खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-22

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 3, NO-22 , 16th – 30th NOVEMBER , 2019

BUSINESS LINE DATE :18/11/2019 P.N.9

GLOBAL	Price	Change in % Weekly	Monthly	Yearly
Metals ($/tonne)				
Aluminium	1759	-3.2	2.4	-7.8
Copper	5826	-1.4	1.5	-6.0
Iron Ore	80	-3.3	-14.1	9.2
Lead	1983	-6.1	-7.5	3.7
Zinc	2411	-4.5	-1.9	-9.0
Tin	16074	-3.7	-3.4	-17.2
Nickel	14967	-7.5	-12.5	33.8

BUSINESS LINE DATE : 25/11/2019 P.N.9

GLOBAL	Price	Change in % Weekly	Monthly	Yearly
Metals ($/tonne)				
Aluminium	1751	-0.5	2.4	-9.6
Copper	5838	0.2	0.8	-7.1
Iron Ore	101	23.3	18.0	37.5
Lead	1953	-1.6	-12.6	-0.9
Zinc	2332	-3.2	-6.7	-12.7
Tin	16328	1.6	-2.8	-15.3
Nickel	14595	-2.5	-11.5	33.9

THE ECONOMIC TIMES DATE : 16/11/2019 P.N.1

DECKS CLEARED FOR ARCELORMITTAL

SC Okays Essar Steel Resolution Plan

Says CoC decision on resolution plan final, operational creditors to be treated equitably with financial creditors

Samanwaya.Rautray
@timesgroup.com

New Delhi: The committee of creditors will have the final say over any resolution plan under the IBC, the Supreme Court said on Friday clearing ArcelorMittal's long-delayed resolution plan for taking over ailing Essar Steel for over Rs 42,000 crore in what is possibly the biggest ever acquisition of bad debts in corporate India's history.

The court had stayed the process on April 12, 2019. On Friday, the court cleared ArcelorMittal's resolution plan of October 23, 2018, as amended and accepted by the Committee of Creditors on October 27, 2018.

This provides for amounts to be paid to different classes of creditors by following Section 30(2) and Regulation 38 of the Code, it said.

The NCLAT had in July 2018 stayed this resolution plan and ordered that operational creditors and financial creditors be treated on a par. The Committee of Creditors (CoC), comprising all financial creditors, appealed against this at the top court. SBI had also backed the CoC. Standard Chartered Bank, which had lent to an Essar subsidiary, had backed the NCLAT ruling.

The CoC had wrongly classified it as an unsecured financial creditor, Standard Chartered Bank claimed, insisting it was a secured creditor. The law doesn't distinguish between either operational or financial creditors or financial creditors inter se based on their collaterals, the bank argued through senior advocate Kapil Sibal.

In a ruling that shed much-needed clarity on how the IBC and its amended 2019 rules would work, a bench led by Justice RF Nariman said that the CoC word on the resolution plan was final.

The court said that the law talks of "equitable" and not "equal" treatment of operational creditors.

Fair and equitable dealing of operational creditors' rights involves the resolution plan stating as to how it has dealt with the interests of operational creditors, which is not the same thing as saying that they must be paid the same amount of their debt proportionately. The fact that the operational creditors are given priority in payment over all financial creditors does not lead to the conclusion that such payment must necessarily be the same recovery percentage as financial creditors, the apex court observed.

THE HINDU DATE : 16/11/2019 P.N.6

SCCL set to buy low-height SDLs

Board approves contracts relating to Ramagundam-3 OCP work

SPECIAL CORRESPONDENT
HYDERABAD

The Board of Directors of Singareni Collieries Company Ltd has approved the purchase of low-height side discharge loaders (LH-SDLs) in place of the side discharge loaders (SDLs) currently being used in the underground mines to achieve higher production.

At a meeting of the Board of Directors held here on Thursday, the purchase of 26 LH-SDLs was approved along with 3 SDLs.

According to the company officials, the meeting chaired by Chairman and Managing Director of the company N. Sridhar also approved contracts relating to Ramagundam-3 area opencast (OC-1) overburden removal works apart from contracts for supply of tyres and lubricants for heavy machinery used by the Collieries.

Further, the board of directors agreed for coal transport by road from Koyagudem opencast and JK-OC mines to Tadikalapudi railway siding.

Ex-officio members of the board – Special chief secretaries Ajay Misra (Energy), K. Ramakrishna Rao (Finance) and Deputy Secretary in the Union Coal Ministry P.S.L. Swamy and Director Mukesh Chowdary – and directors of Singareni Collieries S. Shankar (E&M), S. Chandrashekar (Operations), B. Bhaskar Rao (P&P), N. Balaram (Finance) and Company Secretary G. Srinivas participated.

THE HINDU DATE : 16/11/2019 P.N.4

SCCL's plans of increasing coal production get a shot in the arm

B. CHANDRASHEKHAR
HYDERABAD

In a major boost to its plans towards achieving 85 million tonnes per annum (MTPA) coal production by the end of 2022-23 from 64.4 MTPA in 2018-19, an expert committee of Ministry of Environment and Forests has issued terms of reference to the Singareni Collieries Company Ltd, as part of the process of pursuing environmental clearance to Naini coal block in Odisha.

The coal company has set itself an ambitious target of increasing the fossil-fuel production by over 20 million tonnes in the five-year period till the end of 2022-23 by taking up new mines, going for expansion and increasing the production in the existing ones. It also has plans to increase its power generation capacity to 2,500 MW from the existing 1,200 MW by that time.

"We are well aware that it is a long order considering the increase of only 14 million tonnes during the last 10 years - from 50.43 MTPA in 2009-10 to 64.4 MTPA in 2018-19. However, our hopes stem from the fact that the production has improved by about 10 million tonnes during the last five years - from 52.54 MTPA in 2014-15 to 64.4 MTPA in 2018-19," a senior SCCL official told *The Hindu*. The company first approached the expert committee for issuance of terms of reference in August this year, but the proposal was deferred based on a National Green Tribunal (NGT) order stating that the coal block (Naini) area allotted to Singareni falls in the Angul-Talcher critically-polluted area. However, the committee considered the proposal during its meeting held in the fourth week of October following submission of a letter from Odisha State Pollution Control Board by the SCCL stating the proposed Naini coal block area was located at a distance of 26.5 km from the boundary of critically polluted area of Angul-Talcher. "The issuance of ToR helps us workout the reports on environmental impact and management, relief and rehabilitation of affected people and other compliances as part of seeking environmental clearance," the SCCL official said. The coal block covering an area of 912.799 hectares land in Chhendipada Tehsil in Angul district, including 783.275 hectares of forest land, has an estimated coal reserves of 340 million tonnes.

The SCCL has plans to take up coal mining in the area with 10 MTPA production and also set up a coal washery with 9 MTPA capacity by February 2021. It needs diversion of the forest land for non-forestry activity and get other necessary clearances and permissions by the end of March next year to keep up with the schedule.

The company has already launched its welfare activities in the affected villages by providing water tanker and arranging bore-wells.

THE HITAVADA DATE : 18/11/2019 P.N.10

Coal Ministry to set up mgmt unit to speed up mine operationalisation

Business Bureau

THE Government is planning to set up a project management unit for expediting the operationalisation of allotted coal blocks.

The Coal Ministry will hire a consultant to set up the project management unit, the ministry said in a notice while inviting bids from eligible entities.

"Ministry of Coal plans to take services of a consulting firm to set up a project management unit to support on 'expediting coal block operationalisation," the notice for Request for Bid (RFB) stated.

"The bidder selected in accordance with the provisions of the RFB, shall assist the Authority by deploying dedicated professionals in order to provide assistance and coordinate various implementation aspects of the project," it said.

The last date for submission of bid is December 19, it said.

The coal ministry has been exhorting allottees to step up efforts for bringing allotted blocks to production as well as enhance output.

The ministry in September had said that policy decisions have been taken to ensure early operationalisation of coal mines but their allottees should also go the extra mile along with the Government to start the mines.

The decisions include allowing sale of 25 per cent coal in open market in case of allocation for specified end use plant, relaxation in efficiency parameters, among others, the ministry had said.

The ministry had said that it was also working on policy interventions to develop a single-window scheme for faster approvals of clearances from various central and state agencies.

BUSINESS LINE DATE : 18/11/2019 P.N.9

Gold oscillates within a tight range

Futures contract of MCX gold is consolidating between ₹38,650 and ₹37,690

AKHIL NALLAMUTHU

MCX COMDEX, the composite commodity index of the Multi Commodity Exchange (MCX), has been moving in a sideways trend since the beginning of November. Crude oil, its largest component, witnessed a marginal gain, whereas gold, the second-largest component, continues to be sluggish.

Unless there is a significant movement in any of its key components, it is expected to stay within 3,922 and 3,971. Noticeably, crude oil and gold contribute to around 50 per cent to the index weight.

MCX-Crude (₹4,153)

After hovering around the resistance at ₹4,100 for a while (the 50 per cent Fibonacci retracement level of the previous downswing coincides with this price), the December futures contract of crude oil moved past this level and closed slightly higher at ₹4,153. The prevailing upward momentum seems to have aided the price to inch higher.

The 21-day moving average has crossed the 50-day moving average, indicating a positive outlook in the near term.

The daily relative strength index (RSI) and the moving average convergence divergence indicator is showing considerable strength. Hence, the contract will most likely appreciate further, and it will face a hurdle at ₹4,200. Above this level, the resistance is at ₹4,314. But if the price starts trending downwards from the resistance level, the decline might be arrested at ₹4,100. Below that, the contract might fall to ₹4,000.

MCX-Gold (₹37,994)

Oscillating within the tight range between ₹38,650 and ₹37,690, the December futures contract of gold continues to trend sideways. The contract has been in a consolidation phase since the beginning of October.

Taking a broader view, one can spot a strong resistance at ₹39,000 above the upper limit of the range, and a strong support at ₹37,206 below the lower limit of the range.

