

● REVISED PRODUCTION PLAN, 12 NEW MINES

Coal ministry readies busy 100-day agenda for Modi 3.0

Coking coal mines to be auctioned via washery route

ARUNIMA BHARADWAJ
New Delhi, April 10

THE FIRST 100-DAY agenda of the Narendra Modi government, if voted to power again, would include operationalising 12 new coal mines, near-exclusive transfer of coking coal blocks to steel companies willing to set up washeries via auction route, sources have told *FE*. A policy for the critical minerals other than those covered under a recent policy is also in the works, they added.

Additionally, the coal ministry also aims to launch the Request for Proposals for gasification projects announced in FY24 and come up with a revised production plan for the country's coal mines.

"One of the agenda is to operationalise 12 new (coal) mines with a combined capacity of 58 million tonne of coal," a source said. "We also want to launch RFPs (request for proposals) for coal gasification projects and are going to issue a new policy for minerals."

The Union Cabinet, in January, had approved a multi-pronged scheme to promote coal/lignite gasification projects by state-run and private-sector companies with an outlay of ₹8,500 crore. It also approved two joint venture projects for coal gasification between Coal India & GAIL and Coal India & BHEL, both to be operationalised by 2028-29.

As per the source, the coal ministry is charting out a new policy wherein



POLICY FOCUS

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■ The government intends to come up with a "business-friendly" land use policy for companies

the ownership of any other mineral-critical or rare earth elements - found within a coal block will mostly go to the respective mining company, with very little share for the government.

"We are auctioning coal blocks, in case anybody finds other minerals by chance, we want to give them ownership of those minerals also. They will mine it," said the source. "The government will have a share, we are thinking about how much. We want to keep it as minimal as possible, because otherwise people will not come forward to mine that."

Under the revised mine plan for the country's mines, the government will form guidelines relating to restoration of the land to pre-mining condition stage, monitoring of closure, regeneration of biodiversity and monitoring of soil, groundwater, vegetation, surface water, and pollution levels. With the plan, the government intends to close 103 de-coaled mines in the next two years. Moreover, it

intends to come up with a "business-friendly" land use policy for companies.

"Currently, there is no such action plan. They (miners) just put soil back. We have 103 de-coaled mines and we have actually prepared plans to close these mines," said a source. All these mines would be closed in the next two years. "We have set up funds for these mines and want to close these mines as per these principles. So for that, we have formed a small committee, they will submit the report, and we will appoint it and issue the guidelines," the source added.

After the achievement of 1 billion tonne coal and lignite production in the financial year 2023-24 in its attempt to stop coal imports, the government has now turned its focus to reducing imports of coking coal - typically used in steel making.

For the same, the government will now auction coal to the steel sector via way of washeries, the source said.

Currently, the government is not auctioning mines through washeries. Any firm which wants to set up a washery will now be provided with a separate window, a move which could also help reduce coking coal imports.

Over the years, owing to the shortage of coal, the good quality coal produced by Bharat Coking Coal (BCCL), primarily to be used in steel making, has been supplied to the power sector. "With this move, we are going to have a plan wherein BCCL's coal will be provided to the steel sector. They can wash this coal and then blend it for steel making." In a similar move to reduce coking coal imports, Central Coalfields is building five new washeries which will be able to reduce the ash content in the produced coal to 16% from the current 19%, the company's director (technical) Ram Baboo Prasad had earlier said.

Currently, there are only two companies - BCCL and CCL, both subsidiaries of CIL - that produce coking coal in the country and India has to rely heavily on imports due to the high amount of ash content in the coal produced indigenously. To obtain coking coal - used in the steel industry, the percentage of ash should be less than 12%. Presently, India imports approximately 70% of its coking coal requirement.

During FY24, Coal India and other captive mines cumulatively produced 66.63 million tonne of coking coal, up from 60.76 million tonne in FY23, as per government's latest data. The country imported 48.29 million tonne of coking coal up to January in FY24. Import data till March was not available. Imports in FY23 stood at 56.05 million tonne, coal ministry data showed.

