



## **KHANIJ SAMACHAR**

**Vol. 8, No-3**

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# खनिज समाचार

# KHANIJ SAMACHAR



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# Key infra sectors growth slows to 14-month low of 3.8 pc in Dec 2023

■ Business Reporter

**THE** growth of eight key infrastructure sectors slowed to a 14-month low of 3.8 per cent in December 2023, on account of poor performance of sectors like crude oil, electricity, steel and cement, according to the official data released on Wednesday.

The core sector (coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity) growth in November was 7.9 per cent.

It was 8.3 per cent in December 2022. The last low was recorded at 0.9 per cent in October 2022.

The growth of eight sectors was flat at 8.1 per cent year-on-year in the April-December 2023-24.

The growth rate in the production of coal, refinery products, fertiliser, steel, cement



and electricity decelerated during December 2023.

Only natural gas output rose by 6.6 per cent during the month under review from 2.6 per cent in December 2022.

These numbers assume significance as the eight core sectors contribute 40.27 per cent to the Index of Industrial Production (IIP).

Crude oil output dipped by 1 per cent in December last year. The growth rate in the production of electricity, steel and cement slowed to 0.6 per

cent, 5.9 per cent and 1.3 per cent in December 2023 against 10.4 per cent, 12.3 per cent and 9.5 per cent, respectively, in December 2022.

Aditi Nayar, Chief Economist, Head - Research & Outreach, Icmra Ltd, said the core sector expansion halved to a 14-month low.

"Following the tepid core sector growth in December 2023, we project the IIP (Index of Industrial Production) expansion for that month at a bleak 1-3 per cent," she said.

BUSINESS LINE DATE:1/2/2024 P.NO2

# Ambuja Cements Q3 net doubles to ₹1,090 cr on lower cost, better operational efficiency

Our Bureau  
Mumbai

Ambuja Cements, an Adani Group company, has reported that its net profit more than doubled to ₹1,090 crore against ₹488 crore logged in the same period last year due to lower cost and improved operational efficiency.

Income was up 4 per cent at ₹8,322 crore (₹8,023 crore). Cost was down at ₹6,885 crore (₹7,266 crore) as power and fuel bill dipped to ₹1,916 crore (₹2,341 crore).

Operating EBITDA was up at ₹1,732 crore (₹851 crore), while EBITDA per tonne was up 7 per cent at ₹1,225 (₹744). Sales volume growth as up at 14.1 million tonne (13.7 mt).

Ajay Kapur, Whole-Time Director & CEO, Ambuja Cements, said the company's per-

formance is a reflection of focused efforts to propel steady growth and deliver value for all stakeholders.

## CAPACITY EXPANSION

Last December, Ambuja Cements completed the acquisition of 6.1-mtpa of Sanghi Industries.

Early this month, Ambuja's subsidiary ACC completed the acquisition of the balance 55 per cent stake in Asian Concretes and Cements with 2.8-mtpa capacity.

The acquisitions take overall cement capacity to 77.4 mtpa, a jump of 15 per cent from last year.

This apart, the group has ongoing capacity expansion of 20 mtpa at various stages.

On Wednesday, the Board approved additional cement capacity expansion of 12 mtpa, which outlines a road map for



## WORK-IN-PROGRESS.

The Adani Group has ongoing capacity expansion of 20 mtpa at various stages, including Ambuja Cements' acquisition of 6.1-mtpa of Sanghi Industries REUTERS

110 mtpa or 80 per cent of 140-mtpa targeted capacity by FY28.

Ongoing green power projects with a capex of ₹10,000 crore will take the green power share to 60 per cent of expan-

ded capacity while reducing operating costs.

## COST SAVINGS

Additional cost savings are expected from ongoing investments on efficiency improvement projects. Competitive basket of kiln fuel and AFR (alternative fuel and raw material) volume has helped reduce fuel cost by 25 per cent, said the company.

Long-term contracts for key raw materials such as fly ash and gypsum will help secure the materials at optimised cost and curb volatility. The company generated incremental ₹562 crore cash and cash equivalent in Q3. With this, the cash equivalent was at ₹8,591 crore after factoring the outflows related to the acquisition of Sanghi Industries, Asian Cements and ICDs (inter-corporate deposit) provided to Sanghi.



# China pips India as top gold consumer

**2023 BULLION TRENDS.** Domestic demand down 3% despite 64% surge in bar and coin investment

**Suresh P. Iyengar**  
Mumbai

China pipped India as the top gold consumer of the world in 2023 with Beijing's demand for jewellery rising by 10 per cent and investment by 28 per cent.

Releasing Gold Demand Trends for 2023 and Q4 2023, the World Gold Council (WGC), a body of gold producers, said China was the main engine of growth.

In contrast, demand for gold fell in India for jewellery but increased for investments.

The WGC said demand for jewellery dropped six per cent from 2022 to 562.3 tonnes, while for investment it increased to 185.2 tonnes, up 7 per cent over 173.6 tonnes a year ago. Overall, gold demand in 2023 was 747.5 tonnes, down 3 per cent from 774.1 tonnes.

Somasundaram PR, Regional CEO (India), World



Gold Council, said bar and coin investment in India surged 64 per cent year-on-year and surpassed the five-year average to 67 tonnes in the December quarter.