So, unless the contract breaches either ₹37,206 or ₹39,000, the trend's next leg cannot be confirmed. While the moving averages are unable to give any clue, the daily RSI and the moving average convergence divergence indicator, too, are flat. A breakout of ₹39,000 can lead to an important resistance at ₹40,000, whereas a break below ₹37,206 can turn the medium-term trend bearish, dragging the price to ₹36,310.

BLOOMBERG

MCX-Silver (₹44,445)

The December futures contract of silver inched up last week on the back of the support band between ₹43,875 and ₹44,315 — the 50 per cent Fibonacci retracement level of the previous bullish trend. But on the upside, the contract was capped at ₹44,800. Though the upward movement in the price resulted in a minor uptick in the daily RSI, the moving average convergence divergence indicator remains in the negative territory, indicating a bearish bias.

Adding to the weakness, the 21-day moving average continues to stay below the 50-day moving average. If the contract continues to appreciate from the current level, it will face a hindrance at ₹46,000, followed by a resistance at ₹46,950. However, a break below the support band could turn the medium-term trend bearish, dragging the price to ₹42,620 with ₹42,000 as its immediate support.

MCX-Copper (₹437.7)

Unable to appreciate beyond the resistance at ₹446, the price of November futures contract of copper slumped over the past week. It is currently trading near the support at ₹436, and the contract seems to have formed a range between ₹436 and ₹446. Hence, the next leg of the trend can be confirmed only if the price moves out of the range.

The daily RSI and the moving average convergence divergence is flattish, as the price is fluctuating within a range; whereas the 21-day moving average lies below the 50-day moving average, giving the contract a negative bias.

If the contract bounces, taking support at the current level, it will most likely rise to the upper boundary of the range at ₹446. Beyond that level, the contract can appreciate to ₹460.

Alternatively, if the price breaks below ₹436, it could intensify the sell-off, dragging the price down to ₹430.

NCDEX-Soyabean (₹3,968)

The December futures contract of soyabean is consolidating within a range between ₹3,927 and ₹4,085. The 23.6 per cent Fibonacci retracement level of the previous bullish trend is at ₹3,952, making the price band between ₹3,927 and ₹3,952 a considerable support.

Thus, until the contract stays above that level, it can be approached with a bullish bias.

If the price begins to appreciate, it will face a resistance at ₹4,085. Above that level, the contract might attract good buying interest, lifting the price to ₹4,240. However, one needs to be cautious as there are signs of weakness, as indicated by the daily RSI and the moving average convergence divergence indicators. Both indicators did not register a high peak during the previous rally. Hence, a decisive break below ₹3,927 can turn the short-term trend bearish, pulling down the price to ₹3,793.

MCX COMDEX Composite Index

- Supports: 3,922 and 3,900
- Resistances: 3,971 and 3,993

7

JNARDDC develops equipment to calculate instant data of bath chemistry at a low cost

■ **By Kaushik Bhattacharya**

The low-cost equipment provides the data of bath chemistry in 5 minutes.

SCIENTISTS of Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur, have developed an equipment for aluminium industry which will help to calculate instant data of bath chemistry at affordable cost.

The equipment is capable of simultaneous measurement of vital bath parameters which help in improved energy efficiency, current efficiency ultimately leading to enhanced cell performance in aluminium industry.

Till date the measurement were done manually or in off-line mode.

However, this equipment will provide instant data of bath chemistry at aluminium plants at a very low cost.

The measurement time is around five minutes and following bath parameters are instantly available which otherwise are measured separately and requires sufficiently long time.

"Aditya Birla Group purchased one equipment from us and we are working on few more such equipment for NALCO and Vedanta," informed Vimal Kishor Jha, the inventor of the machine, while talking to *The Hitavada*.

"The plant trials were carried out at Hindalco, Hirakud smelter plant with new developed instrument and measurement was done successfully for over 30 pots. Also trained the plant personal for operation of the instrument and software part of the instrument," said Rajendra Sharma, another scientist, who worked on this project.

The laboratory tests are typically completed several hours or days after the sampling occurs with little indication of current process conditions. The instrument developed by JNARDDC unite all the measurement in to one single measurement (measurement time 5-7 minutes) which can be used to control the cells on the basis of real time bath parameters. This instrument will provide all the critical real time information necessary for optimal control of the cell.

The instrument consists of a wi-fi-enabled high speed data acquisition system; a probe having thermocouple arrangement; Electromagnetic compatible Toughpad with Docking Station (Dual RF) and a trolley.

BUSINESS LINE DATE : 19/11/2019 P.N.4

Gold continues to remain under downward pressure

COMMENTARY

G CHANDRASHEKHAR

Gold, punters' eternal favourite, continues to remain under pressure. Last week, price fell to a three-month low briefly breaking below $1,450 a troy ounce as forecast in these columns (see BL November 8). In other words, the metal has shed about $100/oz from the early-September highs.

Gold's fortunes were, of course, swayed by the recent flip-flops in trade negotiations between the USand China. Developments on the anticipated trade deal will no doubt weigh on investor sentiment, and the metal is likely to be impacted.

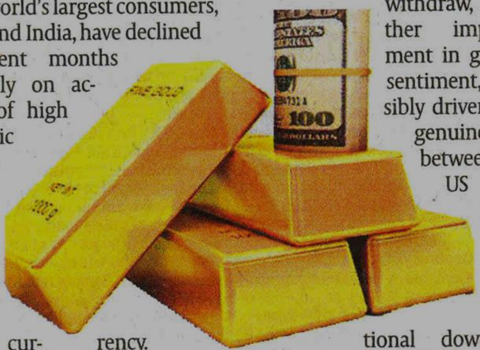
Downward signals

The growing signs of a trade deal — probably the first phase of a series of deals — means that investors exit the yellow metal in droves and move to the equities market. This week, additionally, the US Federal Reserve minutes are due for publication on Wednesday. It is widely believed that the minutes will signal that further interest rate cuts may not be on the horizon for the time being.

Fed Chair's recent Congressional testimony indicated that a rate cut again in December was unlikely. This will remove one more leg of support for gold. In other words, most of the precious metal's support factors — geopolitics, trade war, US dollar, monetary policy — are all fading almost in tandem.

Fall in imports

If non-fundamental factors are not supportive, the fundamental factor of physical demand is doing even worse. Imports into two of the world's largest consumers, China and India, have declined in recent months primarily on account of high domestic prices and depreciation of the national currency. Economic slowdown in both the countries is also seen discouraging jewellery sales.



The weak sentiment has resulted in outflows from gold ETFs. It is estimated that so far about 36 tonnes have moved out of ETFs.

Central buying is proving to be a silver lining for the gold market. Central banks of many countries are keen to boost their gold reserves in order to protect from any crisis. Last month, Serbia reportedly bought nine tonnes of gold. This followed purchases by countries such as Hungary and Poland.

Headwinds

Facing headwinds, gold is losing its appeal, at least for the time being. Net long positions on the bourses have been slashed. Even as financial investors continue to withdraw, further improvement in growth sentiment, possibly driven by a genuine truce between the US and China can put additional downward pressure on the yellow metal.

Silver, too, has been under downward pressure, hanging on to the coattails of gold and trading at well below $18/oz.

The writer is a policy commentator and commodities market specialist

THE HITAVADA
DATE : 19/11/2019 P.N.10

India's finished steel exports fall 34 pc to 6.36 MT in 2018-19

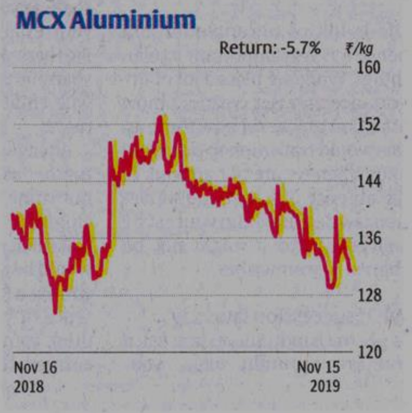
INDIA'S finished steel exports dipped 33.9 per cent to 6.36 million tonne (MT) in 2018-19, amid the government's efforts to keep the country as the net exporter of the metal.

The country produced 110.92 MT of crude steel during the same year, a rise of 7.6 per cent as against 103.13 MT in 2017-18, Minister of Steel Dharmendra Pradhan said while replying to a question in the Lok Sabha on Monday. The minister also said the country exported 6.36 MT of finished steel during 2018-19, registering a fall of 33.9 per cent as compared with 9.62 MT in the previous year.

Recently, Pradhan said that in the next two-three years, India will be in a position to continue to remain the net exporter of steel for years. "We also produce saleable steel. We sometimes become importer, sometimes we are exporter. At present, we are net importer, we are importing about 2-3 MT... Within the next two-three years, India will remain a net exporter of steel for years. There will be no import," he had said while speaking at an industry event.

BUSINESS LINE
DATE : 19/11/2019 P.N.10

MCX-Aluminium may weaken further



AKHIL NALLAMUTHU
BL Research Bureau

MCX-Aluminium (₹131.3)

The price of aluminium weakened over the past week as the recovery could not extend beyond a critical resistance. The November futures contract of the metal declined from the resistance at ₹136; the 23.6 per cent Fibonacci retracement level of the bear trend coincides at that price, making the resistance significant. It is currently trading near its previous low of ₹130.5. The price has fallen back below the 21-day moving average and the moving average convergence divergence indicator is showing signs of weakness. However, unlike the contract price, the daily relative strength index has not declined to its prior low - an indication of reducing bear strength.

Backed by the overall bearish trend, if the contract breaks below the support at ₹130.5, the sell-off could intensify dragging the price to ₹127.8. Support below that level is at ₹125. On the other hand, if the contract appreciates taking support from the current level, a major hurdle lies at ₹136. A break of that level can turn the medium-term trend bullish which can lift the contract price to ₹143. There is a minor resistance though at ₹138.4.

On the global front too, the price of aluminium fell over the past week. The three-month rolling forward contract of aluminium slumped below the crucial support at $1,800 and it marked a low at $1,733 ($1,735 is a support).

A recovery is facing hindrance at $1,760. At that level, the 21-day moving average and the 50-day moving average coincides, increasing its significance. Resistance above $1,760 is at $1,785 whereas below $1,735 there is a support band between $1,700 and $1,710.