Brent crude may hit \$100/barrel this year if OPEC+ continues output cut

EXPRESS NEWS SERVICE @ New Delhi

THE crude price in the international market could hit \$100 a barrel this year if OPEC+ (the Organization of Petroleum Exporting Countries) continues with its production cut, said Russell Hardy, chief executive of the world's largest energy trader, Vitol.

Russell, speaking at the FT Commodities Global Summit in Switzerland's Lausanne, also mentioned that Vitol is expecting global growth of 1.9 million barrels a day this year, similar to 2023, with China, India, and jet fuel from increased air travel continuing to underpin growth.

"It's really a supply-constrained market, but we've averaged about \$83/b so far this year, so \$80 to \$100/b feels like a sensible range for the market given OPEC's control of inventories around the world," said Hardy.

Due to various geopolitical issues, the Brent crude price is touching a new high, and today it is trading at \$89.93 a barrel at



19.05 PM IST. It went above \$91 per barrel on April 8, 2024, for the first time since October 2023, an increase of almost 20% since the start of the year. The ongoing tensions between Israel and Iran over the OPEC producer's support for Hamas and recent attacks by Ukraine on Russian oil property can further increase the crude price in the international market. The voluntary production cut of 5 million barrels per day of crude announced by OPEC+ will further aggravate the situation.

"Predictions that oil prices will hit \$100/b this year have been growing of late, fueled by

escalating tensions between Israel and Iran over the OPEC producer's support for Hamas in Gaza and stronger-than-expected demand data," said at S&P Global in a report.

The situation is further aggravated by OPEC+'s voluntary production cut of 5 million barrels per day, announced in October 2022. Analysts at S&P Global believe the recent extension of these cuts, particularly by the "OPEC+ Six" (Iraq, the United Arab Emirates, Kuwait, Algeria, Kazakhstan, and Oman), combined with potential damage from Ukrainian attacks, increases the risk of even higher oil prices.

CPSEs' FY24 capex rose 24% on year to ₹8.05 trillion

INVESTMENT EXCEEDS ESTIMATE



PRASANTA SAHU
New Delhi, April 10

CENTRAL PUBLIC-SECTOR ENTITIES (CPSEs)— companies and departmental agencies — achieved 109% of their combined capital expenditure target for FY24 by investing ₹8.05 trillion, an all-time high.

These entities' capex grew 24% on year in FY24 compared with ₹6.48 trillion in FY23. The capex target for the CPSEs and other agencies was set at ₹7.42 trillion as per the FY24 revised estimate.

Most large CPSEs/agencies including railways, the National Highways Authority of India (NHAI), Indian Oil Corporation, Oil & Natural Gas Corporation (ONGC) and NTPC have achieved over 100% of their annual target in FY24.

There was a surge in capex in the FY24 terminal month of March with CPSEs investing ₹1.22 trillion, an increase of 45% on year. Due to a surge in capex by railways and NHAI, largely funded from the Budget, the Centre's capex exceeded the FY24 revised target of ₹9.5 trillion.

The Railway Board invested ₹2.49 trillion or 102% of its annual

target of ₹2.44 trillion in projects, which is 32% higher than in FY23. The railways has been investing heavily in capacity improvement works such as doubling/quadrupling, electrification and introducing an array of high-speed trains.

NHAI has invested ₹2.07 trillion or 124% of its annual target of ₹1.67 trillion and 19% higher than FY23. The Centre's large capex push through railways and NHAI also aids efforts to create more jobs.

Petroleum CPSEs are ramping up their refining capacity and green transition. Fuel retailer-cum-refiner IOC achieved a capex of ₹42,581 crore or 136% of the FY24 target of ₹31,254 crore. ONGC, the top state-run player in oil and gas exploration, has achieved a capex of ₹34,965 crore in FY24 or 115% of the annual target of ₹30,500 crore.

Power generation major NTPC has invested ₹26,088 crore in FY24, 116% of its annual target.

Real GDP growth in Q3FY24 was a surprising 8.4% on year, which was largely driven by higher gross fixed capital formation at 10.6% on year due to the Centre, states and CPSEs' thrust on capex.





