime is the law of the land. It has been almost four years since the amended MMDR Act and introduced the auction provision instead of the original first-come first-served provision. I am happy to note that since we have introduced the auction regime, the results have been very encouraging. More than 65 mines have been auctioned, nine mines have been operationalised."

Mukim was responding to criticism of the mine auction regime by industry players, who cited delays in handing over leases and cost escalation due to competitive bidding.

"Since we have introduced the auction regime, the results have been very encouraging. More than 65 mines have been auctioned, nine mines have been operationalised."

On the way ahead for the mining sector, Mukim said, "We have had a detailed meeting with all the State governments and my interaction with them has been very reassuring. I have absolutely no doubt in times to come, most of the mines, in fact, more than 95 per cent of the mines are going to get operationalised in next three to four years."

"We expect around 20 to 25 mines to be operationalised within this financial year itself. Even as far as clearances are concerned, such as Environmental and Forest clearance, the processes have been streamlined," Mukim added.

**High limestone auction prices may not impact cement makers' piz**

BUSINESS LINE DATE : 25/9/2019 P.N.12

## High auction prices of limestone may not affect cement makers' margins

Existing reserves, synergies from firms' consolidation may cushion the impact

KEERTHI SANAGASETTI

Oil Research Bureau

Recent limestone auctions by the Centre saw winning bids go as high as ₹735 a tonne, but cement companies may not immediately be impacted by the higher price of this raw material, reason analysts.

Indicatively, UltraTech Cement bagged two limestone mines—one in Chhattisgarh, with 61.96 MT reserves, with a winning bid of ₹685 a tonne, and the other in Madhya Pradesh, with 124 MT reserves, with a winning bid of ₹735 a tonne.

Those prices, in an auction, are several multiples of the maximum royalty of ₹82/tonne that companies pay for mines allotted to them

before the mining law was amended in 2015.

The MMDR Amendment Act of 2015 specified that once the existing mining concessions expire, they must be granted only through competitive bidding by auction. The bidding process was intended to add significant premiums to the States' royalty realisation and to ensure minimal disruption in mineral availability.

Of the 18 limestone mines auctioned since 2015, the final prices offered ranged from 1.1 to 25 times the reserve prices set, according to data on the Ministry of Mines website.

Raw material, energy and freight account for 70-80 per



For cement manufacturers, raw material, energy and freight comprise 70-80 per cent of their total costs.

cent of cement manufacturers' costs, and an increase in any one element can erode their profit margins. The limestone-to-cement ratio is about 1.5:1; that is, 1.5 tonnes of limestone go into the production of 1 tonne of cement.

In the latest quarter ended June 2019, cement manufacturers realised their highest EBITDA per tonne in a decade. But there were concerns

that the higher auction prices for limestone mines would eat into their margins.

However, analysts estimate that the effect of these higher prices will only be reflected in the long term. This is because the remaining lease period for the limestone reserves allotted (under the old regime) to cement manufacturers on a

royalty basis runs for very long.

Also, in the three years since the MMDR Act was amended, only 2.7 billion tonnes have been auctioned; that accounts for only 1 per cent of the 230-billion tonne limestone reserves in the country.

### Pricing power

Secondly, consolidation in the cement industry has brought in many benefits for cement manufacturers, in the form of synergies in logistics and procurement, and better pricing power. Cement companies also gained access to vast limestone reserves that had been allotted to the company they acquired.

For example, a cement giant such as UltraTech is immune to the higher auction price for limestone in the

near term, as it is sitting on huge limestone reserves. Through its recent acquisition of Binani Cements, it bagged additional limestone reserves with a combined reserve life of 35-40 years, with no other royalty being paid.

Although the exact quantum of reserves is not known, the company had in its annual report stated that the acquisition of Binani Cements provides it abundant additional limestone reserves sufficient to cater to even additional capacities at lower prices compared to auctioned prices.

Binod Modi, Research Analyst, Reliance Securities, said the players could eventually pass on the increase in the cost of limestone through price rise in the future, given the dominance of a few players, which will help them secure their margins.