Trade strategy

The price of MCX-Aluminium futures witnessed a sell-off from the resistance at ₹136. Even though the contract is on a decline, it is currently trading near a considerable support at ₹130.5. Hence, traders are recommended to wait for a decisive break and initiate fresh short positions only below ₹130.5.

THE HITAVADA DATE : 19/11/2019 P.N.3

JNARDDC to hold capacity-building, awareness programme in Odisha

■ Staff Reporter

JAWAHARLAL Nehru Aluminium Research Development and Design Centre (JNARDDC) together with Aluminium Association of India (AAI), Material Recycling Association of India (MRAI) and Aluminium Secondary Manufacturers Association (ASMA) is organising "Capacity-Building and Awareness Programme on Aluminium", from November 21 to 23 at Hotel Mayfair Lagoon in Bhubaneswar.

This programme is being organised on the recommendations of the core committee of Ministry of Mines for Resource Efficiency in Aluminium and in pursuance to the recommendations of the Strategy Paper on Resource Efficiency in Aluminium, jointly prepared by Ministry of Mines and NITI Aayog.

The programme will be inaugarated and chaired by Secretary, Ministry of Mines in presence of distinguished dignitaries from NITI Aayog, aluminium industry and many more prominent personalities.

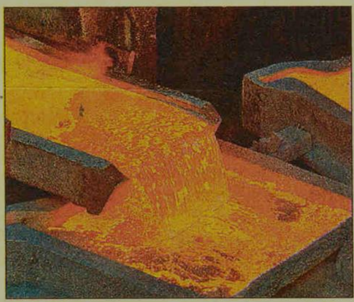
The programme aims at building the capacity of the aluminium recycling and waste management as well as improving the knowledge and skills of waste recycling operators.

THE ECONOMIC TIMES DATE : 20/11/2019 P.N.10

TRANSFORMATION PLAN for higher profits amid a slowdown may not gain traction, while moves to reduce headcount could run into hurdles

Tata Steel's European Reboot Fails to Cheer Investors

Jwalit.Vyas@timesgroup.com



ET Intelligence Group: Tata Steel's transformation programme in Europe has failed to enthuse the Street, with the company stock falling 1% on Tuesday. While it is a step in the right direction, the Street is uncertain about the successful execution of the proposed measures.

Of the four areas that the programme will be focusing on to improve profitability, the reduction in headcount can have the maximum impact. It was near 20% of the total operating cost in FY19 for Tata Steel Europe (TSE). The company plans to reduce the headcount in Europe by 3000, nearly 14% of total head count. But according to analysts this may not be easy and could hit a regulatory roadblock. "In view of the regulatory environment in Europe (particularly in the UK), we believe that manpower looks challenging," said Amit Dixit, metals analyst with Edelweiss Securities.

The other three areas proposed include increasing the share of value added products, optimisation of production process and reduction in procurement costs.

Through its proposed transformation programme, TSE is initially targeting a positive cash flow by the end of its financial year ending March 2021. It is also aiming for an EBITDA margin of around 10% throughout the market cycle, which appears unsustainable. Based on full year 2019 revenue figures, this would equate to £750 million in EBITDA, the company said. In view of the current market situation in Europe, this could be a challenging task. In the first half of FY20, TSE has done an EBIDTA margin of 1% and EBIDTA of ₹227 crore or £25 million.

In FY19, which has been the best year for the global steel industry in the past ten years, Tata Steel Europe did adjusted EBIDTA of £589 million including one-time income from carbon emission right sales contributed £211 million.

Arcelor Mittal, TSE's European peer gave a negative commentary on the European steel industry post its recent quarterly results. It marginally tweaked down CY19 global steel consumption growth forecast to 0.5–1% year-on-year. It expects European demand to contract by 3% as compared to 1-2% earlier owing to auto and construction slowdown.

Tata Steel's stock is down 30% over the past one year, after a correction in the steel prices due to weak demand. t the current price of ₹401.75, the stock is now trading at EV/EBIDTA of 7.7 times, higher than the historical average.

THE ECONOMIC TIMES DATE : 20/11/2019 P.N.12

Coal Mining to Turn Commercial, Finally

The report that auction of coal blocks for commercial mining would soon take place, albeit after years of delay and dither, is welcome news. Despite our large proven reserves, India's rising coal imports add up to over $20 billion annually due to warped policy and long years of a public monopoly, which has stultified output at huge national cost.

The policy of captive mining needs to be thoroughly overhauled as well, to gainfully boost investment and output going forward. Coal remains our main source of dependable baseload power supply, and the way forward is to boost productivity in mining and evacuation, step-up thermal efficiency levels and purposefully stem carbon emissions with systematic adoption and diffusion of modern technology and systems. In tandem, we surely need an independent regulatory body for the coal sector to carve out coal blocks, oversee investments and also carry out valuation. The present practice is simply to value coal blocks on the basis of the price notified by Coal India. The Directorate General of Hydrocarbons, which handles bids for coal-bed methane, can be suitably empowered for coal. The US also has a single energy regulator.

Meanwhile, the latest figures show that barely a third of the target for the earlier policy of captive coal mining has been met. Captive mining is inherently suboptimal, presumes that power producers, steel makers and others have the expertise and inclination for mining, and routinely prevents economies of scale. Captive coal producers can now sell 25% of their output in the open market. But this is condescending, at best. The norms for captive coal mining clearly need to be scrapped. We need a functional market for coal, so that efficient producers can gainfully rev up supply as per effective demand.

BUSINESS LINE DATE : 20/11/2019 P.N.4

Ministry proposes setting up integrated steel hubs

OUR BUREAU

New Delhi, November 19

The Ministry of Steel has proposed setting up integrated steel hubs similar to the ones in Korea, China and Germany. The hubs would support the growth of the steel sector.

According to a Draft Framework Policy-Development of Steel Clusters in India, "The Ministry is proposing creation of 'Integrated Steel Hubs' based on the principle of availability of raw material, logistics support and/or proximity to demand centres. It will enable capacity expansion through provision of a cohesive ecosystem, with presence of effective forward and backward linkages, single-window mechanism for swift approval of clearances and best-in-class logistics infrastructure." The draft, uploaded on the Steel Ministry's Website on Tuesday, has sought comments on the proposed policy.

"A cluster will be a defined region with co-located units across the steel value chain along with the provision of basic infrastructure facilities and other relevant value-added services. The clusters will primarily include units from secondary steel sector and ancillary industry," the draft said.

The policy's focus will be on two types of clusters, one around the Integrated Steel Plants (ISPs) and the other near the demand centres. The cluster around ISPs will be called ancillary and downstream cluster. It will primarily have a steel plant as its anchor plant, with focus on ancillary units and may also entail downstream units. It will help create an integrated ecosystem for the industry with enhanced linkage for both the ISPs as well as the tenant units.

Growth of SMEs

In addition, it will facilitate growth of small and medium enterprise units. On the other hand, 'value-added steel clusters' are likely be set up near demand centres. It will enable capacity expansion of units producing carbon steel, alloy (including stainless steel) as well as other high grade and special steel by improving their cost competitiveness through effective raw material linkages and other interventions such as reduced cost of power.

The Ministry of Steel can provide the initial push needed to develop these clusters. A task force and a working group for setting up the clusters will also be formed. The working group will define the metrics against which a Special Purpose Vehicle will implement the project. The Ministry of Steel will also monitor the SPV on a semi-annual basis, post set-up of the cluster. A representative of the Ministry of Steel would be a part of the Board of the SPV, the policy said.

BUSINESS LINE DATE : 20/11/2019 P.N.14

Lead metal, an integral part of daily life

COMMENTARY

G CHANDRASHEKHAR

Among base metals, lead may not be priced high, but it has multiple practical uses. Lead batteries are about 150 years old; and as the safest and affordable source of instant energy, they touch our daily lives in many different ways, including use in telecom, automotives, railways, inverter, UPS, solar energy and so on.

A dominant part (almost 80 per cent) of domestic primary lead production is used for lead batteries while the rest is used for alloys, semis, chemicals and so on. India consumes an estimated 1.2 million tonnes of lead annually, covering secondary lead and imports.

New applications

"Lead batteries are finding new applications in electric mobility, electric scooters, e-rickshaws, e-bikes etc. Energy storage has a huge market valued at 300 GWh, where lead batteries will be an integral part," says L Pugazhenthy, Executive Director, India Lead Zinc Development Association (ILZDA).

There is now growing recognition that the policy measures recently announced by the government will see a steady growth of electric vehicles in the coming years. The need of the hour is to create a massive charging infrastructure across the country. Similarly, the huge investments under the Jawaharlal Nehru Solar Energy Mission will also result in increased demand for storage of energy where lead batteries are the natural choice, Pugazhenthy told *Business Line*.

Almost 80 per cent of domestic lead production goes towards making batteries

Health hazards

Interestingly, there is a growing recycling market for lead storage devices as they are discarded after two or three years of use. While rules exist for battery collection and registration of green recyclers, there is need for stricter monitoring and implementation of the rules, according sane voices in the industry.

Echoing the sentiment and advocating sustainable practices, Pugazhenthy pointed out that over the years, lead has been gradually eliminated from petrol, paints, solders and so on; and now informal or backyard recycling should be eliminated because of the known toxicity and health hazards posed by the metal.

ILZDA believes that while lead metal is here to stay for many more years, occupational healthcare precautions at the shop floor are necessary to insulate workers from getting exposed to toxicity. The association has organised an international conference on lead and lead batteries – energy storage, e-mobility and environment on December 2-3 in Mumbai.

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

BUSINESS LINE DATE : 21/11/2019 P.N.10

MCX-Nickel nearing a support level

AKHIL NALLAMUTHU
BL Research Bureau

The price of nickel continues to weaken and has given up nearly 40 per cent of the gains made this year. The November futures contract of the metal on the Multi Commodity Exchange of India (MCX) declined over the past week and broke the support at ₹1,126. The price action exhibits a strong bearish momentum and will most likely depreciate further.