Oil India contains overnight leak at crude oil well in Assam

Bengaluru: Oil India said on Wednesday it had contained an overnight leak at a crude oil well in Assam. Gas and crude oil spread out to nearby areas located within about 100 metres of the site in the Tinsukia district of Assam, the company said in an exchange filing.

REUTERS

कच्चे तेल में उफान से बढ़ सकते हैं पेट्रोल-डीजल के दाम



विशेष

■ सुमंत बजर्जी

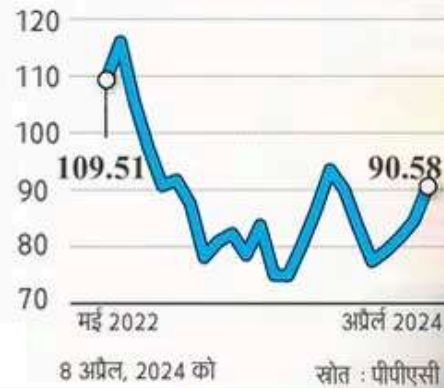
नई दिल्ली। हाल की भू-राजनीतिक उठापटक की वजह से वैश्विक बाजार में कच्चे तेल की कीमतें 90 डॉलर प्रति बैरल से ज्यादा हो गई हैं। इसके बावजूद भारत में ईंधन की कीमतें स्थिर हैं। कच्चे तेल की कीमतें लगातार दो हफ्तों तक बढ़ी हैं। यह छह महीने में पहली बार 90 डॉलर प्रति बैरल के स्तर को पार कर गई हैं। सीरिया में ईरान के दूतावास पर हमले के बाद कीमतों में मौजूदा बढ़ोतरी हुई है। हमले के बाद उपजे राजनीतिक तनाव से दामों में वृद्धि का सिलसिला जारी है।

भारत में कीमतों को लेकर अटकलें

वैसे, इसकी संभावना नहीं है कि चुनाव के अंत तक घरेलू पेट्रोल और डीजल की कीमतों में संशोधन किया जाएगा। साल 2010 और साल 2014 के बीच दोनों ईंधन की कीमतों को नियंत्रणमुक्त किया गया था। केंद्र द्वारा 15 मार्च 2024 को 12वीं कटौती की घोषणा करने से पहले मई 2022 से रिकॉर्ड 23 महीनों तक कीमतें स्थिर रहीं। कच्चे तेल की बढ़ती कीमतें आने वाले दिनों में कटौती की किसी भी संभावना को लगभग नकार रही हैं। 2023-24 में तेल कंपनियां बहुत लाभ में रही हैं और उनके पास उछाल झेलने की क्षमता है।

कच्चे तेल में बढ़त जारी

पिछली छह माह में पहली बार ब्रेंट क्रूड के दाम 90 डॉलर के पार निकले हैं



आदर्श आचार संहिता का जोखिम नहीं

आदर्श आचार संहिता सरकार को कोई नई नीति या राजकोषीय उपाय लाने से रोकती है, लेकिन ईंधन की कीमतों में संशोधन उस श्रेणी में नहीं आता है, इसलिए तेल बाजार कंपनियां तकनीकी रूप से अपनी जरूरत के अनुसार कीमतें बढ़ाने और घटाने के लिए स्वतंत्र होती हैं। साल 2019 में जब देश में चुनाव चल रहा था, तब कुछ मौकों पर कीमतों में मामूली संशोधन हुआ था।

चारों तेल कंपनियों की स्थिति

अमूमन जब कच्चे तेल की कीमतें 85 डॉलर प्रति बैरल पर होती हैं तो तेल कंपनियां बराबरी पर आ जाती हैं। दाम कुछ कम होने पर उनकी लाभप्रदता बढ़ती है और पंप पर कीमतों में कटौती की संभावना बढ़ती है, लेकिन मामूली वृद्धि भी उन्हें घाटे में ला देती है और मूल्य वृद्धि के लिए मजबूर करती है।