# Mining Industry Stares at Ore Supply Shortage

Leases of 31 non-captive iron ore mines to expire on March 31; steel makers to take a direct hit

Vatsala.Gaur@timesgroup.com

**Mumbai:** The mining industry is apprehending a "mayhem" when the leases of 31 non-captive iron ore mines will expire on March 31.

The fear is that production will not resume immediately and it would affect the supply of almost 70 million tonnes of the mineral, which is the key input for making steel.

The law gives the existing lessees seven months to remove their plant and machinery after the expiry of the lease. For the new entrant, it takes nearly three years to get the environmental and forest clearances for mining, according to an industry body.

Both these factors can delay the resumption of mining. "These 31 mines make up 45% of the iron ore requirements of the steel industry and what we expect on March 31 is a mayhem that will affect particularly the steel sector," RK Sharma, secretary general of the Federation of Indian Mineral Industries, told ET.

To ensure smooth transition of these leases, the government had decided to begin auctioning from the end of August, extending into September. "Even if they start the auction process, it will be a theoretical exercise as effective transfer can take place only after the expiry of the lease," Sharma said.

User industries like steel and sponge



iron, on the other hand, had written to the government in June against any further extension of the mining leases that the merchant miners had been battling for.

They argued that when the law was amended in 2015, the miners had got an extension of five years to "complete the necessary procedures to bring these mines to auction".

Companies like JSW Steel, Kalyani Steels and Tata Long Products (formerly Tata Sponge Iron) stand to win mines under these auctions.

Hindustan Zinc chief executive Sunil Duggal has warned of direct job loss to around 500,000 if these mines fall non-operational for a long time. This will add to the almost 180,000 direct job losses caused by the closure of iron ore mines in Karnataka and Goa between 2011 and 2018.

Duggal said discussions are still on with the Niti Aayog and various ministries to relax the expiry of these mines till 2030 and find a solution in the meantime.

In August, ET had reported that a panel of secretaries had ruled out extension, though they acknowledged that the auction route that came into being in 2015 with the amendment of the Mines and Minerals Act did not achieve the desired success.

## A.P. govt. for CBI probe into illegal mining

STAFF REPORTER  
VIJAYAWADA

The Andhra Pradesh government has decided to entrust the cases of illegal mining and quarrying and illegal transportation of limestone in Guntur district to the CBI.

A G.O. issued recently by the Home Department mentioned that the government decided to enable the CBI to investigate the cases of illegal mining of limestone in Kopanki Village of Piduguralla mandal, and Kesanupalli and Nadikudi villages of Dachepalli mandal in Guntur district under Section 6 of the Delhi Special Police Establishment Act, 1946.

The government accorded consent to all the members of Delhi police establishment to exercise their powers in the whole of the State for a probe into the illegal mining of limestone.

# JSW Steel Senior Unsecured Notes Assigned Ba2 Rating by Moody's

Rating agency says it expects India's steel use to grow 5% over next two years

## Our Bureau

**Kolkata:** Moody's Investors Service has assigned a Ba2 rating to the proposed senior unsecured notes to be issued by JSW Steel (Ba2 positive).

The rating outlook is positive. The proposed notes are on a similar footing as JSW's existing senior unsecured notes and therefore rated at the same level, Moody's said in a statement, adding they were also at the same level as JSW's Ba2 corporate family rating (CFR).

"The Ba2 ratings reflect JSW's

large-scale and strong positions in its key operating markets, competitive conversion costs, good product and end-market diversification, and increasing focus on value-added products and retail markets," Kaustubh Chaubal, Moody's lead analyst for JSW, said.

The ratings also incorporate JSW's exposure to the inherently cyclical steel industry, its relatively limited raw material integration, its large capital expenditure needs in India and its loss-making international operations that will limit free cash flow generation over the next two years.

The global ratings agency said it expects India's steel consumption to grow at 5% over the next two years, led by government infrastructure spends in railways, road and metro projects, even as auto

and manufacturing demand stays soft. As a leading player with about 15% of market share by production, JSW will benefit from the move.