The moving average convergence-divergence indicator remains in negative territory; but the daily relative strength index, though it suggests considerable bear strength, has entered over-sold levels. While this is not necessarily a hint of a reversal, it could be an indication that the bears may lose steam in coming days and so traders with short positions need to adjust risk management accordingly.

Currently trading at ₹1,077, upcoming support for the contract on the downside is at ₹1,066. Below that level there is minor support at ₹1,031. On the other hand, if the contract starts to move up from the support levels, it will face a hurdle at ₹1,126 and the next resistance above that level is at ₹1,155.

LME-Nickel

The downtrend continues in the three-month rolling-forward nickel contract on the LME. The price has dipped below the critical level of $15,000, opening the door for further weakness. LME-Nickel seems to have given up half of its current-year gains. Most probably, the price may decline to $13,930, a reasonable support. Alternatively, if it starts to appreciate from the current market price of $14,690, it will face resistance at $15,000.

The price of MCX-Nickel futures and LME-Nickel have both invalidated their respective support last week and the downtrend looks intact. Hence, one can continue to maintain a bearish view on the commodity. But as the contract has a support at ₹1,066, traders are advised to wait for a decisive break below that level and then initiate fresh short positions.

BUSINESS LINE DATE : 22/11/2019 P.N.8

MCX-Zinc hovers near a key support

AKHIL NALLAMUTHU
BL Research Bureau

The price of zinc dwindled in the past week and this fall seems to have put an end to the recovery that began in October. Prior to that, it was in a major downtrend that extended from April to August, tumbling about 20 per cent as indicated by the spot price on the Multi Commodity Exchange of India.

The November futures contract of zinc on the MCX slipped from its recent high of ₹196.25 to the current market price of ₹186.5, weakening by nearly 5 per cent. The price has dipped below both 21- and 50-DMAs giving the commodity a negative outlook. Also, the daily relative index has moved below the mid-point level of 50 and the moving average convergence divergence indicator has entered the negative territory, both indicating a bearish bias.

The contract is currently trading at a support and so the contract might witness some profit-booking resulting in a pull-back rally. Hence, only a daily close below ₹186.5 can be taken as a confirmation for further depreciation. Below that level there is a support in the band between ₹182 and ₹183.7. Alternatively, if the contract advances taking support at ₹186.5, it will face stiff resistance at ₹191.

On the global front too, the three-month rolling forward contract of zinc on the London Metal Exchange has declined in the past week. Trading at $2,313, the contract has immediate support at $2,286. A break below that level could drag the price to $2,200. However, if the contract rebounds, it will face a hurdle at $2,400.

Trading strategy

Though MCX-Zinc and LME-Zinc indicate strong short-term downtrend, both contracts are trading near their respective support levels. Hence, traders are recommended to wait for a decisive break of the support at ₹186.5 before initiating fresh short positions. So, sell MCX-Zinc November futures contract only below ₹186.5 with tight stop-loss.

Steel Demand Coming Back, Hope Prices Will Move Up

Q&A

Steel prices have started moving up globally. JSW Group chairman **Sajjan Jindal** hopes that India, too, will follow suit. Edited excerpts from an interview with **Parisha Tyagi** of ET Now:

What is the situation with steel prices currently?

Steel prices are quite benign and going forward we see global steel prices moving up a bit. If you have seen the results of ArcelorMittal and other steel companies, globally everyone has had a very bad quarter. I think there is only one way steel prices could go and that is up. Globally, steel prices have started moving up. We hope that India will also follow suit.

Do you think this sector has been hit by economic slowdown?

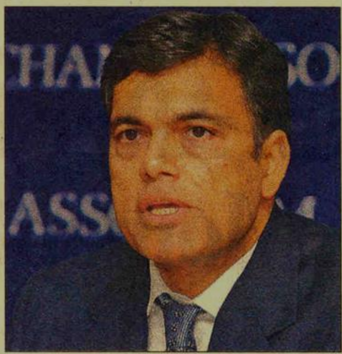
Absolutely not.

When will the expected revival come about?

No, we are already seeing the green shoots and things are looking better and demand is coming back. The auto sector is also looking good. It is only the heavy commercial vehicles which are not moving up yet because of various reforms that the government took. Increasing the axle load as well as the GST has made the same trucks more efficient and that has reduced the sale of new commercial vehicles. But that should get corrected now.

India recently chose to back out of the RCEP deal. What is your take on the issue?

We are not yet ready for RCEP. As a country, as an industry, we need to start walking before we start running. The Free Trade Agreement (FTA) that was done in the previous regime was an ill-timed step. The imports into India or the trade deficit between the FTA countries and India, which used to be $10-12 billion has gone up to $60 billion. It was absolutely ill-timed and therefore I am very thankful to honourable prime minister who has taken this very bold initiative. In fact, it was very difficult when the heads of states together signed an agreement and our honourable prime minister took the opposite stance.



SAJJAN JINDAL
Chairman, JSW Group

We are not yet ready for RCEP. As a country, as an industry, we need to start walking before we start running. The FTA done in the previous regime was an ill-timed step

Steel imports: Japan flags concern over dumping probe by India at WTO

New Delhi assures Tokyo that all factors will be considered before taking a decision

AMITI SEN

New Delhi, November 21

Japan has raised concerns over an on-going anti-dumping investigation by India on import of certain steel products from the country and has asked Indian authorities to evaluate all "relevant economic factors" before taking a decision.

The matter was taken up by Japan at the meeting of the World Trade Organisation's Committee on Anti-Dumping on Wednesday.

"Japan raised concerns with an Indian investigation on coated and plated tin mill flat rolled steel products initiated last June, and asked that Indian authorities be sure to evaluate all relevant economic factors having a bearing on the state of the domestic industry," a Geneva-based trade official told *BusinessLine*.

India should also keep in mind the competitive relationship between Japanese exporters and Indian producers of the like product and the discomfort that is likely to cause to the domestic industry in the normal course of events, Japan indicated in the meeting.

"At the meeting of the Committee on Anti-Dumping, India said the anti-dumping investigation on the specified steel import from Japan was ongoing, and that it will look at all relevant factors. It assured Japan that its concerns would be addressed," the official said.

New Delhi has been trying to put in place restrictions such as safeguard duties and anti-dumping duties on steel imports, as its domestic market is flooded with imported steel products. The free trade agreements with Japan and South Korea have resulted in very low tariffs (zero or near-zero) on high-grade steel products, pushing up imports of such items. Moreover, increased protectionism across the world, has resulted in a drop in India's exports of steel products.

India has been taking protectionist measures to check import of cheap steel

India turned a net importer of steel in 2018-19, the first time in three years, with shipments rising from countries such as China, South Korea and Japan. Its finished steel imports increased 4.7 per cent to 7.84 million tonnes while steel exports fell 34 per cent to 6.36 million tonnes.

"Although India has been taking protectionist measures to check import of cheap steel, it has been in line with WTO stipulations and proper procedures have been followed so far," a government official said.

The WTO allows a member-country to impose anti-dumping and safeguard duties on imports if it can be proved that the items are either being dumped in the domestic market at prices lower than what it is available at in the country of the seller or there has been a surge in imports of a particular commodity in a particular period of time. In both cases, the complainant also has to proved that imports have caused injury to the domestic producer and caused disruption in the market.

BUSINESS LINE DATE : 22/11/2019 P.N.4

'Steel clusters must have common carrier facility'

OUR BUREAU

New Delhi, November 21

"The industry should focus on setting up common carrier facilities for steel projects," Minister of Steel, Petroleum and Natural Gas, Dharmendra Pradhan, said.

"India needs to have a common carrier facility for the steel sector clusters. For example, if Tata and SAIL are in the same cluster, they need not deploy two separate railway lines for ferrying raw materials just because one is a public sector undertaking and the other is not," Pradhan said at the Indian Steel Association-Steel Conclave 2019. "The industry needs to come out with avenues of collaboration here. There can be common carriers for roads, railways and waterways," he added. "There is also opportunity to develop waterways for cheaper transport options," Pradhan said.

Union Steel Minister Dharmendra Pradhan

He said the Centre's assessment of ₹100-lakh-crore investment in infrastructure will involve lot of steel consumption. He said the Indian economy is consumption-driven, and as the economy size increases, steel consumption will get a big impetus.

BUSINESS LINE DATE : 25/11/2019 P.N.9

Cement prices to drop further

KEERTHI SANAGASETTI

This year has been a roller coaster ride for cement manufacturers. While most manufacturers posted stellar results in H1FY20, the coming quarters might see a sequential drop in their performances, thanks to the cement prices falling from their peaks.

In the first half of the year, companies enjoyed cost savings on account of consolidation in the industry. This got a further fillip from soaring industry-wide realisations, thus, leading to decade-high EBITDA per tonne for many.

After two successive years of lull in cement prices, January 2019 showed signs of uptick. This was thanks to the Centre's continuing thrust on the infrastructure and construction space, translating into effective policies. With significant push in the affordable housing segment, the South and the West regions saw 15 per cent and 8 per cent (sequential) rise, respectively, in cement prices in February.

In the election months (March to May) that followed, cement manufacturers lowered their production volumes, keeping in mind the prevailing code of conduct and subsequent monsoon. Compared with the monthly average growth rate of 13 per cent (YoY), cement production saw a meagre growth of 2 per cent and 3 per cent in April and May 2019, respectively.

The short supply thus helped the price rally persist till mid-June, despite the visible slowdown in award of construction contracts.

The all-India average price of a 50-kg bag of cement moved 9 per cent in the quarter ended June 2019 to ₹360.

In the subsequent months, the price witnessed a gradual drop, with it factoring in the almost evident economic slowdown. Besides, floods in most parts of the country worsened the demand scenario to lower-than-expected levels. Though the production volumes also dropped 5 per cent and 2 per cent in August and September, respectively, it didn't help the prices much.

Consequently, the all-India average price saw a 6 per cent sequential drop in the September quarter. The South region saw the steepest fall — 11 per cent from June quarter price levels. Based on a channel check report of JM Financials, cement prices don't seem to have revived in October as well — the all-India average price dropped 2 per cent from September quarter levels.

That said, what do the coming months have in store for cement prices?

Weak demand

The infrastructure and construction industry — the demand-driver for cement — got hit by the mounting NPA crisis of PSU banks first in beginning 2015. Then came the liquidity crunch in 2018 that worsened the debt woes of companies in this space. By the time the Centre attempted to open the clogs in funding avenues in 2019, demand had begun witnessing a slowdown.

While data from the National Highways Authority of India (NHAI) reveal a slowdown in fresh awarding, the Centre's data on CPSE (Central public sector enterprise) projects reveal prolonged delays on existing projects as well. In state-funded infrastructure projects, inadequate budgetary support and prolonged delays in land acquisition-related suits crippled the progress. In the case of realty and affordable housing projects, the falling income and credit levels also played the villain in weakening the demand further.

The construction and infrastructure space thus continue to crawl. In Andhra Pradesh and Maharashtra, political paralysis has made matters worse. The continuing tussle in Andhra Pradesh over the Amravati capital region has brought several State-run infrastructure and (private) realty projects to a standstill.

The road ahead

According to the report by JM Financial, cement prices in October 2019 declined 4.5 per cent in the Western region over September quarter (average) levels. In the North and Central regions, however, prices seemed to have remained flat. The apex court's verdict to pass on the construction of several stalled units to state-led NBCC could be one major contributors for continuing demand in these regions.

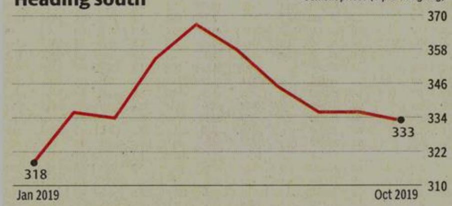
Prices in the West could remain volatile for quite some time. This is because, one, funding for stalled housing projects is likely to benefit Maharashtra the most. Two, the likelihood of a presidential rule in the State might make situations akin to that of Andhra Pradesh and Telangana.

In a report by ANAROCK property consultants, the top seven cities in the country alone have over 19 lakh under-construction houses. Of these, Mumbai and Delhi together comprise 60 per cent, while Pune has 19 per cent. Thus, cement prices are expected to see an uptick in the West and the North regions. For South the problems of sand mining and political paralysis continue to remain, leaving the revival in demand questionable.

On a pan-India level, the picture might continue to look gloomy. While many cement companies were betting their future on healthy monsoon and the subsequent rise in rural demand, an abysmal level of rural CPI (consumer price index) casts doubts on the spending power of dwellers of Bharat. We expect the rural demand to remain muted on the back of weakening core CPI in rural areas and consequent drop in rural incomes.

ISTOCK.COM/CHAIYAPORN1144

Heading south



Source: JM Financial- All India average prices

Scan & Share

Gloomy picture

While many cement firms were betting on healthy monsoon and the subsequent rise in rural demand, an abysmal level of rural CPI casts doubts on the spending power of dwellers of Bharat

BUSINESS LINE DATE : 25/11/2019 P.N.9

Technical View

Gold stays in a consolidation channel

The yellow metal is not expected to trend until it breaches ₹37,206 or ₹39,000

AKHIL NALLAMUTHU

As bullion continued to be sluggish, crude oil prices played a greater role in influencing the MCX COMDEX, the composite commodity index of the Multi Commodity Exchange.

During the past week, the index declined along with crude price, and bounced from the key level of 3,900.

MCX-Crude (₹4,169)

The December futures contract of crude oil declined during the first half of the week and rebounded during the latter part, closing the week marginally higher.

The decline was arrested by a support at ₹4,000, where the 50-day moving average coincides. The daily relative strength index (RSI) shows an uptick, but the moving average convergence divergence indicator is showing signs of weakness.

As we can observe, the price action hints that the commodity can gain in the coming days. On the upside, the contract faces resistance at ₹4,200. The 61.8 per cent Fibonacci retracement level lies at that price. If price breaks out of ₹4,200, the contract will most likely appreciate to ₹4,314.

However, if the resistance exerts downward pressure, the contract might weaken to ₹4,100, below which the support is at ₹4,000.

MCX-Gold (₹37,895)

Gold continues to move in a sideways channel and the December futures contract of the yellow metal continues to fluctuate between ₹38,650 and ₹37,690. The sideways trend has been in place since the beginning of October.

Thus, the broader range between ₹37,206 and ₹39,000 is still valid and holds the key for determining the direction of the next leg of trend. The RSI and the moving average convergence divergence indicator stays flat as price continues to be sluggish.

If the contract breaches the upper limit of the range at ₹39,000, it can result in a rally taking the price to ₹40,000.

However, if the contract breaks below the lower limit of the range at ₹37,206, the medium-term trend of gold could turn bearish, dragging the price to ₹36,310.

BLOOMBERG

MCX-Silver (₹44,480)

Like gold, silver too traded in a tight range in the past week. The December futures contract of the metal seems to be contained between two key levels at ₹43,470 and ₹44,800. Unless the contract breaks either of these levels, it cannot be expected to establish a trend in any direction. Noticeably, the price remains below both the 21- and 50-DMA and the daily RSI is below the mid-point level of 50, indicating a downward bias. But the price must breach ₹43,470 for confirmation.

If the contract breaks out of the resistance at ₹44,800, it will most likely appreciate to ₹46,000. Above the level, the resistance is at ₹46,950. However, a break below the support at ₹43,470 will turn the medium-term bearish, resulting in the price tumbling to ₹42,620. The immediate support below that level is at ₹42,000.

MCX-Copper (₹436)

After consolidating within a range between ₹442.7 and ₹451, the December futures contract of copper broke below the support and weakened through the past week. Closing the week at ₹436, the contract has also taken down the support at ₹438.4, opening the door for further weakness.

The negative bias is corroborated by the daily RSI and moving average convergence divergence indicator, as it continues to head lower.

Even though the price action is substantially bearish, the contract can be expected to retrace ₹440 before declining further. On the downside, the support is at ₹431. However, if the pullback extended beyond ₹440, the contract will retest the lower limit of the earlier range within which it was trading i.e. at ₹442.7

NCDEX-Soyabean (₹4,014)

The price of soyabean, which has been rallying since the beginning of September, has been consolidating for the past two weeks. The December futures contract of soybean continues to move in a sideways trend between ₹3,927 and ₹4,085.

The 23.6 per cent Fibonacci retracement level of the previous bullish trend is at ₹3,952, making the price band between ₹3,927 and ₹3,952 a support. Hence, until the price trades above the support band, the trend will be bullish. However, a prolonged consolidation can lead to a trend reversal, as we can already witness weakness in the daily relative strength index.

If the contract price breaks out of the range top at ₹4,085, it can potentially lead to a rally towards ₹4,240. Alternatively, if the price breaks below the range bottom at ₹3,927, it can result in short-term downtrend, dragging the price to ₹3,793.

MCX COMDEX Composite Index:

- Supports: 3,922 and 3,900
- Resistances: 3,971 and 3,993

THE ECONOMIC TIMES DATE : 25/11/2019 P.N.1

Tata Steel Raising up to $1.75 b Loan via European Unit

Company aims to reduce overall borrowing costs by 100 basis points

Saikat Das & Rakhi Mazumdar

Mumbai | Kolkata: Tata Steel is raising up to $1.75 billion (Rs 12,563 crore) in syndicated offshore loans through its European unit to lower borrowing costs in the first mega fundraising at India's biggest and the oldest maker of the alloy, which shelved a joint-venture proposal in the continent with Germany's Thyssenkrupp earlier this year.

"Through this syndication, the company aims to reduce overall borrowing costs by 100 basis points," said a person aware of the likely coupon rate. The debt will likely have five-year maturities and the loans will be priced after adding a mark-up, or spread, above the US dollar-based London Interbank Offered Rate (Libor).

The spread may be in the range of 200-250 basis points. A basis point is 0.01 percentage point.

Net debt at Tata Steel increased by almost 4% to Rs 1.07 lakh crore in the three months to September.

The company is in the process of appointing up to a dozen investment bankers, four people with direct knowledge of the matter told ET. The proceeds would be used for refinancing and other business purposes.

Tata Steel did not reply to ET's mailed query.

The syndication is expected to be launched in the next few weeks, marking it perhaps this year's last such large deal.

These loans would be backed by a Letter of Comfort from the parent company, Tata Steel.

Cutting Costs

The debt will likely have **five-year maturities**

The spread may be in the range of **200-250 basis points over Libor**

Loans likely to be backed by a Letter of Comfort from the parent company Tata Steel

Fund-raising should help save **70-100 bps** borrowing costs

THE HITAVADA DATE : 25/11/2019 P.N.9

SAIL awaits ArcelorMittal response to take joint venture plans forward

NEW DELHI, Nov 24 (PTI)

SAIL is awaiting a response from ArcelorMittal regarding setting up a joint high-end automotive steel plant in India for which its board had given a go-ahead about two years ago, a top company official of the state-run steel major said.

SAIL Chairman A K Chaudhary said this while replying to a question related to the progress in talks with ArcelorMittal for setting up a joint venture (JV). In December 2017, Steel Authority of India Ltd (SAIL) board had approved a proposal to enter into a JV with global steel giant ArcelorMittal for manufacturing high-end automotive steel. The definitive agreement in this regard, the company had said, will be finalised in due course subject to financial viability.

"We are still waiting for a response from them (ArcelorMittal). There is no communication," SAIL Chairman A K Chaudhary told PTI while replying to a question related to progress made in forming a JV. When asked about chances of the JV plans getting scrapped with ArcelorMittal all set to enter India after winning Essar Steel, he replied.

BUSINESS LINE DATE : 26/11/2019 P.N.8

COMMODITY CALL

MCX-Aluminium likely to fall further

AKHIL NALLAMUTHU

BL Research Bureau

The spot price of aluminium on the Multi Commodity Exchange fell sharply in November to register a fresh eight-month low of ₹134.9. Unless the price breaks above ₹146 decisively, the medium-term trend will remain bearish.