"The proposed issuance represents JSW's second US dollar bond issuance this year and illustrates its proactive approach towards raising long-term finance before incurring capex. JSW also plans to issue rupee debentures and raise foreign currency loans to diversify its funding sources," Chaubal added.

Given the issuing entity's significant operations, there is no structural subordination for bondholders, the Moody's said. As on June 30, 2019, secured debt constituted 41% of total debt, down from 71% in March 2014. "The proposed issuance will further improve this split with the unsecured bonds rated at the same level as the CFR," it added.

Moody's also said it expects that "JSW will remain selective in its acquisitions —funding them with a prudent mix of debt and equity." More specifically, it said it expects any acquisition to be earnings accretive and helps in rapid deleveraging, leading to, at the most, a temporary spike in leverage.



**As a leading player with about 15% of market share by production, JSW will benefit from the move**



## Bahujana Bathukamma to lead the campaign against uranium mining

SPECIAL CORRESPONDENT  
HYDERABAD

Telangana United Front (TUF) and several organisations will observe 'Bahujana Bathukamma' this festival season with the slogan 'Save Nallamala' and register their protest against the proposal for uranium mining in the Nallamala forest, which had a rich biodiversity.

Telangana's Bahujana Bathukamma Organising Committee released a poster here on Tuesday, stating that Bahujanulu (STs, SC, and BCs) worshipped and depended for their livelihood on the five elements of nature but multinationals exploited the nature and sold their resources for profits. "Bahujana Bathukamma is not only an event but also a movement to save Nallamala forest," said committee members.

Several organisations, including TUF, Arunodaya Cultural Federation (AcF), PDSU, Progressive Organisation for Women, Telangana Lok Satta, Telangana Praja Samithi, and the Nallamala Poets and Artists Forum, are part of the Organising Committee.

TUF leader Katta Bhagavanth Reddy said that this year too Bahujana Bathukamma would come up with

a social issue for its theme and all the organisations should participate in it and make it a success. Chairperson of the the Telugu States' Arunodaya Cultural Federation Vimalakka said that this time Bahujana Bathukamma would keep State-wide focus against uranium mining in the Nallamala and Nalgonda. The rulers were colluding with MNCs to destroy green forests and the lives of Adivasis. Bahujana Bathukamma would reject it.

### Awareness campaign

The Bahujana Bathukamma would go to every village and town to take the message against uranium mining as it would destroy the life-giving Nallamala to produce life-taking nuclear bombs.

The Bahujana Bathukamma would start its first programme at Arts College, Osmania University, on September 26 and a documentary would be screened at Prasad Labs on September 27. The events would be organised till October 6, one day each in Medchal, Hyderabad, Yadadri, Siddipet, Kamareddy, Jagityal, Warangal, Rajanna Sircilla, Nagarkurnool and Suryapet districts, said the Organising Committee.

THE HINDU DATE : 25/9/2019 P.N.14

## JSW Steel raises \$400 mn from global markets

### Steel major to fund capex, rejig loans

SPECIAL CORRESPONDENT  
MUMBAI

JSW Steel has raised \$400 million (₹2,800 crore) from international markets through issuance of bonds to fund its capex and refinance its existing loans and for general corporate purposes. "The notes will bear interest from October 4, 2019 to April 4, 2025 at the rate of 5.375% per annum, payable semi-annually in arrears on April 4 and October 4 in each year," a company statement said, adding that the first payment will be made on April 4, 2020.

Moody's Investor Service has given a rating of 'Ba2' to the proposed U.S. dollar senior unsecured notes, while Fitch Ratings has given 'BB (EXP)' to the proposed U.S. issue. Fitch Ratings said "We expect a pick-up in domestic

demand from 2HFY20 after relative weakness in 1QFY20. There is limited rating headroom and demand that is weaker than our expectations could result in further margin erosion and lower sales volumes. This could have rating implications."