The December futures contract of aluminium on the MCX has been in a downtrend since September. After attempting a recovery in the first week of November, the contract resumed its decline. In the past week, the contract made a fresh low as it breached the support at ₹132.6, opening the door for further decline. The moving average convergence divergence looks weak as it has entered the negative territory and the price continues to stay below both the 21- and 50-day moving averages, indicating a bearish bias.

The likelihood of the contract weakening further is high. The contract has a minor support at ₹130. Below that level, the support is at ₹127.5. On the other hand, if the contract recovers from the current level of ₹131.7, the support-turned-resistance level of ₹132.6 will act as a hurdle, beyond which it could appreciate to ₹137.7. A breakout of ₹137.7 has the potential to turn the medium-term trend into a bullish one.

While the aluminium price on the MCX has been declining in the past week, the price of the three-month rolling forward contract on the London Metal Exchange, currently at $1,740, has been moving sideways between $1,728 and $1,750. But the recent trend has been bearish and so, the contract will possibly break below $1,728 and decline to the support band between $1,700 and $1,710. On the upside, the contract has resistance at $1,750 and $1,760.

Trading strategy

The price of MCX-Aluminium futures has broken below the important support at ₹132.6 and the contract is expected to weaken further. The bearish trend is also justified by the global trend of the metal. Traders are thus advised to initiate fresh short positions on rallies with stop-loss at ₹135.

BUSINESS LINE

DATE : 25/11/2019 P.N.14

Gold imports dip 9% during April-October

PRESS TRUST OF INDIA

New Delhi, November 24

India's gold imports, which have a bearing on the current account deficit (CAD), dipped 9 per cent to $17.63 billion (about ₹1.25 lakh crore) during April-October period of the current fiscal, according to data by the Commerce Ministry.

Imports of the yellow metal stood at $19.4 billion in the same period of 2018-19. Dip in gold imports has helped in narrowing the country's trade deficit to $94.72 billion during April-October of 2019-20 as against $116.15 billion in the same period of previous fiscal.

Gold imports recorded a negative growth since July this year. However, it grew by about 5 per cent to USD 1.84 billion in October. To mitigate the negative impact of gold imports on trade deficit and CAD, the government increased the import duty on gold to 12.5 per cent from 10 per cent in this year's Budget.

BUSINESS LINE DATE : 26/11/2019 P.N.6

How to make coal mining sustainable

Establishment of a single body to oversee the coal industry can ensure compliance with all mining and environmental standards

R SRIKANTH

Notwithstanding the optimism over renewables displacing fossil fuels rapidly, coal will continue to dominate India's electricity generation for at least a couple of decades more. Given this scenario, how can we ensure that the coal sector incorporates sustainability — with regard to social aspects, economic dependencies, and ecological sensitivities — into the mining process, right from the planning stage?

Coal fuelled approximately three-fourths of the country's electricity generation in FY 2018-19. In addition to electricity generation, it is also a vital input for other core industries like steel and cement, which play a critical role in the country's development. Despite being the world's second-largest coal producer, India imported 235 million tonnes of coal at the cost of more than ₹1.7 trillion during FY19 (See Chart).

While mining operations have positive economic impacts on the local area in terms of infrastructure development, provision of employment and business opportunities, adverse effects of coal mining on the ecology of the local area are also well known. The changes in the ecosystem of the region are particularly significant in the case of open-cast coal mines, which account for approximately 94 per cent of the coal produced in India. All mining operations entail a temporary diversion of land for mining and allied activities, after which the mine owner must rehabilitate the mined-out land for beneficial use of the local communities.

Scan & Share

Therefore, the Ministry of Coal (MoC) mandates every owner of an open-cast coal mine to deposit ₹6,00,000 per hectare of the total project area in annual installments (to be escalated using the wholesale price index from August 2009 onwards) into an escrow account managed by the Coal Controller.

Final mine closure

The Coal Mines (Special Provisions) Act, 2015, permits the government to auction coal mines to the private sector for captive and commercial purposes. The government has auctioned 24 coal blocks to private companies till March 2019, and will be further auctioning coal blocks for commercial mining by both Indian and foreign companies.

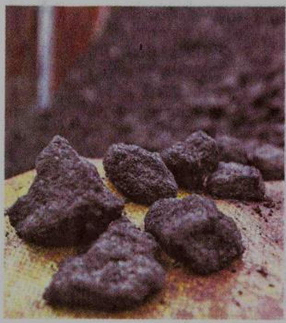
Government-controlled public sector companies may not have any difficulty in meeting their financial obligations related to the final mine closure. However, there is a risk that some coal mines operated by private companies, or State government entities who outsource their coal mines to private entities, may be closed without having the necessary funds to complete the mine closure activities as per the approved Mining Plans.

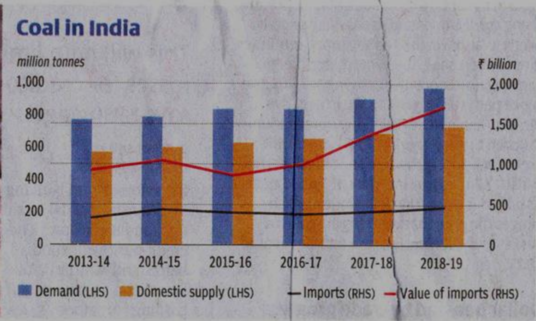
The ability to successfully rehabilitate mined-out areas is fundamental to the coal industry's social licence to operate. The practice of releasing up to 80 per cent of the escrow amount after every five years, based on progress in indicative activities, may not ensure the availability of adequate funds for final mine closure.

Therefore, India needs more effective and efficient regulatory governance to streamline approvals while ensuring the adoption of advanced technologies for mining, environment protection, and reclamation.

Unified authority

In 2014, a high-level committee appointed by the Central government recommended the creation of a National Environment Management Authority, including, *inter alia*, a special cell with appropriate expertise to deal with coal mining.





Coal is a central subject, and government companies produce more than 94 per cent of the coal in India. Therefore, the government must set up an independent, multi-disciplinary unified authority on the pattern of the Director-General of Mines Safety, which is staffed with varied scientific and technological experts required to regulate all matters related to health and safety in the mineral industry.

Such an authority must have in-house professional expertise in the ecological, environmental, geological, mine planning, hydrogeology, biodiversity, and social aspects of coal mine closure to consider all these facets in an integrated manner before granting all key statutory approvals for coal mines.

Once this authority is functional, the role of the MoC in approving Mining Plans, the powers of the Coal Controller to issue Mine Opening/Closing Permissions and manage escrow accounts related to mine closure, and the role of the Ministry of Environment, Forest and Climate Change (MoEF&CC) in issuing environment/forest/wildlife clearances for coal mines, must be handed over to this authority. These steps are critical to remove the overlapping jurisdictions of multiple bodies which govern matters related to forest, environment, and mine opening/closure in India.

While this authority must also be empowered to enforce compliance of these clearances by all coal mines in India throughout operation right up to final closure, it need not be involved in the allotment of coal blocks or in regulating the coal market. Any appeal against an order/decision made by this authority may lie only with the National Green Tribunal.

Official Code

To achieve the above goals, the Parliament must enact a "Sustainable Coal Mining Code" to consolidate all statutory provisions governing opening/closing and environment/forest matters related to coal mines. This Code must empower the unified authority to ensure efficient and effective environmental governance of coal mines in the manner explained above.

Since 1977, the Office of Surface Mining Reclamation and Enforcement (OSMRE) in the US has ensured that mine owners operate their open-cast coal mines in a manner that protects the local communities and the environment during mining, as well as rehabilitate the mined-out land for beneficial use post-mining. Therefore, the OSMRE may also be a role model for the proposed unified authority.

A dynamic equilibrium between environment conservation and development for inter-generation equity is the need of the hour in India. An empowered unified authority for coal mining can ensure effective compliance with all statutes related to mining, environment, forest, and mine opening/closure in coal mines by using remote sensing and GIS-based tools for remote surveillance in conjunction with quarterly inspections of each coal mine.

This authority will also facilitate job creation and contribute to a reduction in coal imports by ensuring "ease of doing business" without compromising on forest and environment compliances.

Ultimately, this will contribute to the realisation of India's Sustainable Development Goals and facilitate both energy security and sustainability for India during the ongoing energy transition.

The writer is Dean of the School of Natural Sciences & Engineering at the National Institute of Advanced Studies, Bengaluru

BUSINESS LINE DATE : 26/11/2019 P.N.3

SAIL still scouting for buyer for Salem Steel Plant

TN government, political parties and unions have opposed the sale

G BALACHANDAR

Chennai, November 25

Public sector steel major SAIL is looking at 100 per cent stake sale in Salem Steel Plant (SSP) and is scouting for a potential buyer, even as the unit has completed its capacity expansion and modernisation drive.

Salem Steel Plant has completed a capacity expansion and modernisation drive (file photo)

SAIL had issued a global invitation for expressions of interest (EoI) on July 4; these were opened on September 10. Per the qualification criteria, the bidder should have prior experience in core sectors and must bring in technology, efficiency and investment in steel-making into the unit.

This would lead to the creation of more jobs and consequent prosperity in the region.

It would also give a fillip to downstream industries in the region, Union Steel Minister Dharmendra Pradhan had said in a reply to a question in the Lok Sabha.

In October 2016, the Cabinet Committee on Economic Affairs (CCEA) had given its in-principle nod for the strategic disinvestment of SAIL's Alloy Steels Plant, Durgapur, Visvesvaraya Iron and Steel Plant, Bhadravati, and Salem Steel Plant, Salem.

Board approval

Following this, in February 2017, the SAIL board had approved a stake sale plan forall the three units.

While SAIL awaits a potential buyer, the Salem unit has been modernised and expanded at a revised investment of ₹2,371 crore to produce 180,000 tonnes per annum of stainless steel slabs.

Expansion drive

As part of the expansion programme, SSP has added a steel melting shop, a single strand slab caster and roll grinder for hot rolling mill, and a cold rolling mill complex.

Meanwhile, the Tamil Nadu government, political parties in the State and unions have been opposing the proposed privatisation.

This July, Tamil Nadu Chief Minister Edappadi K Palaniswami told the Assembly that his party (AIADMK), along with others, would exert pressure on the Prime Minister and the Steel Minister to drop the plan.

The net losses before tax for Salem Steel Plant, which employs about 2,000 people, has come down significantly from ₹461 crore in FY16 to ₹235 crore in FY17 and ₹211 crore in FY18.

But it widened to ₹259 crore in FY19, according to SAIL's annual reports.

In FY19, its revenue grew to ₹1,693 crore, compared to ₹1,350 crore in the previous fiscal.

THE HITAVADA(CITY BUSINESS) DATE : 27/11/2019 P.N.10

'Steel sector may face short-term disruption in iron ore supplies'

- "The expiring leases can potentially curtail about 25-30 per cent of the country's iron ore production, taking into account the expiring leases of other states as well"

Business Bureau

WITH the leases of 232 merchant iron ore mines expiring in March next year, the country may face a short-term disruption in supply of the main ingredient used in making steel, Acuite Ratings & Research Ltd said today.

"The expiring leases can potentially curtail about 25-30 per cent of the country's iron ore production, taking into account the expiring leases of other states as well," Acuite Ratings & Research Ltd said in its latest report.

Iron ore is the main ingredient used in making steel.

Consequently, any significant delay with respect to auctions and more specifically lease transfers will affect iron ore supply and prices, thereby putting further pressure on sector profitability. Non-integrated steel companies, which do not have access to captive iron ore mines, will be relatively more vulnerable in the event of such delay.

Therefore, a smooth transition in the lease transfers through the upcoming auction process along with the expected increase in pellet availability will be critical to offset the near term profitability challenges in the steel sector.

"Indian Government has initiated the process to auction 329 mines including 232 iron ore mines where the leases are set to expire in March 2020. This is a part of its initiative to address the issue of lower mine productivity, lack of adequate investment for mine development along with the need to bring in higher transparency in mine allotment," it said. "It is pertinent to note that 208 such mines are currently non-operative and transfer of the leases can lead to fresh investment and development, thereby enhancing domestic iron ore production significantly beyond the current levels of 220 million tonnes," it said.

Expediting the auctions and the subsequent approval processes for mining operations to be undertaken by new lessees will be critical to avoid any longer term supply shortages in the steel sector, it said.

BUSINESS LINE DATE : 28/11/2019 P.N.10

MCX-Nickel hovers around a support

AKHIL NALLAMUTHU
BL Research Bureau

The spot price of nickel on the Multi Commodity Exchange (MCX) began its rally from ₹837 in June and appreciated to ₹1,346.6 — its 52-week high, in September. But the price started to decline and is currently trading at ₹1,091, a 50 per cent correction of the previous rally.

Like the spot price, the December futures contract of nickel has been on a decline since September. The current market price of the contract is ₹1,064 and the bears seem to have taken a pause as it is trading sideways now.

By plotting the relative strength index on the daily charts, we observe that the index is at over-sold levels and the moving average convergence divergence indicator indicates a loss of bearish momentum. Thus, the contract may get into a consolidation phase even if there is no immediate revival in price.

In case the contract continues to weaken and breaks below the support at ₹1,050, there is a minor support at ₹1,027. Below that level, ₹1,000 will act as a support. On the other hand, if the contract witnesses some profit-booking and advances, it will face a hurdle at ₹1,106 — the 23 per cent Fibonacci retracement level of the previous down-swing. Resistance beyond that level is at ₹1,140.8.

Similar to the trend on the MCX, the price of the three-month rolling forward contract of nickel on the LME seems to have taken a pause after a considerable downtrend. On short-covering, the contract may rise to $15,000 in the upcoming sessions. However, a fall rom the current level as an extension of the prevailing bearishness will drag the contract to $13,930.

Trading strategy

Though MCX-Nickel futures is in a downtrend, ₹1,050 can act as a support, arresting further decline. So, traders are recommended to initiate fresh short positions with tight stop-loss, only if the price decisively breaks below that level.

DAINIK BHASKAR DATE : 29/11/2019 P.N.18

'धात्वीय खान सुरक्षा सप्ताह' का शुभारंभ

नागपुर| भारत सरकार के श्रम एवं रोजगार मंत्रालय के अधीनस्थ खान सुरक्षा महानिदेशालय के पश्चिमांचल, नागपुर प्रादेशिक कार्यालय 1 एवं 2 के तत्वावधान में प्रति वर्ष की तरह इस वर्ष भी 'धात्वीय खान सुरक्षा सप्ताह –2019' का आयोजन किया गया। 'धात्वीय खान सुरक्षा सप्ताह – 2019' 24 नवंबर से 1 दिसंबर तक मनाया जाएगा, जिसका विषय 'स्वच्छता से स्वास्थ्य एवं सुरक्षा की ओर' रखा गया है। खान सुरक्षा महानिदेशालय के पश्चिमांचल, नागपुर स्थित प्रादेशिक कार्यालय से खान सुरक्षा निदेशक, नागपुर क्षेत्र 1 मनीषचंद्र जैस्वाल तथा खान सुरक्षा निदेशक, नागपुर क्षेत्र 2 सागेश कुमार एन. आर. ने झंडी दिखाकर सुरक्षा सप्ताह के अंतर्गत होनेवाले विभिन्न कार्यक्रमों एवं निरीक्षण कार्यों के लिए 6 निरीक्षण दलों को रवाना किया। कार्यक्रम में सहभागी होनेवाले संगठनों के वरिष्ठ अधिकारीगण, प्रतिनिधि तथा खान मालिक उपस्थित थे।

BUSINESS LINE DATE : 29/11/2019 P.N.8

MCX-Zinc enters consolidation phase

AKHIL NALLAMUTHU
BL Research Bureau

The bull run that began in January this year resulted in the spot price of zinc on the Multi Commodity Exchange of India appreciating to ₹199.4 from ₹185, gaining nearly 8 per cent. However, the trend reversed in November and the price dropped to the current market price of ₹189, thereby losing 5 per cent. The price has been consolidating in the past few days, but the trend remains bearish.

The December futures contract of zinc on the MCX, like the spot price, has been falling since the beginning of November. The contract has dipped below both 21- and 50-DMAs, indicating a bearish outlook. The daily relative strength index (RSI) has moved below the midpoint level of 50 and the moving average convergence divergence (MACD) is in the negative region, both hinting at a negative outlook. But the price action shows that the contract seems to be consolidating as it treads sideways between ₹185 and ₹188.8. So, for the next leg of the trend to emerge, the contract should either break above ₹188.8 or below ₹185.

If the contract breaks out of ₹188.8 on short-covering, it will face a hindrance at ₹192, beyond which it could appreciate to ₹195. On the other hand, a break below ₹185 can invite more selling that could drag the contract to ₹180.

On the global front too, the metal has been under pressure as the three-month rolling forward contract of zinc on the LME has been depreciating from $2,550. Currently trading at $2,300, it has a strong support at $2,270. On the upside, $2,327 will act as a hurdle. Hence, until it breaches either $2,270 or $2,327, it cannot be expected to trend higher.

Trading strategy

As the December futures contract is consolidating in the band between ₹185 and ₹188.8, traders are recommended to stay on the fence until either of these levels are breached. The direction of the break could decide the next leg of the trend.

THE HITAVADA
DATE : 29/11/2019 P.N.10

DGMS start Metalliferous Mining Safety Week

THE Western Zone, Nagpur Region of Directorate General of Mines Safety (DGMS) functioning under the Union Ministry of Labour & Employment is observing Metalliferous Mining Safety Week. The event started on November 24 will continue till December 1. The theme of the event is 'From cleanliness to health and safety'.

Manishchandra Jaiswal, Mine Safety Director; Nagpur Region - I; and Sagesh Kumar, Mine Safety Director, Nagpur Region II; flagged off six special teams constituted for inspection of various places and programmes. This year, the responsibility of conducting the Mining Safety Week is given to Maharashtra State Mining Corporation Ltd, says a press note.

BUSINESS LINE DATE : 29/11/2019 P.N.10

A more 'Indian' way to buy/sell base metals

SEBI order allows metals to be purchased at 'local', rather than LME, prices

RAJALAKSHMI NIRMAL
BL Research Bureau

Till a few months ago, Indian businessmen manufacturing metal components were sourcing their raw material from manufacturers or traders in the domestic market, but at LME prices.

But it is not the case any more. Metals including aluminium, copper, zinc, nickel and lead, can now be bought on the MCX (Multi Commodity Exchange of India) platform at prices that are reflective of the demand and supply scenario in India (which at present are cheaper than the prices quoted on the LME).

Until now, SMEs were often arm-twisted by manufacturers. While larger buyers got to purchase raw material at a discount, SMEs and MSMEs weren't given that benefit. But now all the buyers can purchase at a uniform price on the exchange platform. This benefit of an India-discovered price is thanks to SEBI's move last Octoberthat made it mandatory for all commodity derivative contracts to be settled through physical delivery (with the exception of crude oil and natural gas, as storage and transportation is difficult for these products).

While in the initial few months of MCX's base metals contracts becoming compulsorily deliverable (in March) there was not much action, it has picked up pace over the past few months.

In end-October, the exchange reported stock of 8,369 tonnes of aluminium, 5,400 tonnes of copper, 2,071 tonnes of zinc, 660 tonnes of lead and 47 tonnes of nickel. Users of base metals are showing interest in MCX contracts. For the seller, while the exchange is a platform where he offloads the excess inventory, for the buyer, it offers a price advantage.

Scan & Share

A comparison of the price charts of the spot price of metals (based on LME prices) and that of the near-month contract of the metals on MCX, shows a diverging trend. Sample this: For aluminium, while the spot market price (based on LME price) is ₹138.60/kg, the exchange price of the near-month contract is ₹130.20/kg. Similarly, for copper, while the spot price is ₹450.50/kg now, the near-month futures contract price is ₹431.35/kg.