"The Ba2 ratings reflect JSW's large scale and strong positions in its key operating markets, competitive conversion costs, good product and end-market diversification, and increasing focus on value-added products and retail markets," Kaustubh Chaubal, Moody's V-P and senior credit officer, said. Shares of the company on the BSE declined 4.21% to close at ₹233.40 in a flat Mumbai market on Tuesday, valuing the firm at ₹56,417.93 crore.

# GoM is looking into industry plea for extension of mine leases: Minister

## OUR BUREAU

New Delhi, September 24

The Group of Ministers (GoM) is aware of the major concerns of the mining industry regarding extension of mining leases and the request for lifting the mining ban in Goa.

Responding to queries about lifting the ban on mining in Goa, Minister for Coal, Mines and Parliamentary Affairs Pralhad Joshi said, "The industry has submitted a memorandum and the GoM is seized of the matter. There are legal issues in that and we are consulting the legal experts on the issue."

The GoM includes Union Ministers for Finance, Environment, Agriculture, Mining, Commerce and Industries, Petroleum and Law. It is headed by Home Minister Amit Shah.

Joshi was speaking at the sidelines of the 53rd Annual General Meeting of the Federation of Indian Mineral Industries here today.

In response to another query



Coal and Mines Minister Pralhad Joshi (left) with SC Garg, Power Secretary, at the 7th Roundtable conference on Coal in New Delhi KAMAL NARANG

on the demand for extension of mining leases expiring in March 2020, Joshi said, "the GoM is deliberating on it."

The FIMI AGM is being held in the backdrop of the mining sector going through its 'most sluggish growth' phase in history. In addition to the regular concerns regarding taxation and legislative hurdles, this year's AGM is

grappling with the issue of the expiry of 48 working mining leases on March 31, 2020. Another 281 non-working mining leases are expiring on the same date, and the industry has again pitched for their extension till 2030.

According to industry estimates, these mines are currently supplying 70 million tonnes of iron ore, besides manganese and

chrome ore which constitute about 35 per cent of the current production of these vital raw materials for the steel industry in the eastern sector and Karnataka.

The Centre is against the extension of these mining leases and wants the State governments to auction these blocks to ensure minimum disruption in raw material availability. The Ministries of Mining and Steel are convinced that there will be no shortfall of raw material once the mining leases expire given the current mine head stocks of iron ore.

According to the Ministry of Mines, mine head stocks of iron ore stood at 162.845 million tonnes in August this year. Of this, mines in Jharkhand had stocks worth 43.119 million tonnes and Odisha 94.134 million tonnes. The Centre expects these stocks and imports to last through the transition period between the cancellation of the existing leases and the issue of fresh ones.



**CUSTOMISED CHROME MILL LINERS** is its unique offering with a huge untapped market, for which the company is ramping up capacity while keeping its balance sheet clean

# AIA Racing to Global Leadership by Helping Miners Save on Costs

Ashutosh.Shyam  
@timesgroup.com

**ET Intelligence Group:** The customised grinding solution with assurance to improve throughput for gold and copper mining companies is likely to brighten volume visibility for AIA Engineering, a manufacturer of high chrome mill internal used in crushing and grinding operations in cement, thermal power and mining.

The company's volumes grew 8.5% annually to 265,000 tonnes in the past five fiscal years. Its clients include global blue chips such as BHP Billiton, Rio Tinto, Vale, Barrick Gold, Holcim-Lafarge, and Heidelberg Cement and derives nearly 70% of income from exports.

AIA's unique value proposition is the customised mill liner — a shell where ores are ground — with a processing capacity 15-20% higher while consuming less energy.

The Ahmedabad-headquartered company is putting up new plant with capacity of 50,000 tonnes for mill liners at an investment of ₹250 crore, which will be operational from December 2020. Its current capacity stands at 15,000 tonnes for mill liners

and has got orders from a leading gold miner in the African continent.

At the higher utilisation band, revenues from customised mill liner can add ₹700-900 crore to total revenues in the next 2-3 years. AIA's revenue stood at ₹3,069 crore in FY19, up 25% YoY.

Globally, the market for mill liners is around 300,000 tonnes per annum. There are four major suppliers of conventional mill liners: Metso, Elecmetal, Bradken and PT Growth. The company is banking on its assured higher throughput and shorter payback period of its customised mill liners to rake in more orders in

the coming months as the testing process has been concluded with prospective clients.

As the global mining industry switches to higher efficiency and lower pollution in their grinding process, AIA is ramping up capacity of ferro chrome grinding machines, which can cater to a market of around three million tonnes.

The high chrome grinding machines offer 10-15% cost savings and currently has been adopted by only 20% of the mining sector.

AIA is ramping up chrome grinding capacity to 440,000 tonnes by December 2020 from 340,000 tonnes

in FY19, which upon completion will make it the largest chrome mill supplier globally. It has guided for volumes of 280,000-300,000 tonnes in FY20 — a growth of 5.6-13.2%. The ensuing capex will be funded by internal accruals. The company has generated more than ₹300 crore of the operating cash flow in the past two years.

According to Bloomberg consensus estimate, AIA's earnings growth for FY20 is expected to be 28.5%, the highest since 2015. The stock is trading at 26.5 times of its one year forward earnings compared with five year average of 24.7.

## Financial Performance

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020*
Revenue	1,416.67	1,751.31	2,080.08	2,183.64	2,098.39	2,246.01	2,445.13	3,069.50	3,358.68
Growth (YoY)	24.6	23.6	18.8	5.0	-3.9	7.0	8.9	25.5	9.4
Operating Income	244.03	275.87	464.12	515.25	544.27	562.43	470.12	581.38	750.57
Growth (YoY)	22.0	13.0	68.2	11.0	5.6	3.3	-16.4	23.7	29.1
Net Income	180.44	208.81	319.01	426.91	417.29	405.47	373.39	441.05	566.68
Growth (YoY)	-1.3	15.7	52.8	33.8	-2.3	-2.8	-7.9	18.1	28.5

\*Estimated

Source: Bloomberg, compiled by ETIG





## COMMODITY CALL

## MCX-Nickel continues to consolidate sideways



**AKHIL NALLAMUTHU**  
BL Research Bureau

Nickel, after a strong rally since July, has been in a sideways consolidation phase since the beginning of this month. The price of October expiry futures contract has been oscillating within a range between ₹1,200 and ₹1,285 a kg for the past three weeks.

The contract is currently trading below the 21-DMA, but it will have reduced significance the price is consolidating. The relative strength index is flat and the moving average convergence divergence indicator is exhibiting weakness. However, until the price breaks below ₹1,200, the traders can approach the contract with a bullish bias. The 23.6 per cent Fibonacci retracement level of the major uptrend is at ₹1,205 levels making the price band between ₹1,200 and ₹1,205 an important medium-term trend level.

If the contract topples the upper boundary of the consolidation range at ₹1,285, the price will find a minor resistance at ₹1,315 on the upside, beyond which the contract will head to ₹1,370 levels over the medium term. Alternatively, if the contract weakens from current level and the price breaks below the key support at ₹1,200 area, it will most likely decline to ₹1,138.

**Global trend**

Three months rolling forward contract of Nickel on London Metal Exchange shows some weakness with a lower-high in daily time frame. However, the price is currently hovering around \$17,180 levels — just above the psychological level of \$17,000. So, if the contract bounces, it will most likely appreciate towards \$18,000. On the other hand, a break below \$17,000 could drag the price to \$16,385.

Even though the October expiry of MCX-Zinc futures contract is experiencing sideways trend, there is some weakness seen in the price action through moving average convergence divergence indicator. This is also reaffirmed by weakness in global prices. Hence, traders are recommended to stay on the sidelines until ₹1,200 or ₹1,285 level is broken decisively.