Here's a look at the features of the base metals contracts on MCX and how they work.

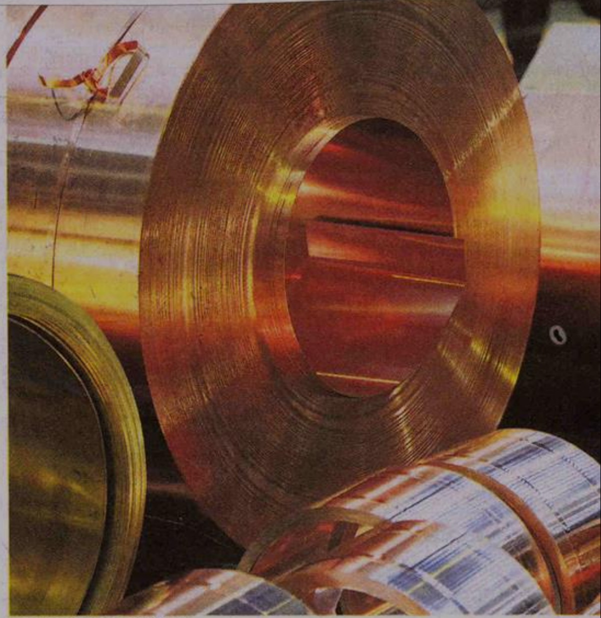
Features of the contract

Copper, which became a deliverable contract on MCX beginning July, is an example we will take here to explain how base metal futures contracts on MCX work. All the base metal contracts on MCX are now monthly contracts and all outstanding long and short positions get marked for delivery at the expiry of the contract. The expiry of the contract remains the last working day of the month, as always.

If we take the November copper contract, the expiry is on November 29. Trading in the contract will end on November 29 at 5 pm (earlier, it was 5.30/6.30 pm).

The last five days of the contract constitute the tender period (TP). If you keep your position open in this period, for every day of open position, you will be charged an incremental margin of 5 per cent (of the contract value). This will be in addition to the initial margin and the additional/special margin, if any. Once the buyer of the contract settles his total due on the contract, the TP margin collected is refunded.

A seller of a contract on the exchange platform, too, has to cough up the TP margin. But, if he makes an early pay-in of the commodity, he can avoid paying the margin, though the mark-to-market margin has to be paid. There is only one delivery centre, in Thane, Maharashtra, for aluminium, zinc, copper and nickel. For lead, it is in Chennai and Thane. The normal pay-in time for commodities and funds is 12 pm on E+1 (one day after expiry). But goods need to be brought to the warehouse at least two days



ISTOCK.COM/SLOBODANMILJEVIC

prior to the expiry date of the contract to finish the formalities.

The pay-out for commodities and funds happens at 2 pm on E+1. Warehouse, insurance and transportation charges on metals will have to be borne by the seller up to the commodity pay-out date and borne by the buyer after that.

How it works

For a producer/trader who has a 'sell' position: A trader who has a 'sell' position on the copper contract on MCX has to deliver the commodity to the exchange warehouse in Thane. The copper should be of the quality specified under the contract — Grade A copper cathodes — and accompanied by the necessary documents (note that only LME-approved brands will be accepted; these include Bharat Aluminium, Hindalco Industries, National Aluminium and Vedanta).

Delivery is accepted in multiples of 2,500 kg. The cathode should carry the producer's sticker reflecting the producer's name, net weight, batch number, purity, number of pieces of cathodes in the bundle and date of manufacturing.

As a seller, you can transact delivery pay-in only through a ComRIS (Commodity Receipts Information System) account, where your physical stock in the warehouse gets converted into e-receipts. ComRIS is a web portal operated by the MCX Clearing Corporation that maintains electronic records of commodities deposited at the exchange's warehouse and gives real-time information on the movement of commodities from the warehouse.

To open a ComRIS account, you need to approach one of the ComRIS participants (commodity brokers), the information on whom you can find on the exchange website. Once the account is opened, you can log in with your credentials and express the desire to deposit goods with the warehouse service provider (WSP). After this, the WSP will get back to you and you can give the preferred date and time of delivery of goods. Once the WSP confirms the date and time, you can take the goods to the warehouse. At the warehouse, after the necessary documentation, the WSP will accept your commodity and an electronic warehouse receipt will be issued.

CONTD...ON PAGE 26

CONTD...FROM PAGE 25

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This will reflect on your ComRIS account.

For a trader who has a 'buy' position: The buyer of a contract will also require a ComRIS account. It can be opened any time, not necessarily at the time of delivery. The two things the buyer has to note is that he will be required to pay GST in addition to the Final Settlement Price when he takes delivery of the commodity, and, post-delivery, it becomes the responsibility of the buyer to take the commodity from the exchange's warehouse to his plant.

Advantages

- Transparent pricing
- Delivery assurance for the buyer
- For the seller, a market for his tradable excess

Long way to go

While it is a good beginning, there is still a long way to go for MCX. Delivery volumes have to improve further for prices to track the demand-supply situation in the domestic market more closely, and the exchange to claim a position akin to LME in India, where the exchange's stock can become a good indicator of the mood of the economy.

And, to get there, more awareness about the contract has to be created. Further, the exchange has to also look at rationalising levies and increasing delivery centres.

BUSINESS LINE DATE : 30/11/2019 P.N.10

'Steel output target of 300 mt is challenging amid issues over raw material availability'

SHOBHA ROY

Kolkata, November 29

The Indian steel industry will be able to achieve its crude steel production target of 300 million tonnes (mt) by 2030 only if the issues surrounding raw material availability are addressed. The steel sector will also require adequate funding support to be able to scale up capacity, according to experts.

The National Steel Policy (NSP), 2017 envisages investment to the tune of ₹10-lakh crore to scale up crude steel production capacity to 300 mt by 2030-31, up from the current capacity of around 140 mt.

Coking coal shortage

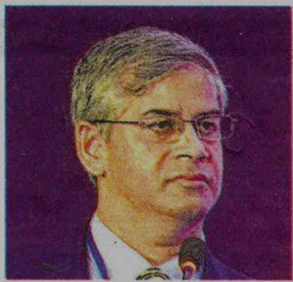
According to MV Subbarao, Chairman and Managing Director, KIOCL Ltd, raw material issues, which includes both availability and quality, need to be sorted out so as to be able to scale up the country's steel production capacity.

"Nearly 85 per cent of the coking coal, which is a major raw material for steel production, is imported at present. This needs to be addressed and one way of doing it would be to make steel from scrap," Subbarao said at a steel industry seminar here.

To achieve steel production of 300 mt, the coking coal requirement should increase three times to over 180 mt from the current 60-70 mt. The NSP also envisages an increase in the share of domestic washed coking coal and a lowering of import dependence to 50 per cent by 2030-31.

In a bid to ensure quality scrap for the steel industry and bring down imports, the Centre had, earlier this month, come out with a Steel Scrap Recycling Policy.

The move was aimed at ensuring processing and recycling of products in an organised, safe and environment-friendly manner,



Jayanta Roy, Senior V-P and Group Head, Corporate Sector Rating, ICRA DEBASISH BHADURI

besides evolving a responsive ecosystem and producing high-quality ferrous scrap for quality steel production and minimising the dependency on imports.

Funding issues

Apart from raw material, funding poses a major challenge in the capacity expansion of steel companies. The total investment required to scale up capacity to 300 mt would be close to $162 billion (approximately ₹11-lakh crore). Of this, the total debt component (assuming a debt-equity ratio of 2:1) would be close to ₹7.7-lakh crore. This would be more than double the banking sector's current exposure to the steel sector, at around 3.13-lakh crore.

According to Jayanta Roy, Senior V-P, Group Head, Corporate Sector Ratings, ICRA Ltd, the debt market is shallow and there are still a lot of stressed assets, so availability of debt for capacity expansion in the steel sector may be a challenge.

Even on the equity front, it might be difficult for promoters to pump in funds as there has hardly been any incremental cash generation due to an impact on profitability on the back of the ongoing slowdown.

"Funding will be the biggest challenge as far as meeting the NSP target is concerned," he said.

THE ECONOMIC TIMES DATE : 30/11/2019 P.N.6

BHEL, GAIL, Hind Zinc & NALCO Likely to be on Selloff List: CLSA

Brokerage says divestment target may grow, especially if govt goes for more tax cuts

Our Bureau

Mumbai: The government will likely need sizable privatisation income over the next five years given the fiscal pressures, with BHEL, GAIL India, Hindustan Zinc and NALCO likely to be the possible candidates, according to foreign brokerage CLSA.

PSU stocks with limited scope for privatisation such as ONGC, NTPC, Power Grid, Indian Oil Corporation, and Coal India, may continue to face selling pressures.

"The government has earned $12 billion via PSU stock sales through ETFs in the last three years and fear of more such sales will put supply pressure in the market on non-disinvestment candidates," said CLSA.

However, the chances of the government concluding the BPCL privatisation before the end of the current financial year is challenging, the brokerage said.

"The experience of three previous successful cases back in 2001-2002 shows that privatisation is a time-consuming process and takes 6-16 months between global tender and deal consummation, thus, concluding the BPCL privatisation before Mar'20 is challenging," said CLSA.

CLSA said weak tax collection growth and stimulatory measures by the government have created a fiscal shortfall of over Rs 2 lakh crore in the current financial year. The government has set a fiscal deficit target of 3.3% of the GDP for the current financial year.

The brokerage believes that the disinvestment target may only grow going forward especially if more tax cuts happen and as other potential non-tax revenue sources are already constrained.

"Even assuming a 50-70 bps (basis points) relaxation, the current year's record $15bn (billion) disinvestment target may only grow, especially if more tax cuts happen," said CLSA.

The brokerage said the government's total holding in listed PSUs is $174 billion of which financials account for $61 billion and those are unlikely to be disinvested in the near future.

CHASING THE BULLS

MANUEL RODRIGUEZ DE GUZMANTHE PICADOR

SELLING PRESSURE

Stocks with limited scope for privatisation such as ONGC, NTPC, Power Grid, IOC and Coal India, may continue to face selling pressures