## Near-term outlook bearish for MCX-Zinc



**AKHIL NALLAMUTHU**

BL Research Bureau

The October expiry Zinc futures contract on the Multi Commodity Exchange declined over the past week. It pierced below the 21-day moving average, indicating a near term weakness.

On Wednesday, it registered a low of ₹181.05 and is currently trading around ₹184 per Kg. A support band between ₹181.05 and ₹182.65 seems to be arresting the fall. In case if weakness persists and the price tumbles below those levels, the contract can decline to ₹177.3 and ₹174 in the coming days.

On the other hand, if the contract bounces from the current support are, it will face resistances at ₹186.5 and ₹191 levels. Beyond ₹191, there will be change in medium-term trend to bullish and the price could potentially appreciate to ₹200 levels.

**Global trend**

Three-month rolling forward contract of Zinc on the London Metal Exchange has broken below the 21-day moving average and a critical level at \$2,300. The contract is currently trading at \$2,290.

This points to a short-term bearish trend which could possibly drag the price to \$2,200. Do notice that \$2,190 is the 52-week low of the contract. If the contract moves lower from that level, the price could depreciate towards \$2,100 levels. However, if the price manages to move above the resistance area between \$2,300 and \$2,320, it could head northwards to \$2,400 levels.

**Trading strategy**

Price closing above ₹191 levels in a prerequisite to consider that the price action as a trend reversal. The major trend being bearish, and there has been no sustainable recovery in price, traders would be better off initiating short positions on rallies. Hence, it is advisable to sell the October month contract between ₹186 and ₹187 with a stop-loss above the key resistance at ₹191 levels.



## Singareni Collieries adds New Patrapada Block in Odisha to its portfolio

V RISHI KUMAR

Hyderabad, September 26

The Union Coal Ministry has allotted the New Patrapada Block in Odisha, estimated to hold coal reserves of about 1,040 million tonnes, to The Singareni Collieries Company Limited.

The new mine allocated by the Coal Ministry comes in the backdrop of the Telangana Government making a request to the Centre to allocate more coal blocks for the colliery to expand and meet growing requirement for coal for various thermal power plants and other customers.

The new mine is located close to the already allocated Naini coal block in Odisha where Singareni Collieries is making efforts to commence production by 2021.

The Patrapada block is estimated to have reserves

**Singareni has made a phased production target for the Naini block, with initial output of 10 mt in 2021 and 20 mt by 2023**

three times that of Naini coal block.

The Singareni management plans to commission the Patrapada and Naini coal block by 2021.

The Patrapada block, which has three blocks within a single unit, is located about 15 km of Naini block and is spread over 31 sq km. It has potential to help produce about 20 mt per annum.

The State owned Singareni Collieries, which produced 68 mt in 2018-19 from 48 mines in Telangana, has set a target of 100 mt and both the Naini and Patrapada blocks

are expected to play a major role in stepping up production.

According to N Sridhar, Chairman and Managing Director of SCCL, these mines will enable SCCL to mine more coal with less expenditure and will ensure the mining company sustains its growth and profitability plans and achieve its targeted production of 100 mt within the next few years.

Singareni has made a phased production target for the Naini block, with initial output of 10 mt in 2021 and 20 mt by 2023.

### Solar plants

As a part of its sustainability initiative, Singareni Collieries is setting up 300 MW of solar power projects across its mining belt. As per plans, these units will be commissioned next year.

## Andhra Pradesh bans bauxite mining in tribal areas

M SOMASEKHAR

Hyderabad, September 26

The Andhra Pradesh government has cancelled the bauxite mining lease in about 1,520 hectares in Jarrela of Chintapalli agency area in Visakhapatnam district.

The Government Orders to this effect were issued here on Thursday stating that 'the government hereby revokes the mining lease grant for bauxite in Jarrela of Chintapalli RF, Ananthagiri and Araku of Visakhapatnam district given in favour of Andhra Pradesh Mineral Development Corporation (APMDC) for a period of 30 years.

The mining lease was in various parts of the agency area to APMDC which in turn had signed an MoU with private parties but could not carry out the task.

In addition to the stipulated clearance required, the

two year period for starting the work too ended in January 2017. The public opinion and mood of the locals was against the mining of bauxite in tribal areas and the work did not commence due to violence and other untoward incidents, a State govt release said.

The stretches and extent of land given by mining are: 113.192 hectares in Ananthagiri RF, 152 hectares in Chintapalli RF, 93.886 in Galikonda of Ananthagiri, 617 hectares, 460 hectares and 85 hectares in Jarrela of Chintapalli aggregating to 1,520 hectares and the Government has revoked all of them through six GOs. Meanwhile, Deputy Chief Minister Minister for Tribal Welfare Pushpa Srivani said the CM, YS Jagan Mohan Reddy had kept up his word in banning bauxite mining in tribal areas.

## Steel cos' Q2 profit set to soften on falling prices

OUR BUREAU

Mumbai, September 26

Steel companies profit set to fall sharply in the September quarter with steel prices dipping 10 per cent from ₹42,000 per tonne in January to ₹38,000 in August in line with the international trend.

Global steel prices dropped 13 per cent in the first eight months of 2019 due to weak demand, 35 per cent jump in global inventory in August and trade tensions.

This was despite a whopping 56 per cent run-up in global iron ore prices during the same period.

Steel companies' earnings before interest, tax, depreciation and amortisation (EBITDA) spreads contracted by 420 basis points year-on-year in the first

quarter of fiscal 2020. The contraction was 470 bps for large non-integrated players.

Subdued demand – both domestic and export – is expected to cloud the industry's prospects for the rest of this fiscal as well. After a robust 7.5-8 per

cent growth in the last two fiscal years, the domestic steel industry is expected to witness a slowdown at 4-5 per cent, given muted construction investments and weak automotive

market, said a Crisil report.

The rating agency expects some improvement in global market sentiment and domestic demand growth in the second half. However, a weak first half will still see to a 5-6 per cent contraction in realisations this fiscal.





NIFTY METAL INDEX WAS ONE OF THE LAGGARDS ON THE RECENT RALLY

# Heavily-leveraged Metal Cos Unlikely to Gain from Tax Cut

Most companies have accumulated losses, may stick to existing norms for prevailing tax benefits

Jwalit.Vyas@timesgroup.com

Metal stocks may not see any major run up as the corporate tax cuts as they are unlikely to benefit them in the short term. Most of the metal companies may stick to the existing tax norms due to prevailing tax benefits. Even if the companies shift, the gains would be negligible to have any meaningful impact on the heavily leveraged balance sheets of most metal companies.

Most companies in the sector have accumulated losses of the past and have been paying tax at MAT. Besides, companies including Tata Steel, JSW Steel and Vedanta will also add losses from their recent acquisitions. These companies may want to exhaust the tax exemptions of the existing tax norms before adopting the new tax rates. JSW Steel, Tata Steel, Hindalco, JSPL, SAIL and Vedanta also get tax benefits from the capacity expansions done over the past few years.

The balancing act between existing benefits and future ones from the shift to the new tax rate is likely to delay the adoption by most players," said Amit Dixit, metals

## Not So Hot Yet

Performances of Sectoral Indices since tax cut announcement (%)



## ET ANALYSIS

analyst with Edelweiss. "The companies are still analysing the relative benefits of the new scheme including one-time (non-cash) gain on deferred tax liabilities adjustment and treatment of upcoming capacities/acquisitions,"

**Producers may want to exhaust the tax exemptions of the existing tax norms before adopting the new tax rates**

In addition, high leverage and strong capacity addition through organic and inorganic routes in the recent past will restrict their capacity additions. Most of the metal companies are heavily leveraged and some companies including Tata Steel, Jindal Steel and Power and SAIL are expected to slip into losses from the current quarter.

For Hindalco, its US based subsidiary Novelis contributes three fourth of the total profit before tax, hence the gains may not meaningful.

"Lower tax is unlikely to re-rate sector multiples. Further, given stretched balance sheets, we do not expect any further capex in FY2020-22 beyond what is already announced," said Sumangal Nevatia, metals analyst with Kotak Securities.

Among sectoral indices, Nifty Metal index is the lowest gainer since the new tax rate announcements with 8% gains, after Nifty pharma and Nifty IT indices. As a part of the initial euphoria, metal stocks have gained 0 to 9% since the announcement of corporate tax cut, however, it is unlikely that the momentum is likely to sustain. Vedanta is an exception with its stock gaining 13.4%, however, this is mainly due to rumours of government mulling selling its 29.5% stake sale in Vedanta's cash rich subsidiary Hindustan Zinc.



THE HINDU DATE : 27/9/2019 P.N.6

# A.P. govt. revokes bauxite mining leases of APMDC

Cites non-compliance of certain rules, and unrest caused

STAFF REPORTER  
VIJAYAWADA

The Andhra Pradesh Government has revoked the leases given to the A.P. Mineral Development Corporation (APMDC) for mining bauxite spread over 1,520 hectares across Agency areas of the Visakhapatnam district over a 30-year period, citing non-compliance with certain provisions of the Mines & Minerals (Development and Regulation) Amendment Act, 2015, and other rules. These rules are the Mineral Concession Rules, 1960 and the Mineral (Other than Atomic and Hydrocarbon Energy Minerals)

Concession Rules, 2016.

It has also cited the unrest caused by the proposed mining that resulted in acts of violence by Maoists, and the recent murder of MLA K. Sarveswara Rao and his close aide S. Soma.

The order is also in tune with the new government's resolve to not allow bauxite mining. According to six separate Government Orders (GO) issued by Secretary (Mines) K. Ramgopal, the APMDC was given the mining leases to supply bauxite to Jindal South West Holdings Limited (JSWHL) and ANRAK Aluminium Limited (AAL) for the establishment

of an alumina refinery and a smelter in Vizag district.

APMDC was mandated to secure forest clearances, the Consent for Establishment from A.P. Pollution Control Board, and environmental permissions from the Ministry of Environment, Forest and Climate Change.

The Director of Mines and Geology (DMG) has reported that APMDC did not obtain consent for the operation of the mines, and erect boundary pillars and fencing as per the conditions in the Forest Clearance orders, and also the consent for establishment due to serious security problems.

## End uranium mining, says A.P. Opposition

STAFF REPORTER  
VIJAYAWADA

Opposition parties have, in one voice, opposed the ongoing exploration for uranium in Andhra Pradesh, and demanded that the YSRCP government pass a resolution in the Assembly making it clear that it will not support mining for the mineral in the State.

At a roundtable on 'Uranium Mining - Disaster' organised by the A.P. State Council of the CPI here on Sunday, a resolution was unanimously passed seeking Chief Minister Y.S. Jagan Mohan Reddy's categorical assurance in this regard on the Floor of the House, on the lines of the promise made by his counterpart K. Chandrasekhara Rao in Telangana. Representatives of the Left parties, the TDP, the Congress, the Jana Sena Party and the AAP participated.

THE HINDU DATE : 30/9/2019 P.N.6

## Jagan seeks increased coal supply from Singareni Collieries

STAFF REPORTER  
VIJAYAWADA

Chief Minister Y.S. Jagan Mohan Reddy requested Telangana CM K. Chandrasekhara Rao to increase coal supply to Andhra Pradesh from Singareni Collieries Company

Ltd (SCCL) to help tide over the crisis arising from dwindling stocks of coal at generating stations.

AP-Genco Managing Director B. Sreedhar met SCCL CMD and asked for necessary steps, said a release.

He pointed out closure of Bharatpur mines in the MCL area due to an accident in July and strike by staff adversely affected coal supply to AP-Genco thermal power stations. The current spell of heavy rains also severely af-

fected coal loading and supplies to AP-Genco. As a result, AP-Genco was receiving 45,000 MMT only from MCL and SCCL against 70,000 MMT required for running thermal stations at 85% plant load factor.

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