**CENTRAL BANK BUYS**

On the other hand, China's gold demand was up 16 per cent to 959 tonnes (824 tonnes in 2022) toppling India as the largest gold consumer with their jewellery demand increasing 10 per cent to 630 tonne (571 tonnes).

Unlike India, China is also one of the largest gold pro-

ducers. Global demand for gold in 2023 dropped 5 per cent to 4,448 tonnes, excluding over the counter trade (OTC), compared with 2022.

Including OTC and stock flows of 398 tonnes, total gold demand in 2023 was a record 4,899 tonnes, the WGC said.

Central banks' buying continued at a break-neck pace. Net purchases of 1,037 tonnes in 2023 almost matched the 2022 record.

It was short by 45 tonnes. Global gold ETFs saw a third consecutive annual outflow,

**Losing sheen**

	2022	2023	% growth
Jewellery	600.6	562.3	-6%
Investment	173.6	185.2	7%
<b>Total</b>	<b>774.1</b>	<b>747.5</b>	<b>-3%</b>

Figures in tonnes Source: World Gold Council

losing 244 tonnes. Global annual bar and coin investment saw a mild contraction (-3 per cent year-on-year) as divergent trends in key Western and Eastern markets offset one another.

Annual jewellery consumption held steady at 2,093 tonnes, even in the high gold price environment.

However, recycling didn't respond to higher prices as much as the WGC expected. While recycling in China responded to both higher prices and a weakening economic environment, a depletion of near-market stocks in India countered the price impact, particularly at the end of the year.

In view of the 2023 experience, the WGC said it ex-

pects prices to have only a moderate impact on recycling in 2024, so long as they don't rise too far.

The WGC said despite weak demand, India's gold imports increased 20 per cent to 781 tonnes (651 tonnes) raising government's concern on current account deficit. Gold recycling was also up 20 per cent at 117 tonnes (98 tonnes).

**Q4 DEMAND 4% DOWN**

Gold demand in the December quarter was down four per cent at 266 tonnes against 276 tonnes logged in the same period last year, largely due to sharp spike in prices.

In terms of value, it was up 15 per cent to ₹2.50-lakh crore (₹2.17-lakh crore) as the yellow metal rallied on back of global uncertainties.

In India, jewellery demand was down nine per cent at 200 tonnes (220 tonnes) valued at ₹1.87-lakh crore (₹1.73-lakh crore), up eight per cent.



## गौण खनिजाचे उत्खनन; खडसेंना १३७ कोटींचा दंड मंगेश चव्हाण यांची पत्र परिषदेत माहिती

लोकमत न्यूज नेटवर्क  
मुंबई : सातोड (ता. मुक्ताईनगर)  
शिवारात १ लाख १८ हजार ब्रास



गौण खनिजाचे  
विनापरवानगी  
उत्खनन  
केल्याप्रकरणी  
आमदार  
एकनाथ खडसे  
यांची

एसआयटी चौकशी झाली असून,  
खडसे व त्यांच्या परिवारास १३७  
कोटी रुपयांचा दंड ठोठावण्यात  
आला आहे, अशी माहिती  
चाळीसागावचे आमदार मंगेश  
चव्हाण यांनी गुरुवारी येथे पत्रकार  
परिषदेत दिली.

आमदार चव्हाण म्हणाले की,  
खडसे यांनी सातोड येथे  
शेततळ्याच्या नावाखाली गौण  
खनिजाचे उत्खनन व विक्री केली.  
या प्रकरणाची चौकशी व्हावी, अशी

मागणी मुक्ताईनगरचे आमदार  
चंद्रकांत पाटील यांनी केली होती.

खडसे यांनी ४९ कोटी रुपये,  
त्यांच्या अर्धांगिनी मंदाकिनी खडसे  
यांनी २२ कोटी रुपये, कन्या  
रोहिणी खडसे यांनी ३० लाख रुपये  
आणि परिवारातील इतर सदस्यांनी  
६६ कोटी रुपये, अशी १३७ कोटी  
रुपयांनी शासनाची फसवणूक  
केल्याचे चौकशीतून निष्पन्न झाले  
आहे.

चौकशीनंतर खडसे परिवाराची  
सातोड, घोडसागाव, हरताळे, तसेच  
मुक्ताईनगर येथील शेती आणि  
इतर मालमत्तांवर बोजा बसविण्यात  
आला आहे. खडसे परिवाराच्या  
उर्वरित मालमत्तांवरही बोजा  
बसविण्यात यावा, अशी आमची  
मागणी आहे.याबाबत खडसे  
यांच्याशी संपर्क साधला असता  
त्यांनी 'नो कमेंट्स' एवढीच  
प्रतिक्रिया दिली.

## Coal Ministry receives 10 offline bids for 7 coal mines

THE Coal Ministry on Friday said that it has received 10 offline bids for seven coal mines. The Government in November launched eighth round of mine auction, putting 39 blocks under hammer.

"A total of 10 offline bids have been received for seven coal mines, where two or more bids have been received for two coal mines," the Coal Ministry said.

The online bids received as part of the auction process will be opened on Monday. The Ministry had said that the launch of the eighth round of commercial coal mining auctions is a significant step towards promoting private sector participation in the coal mining industry and increasing coal production.

# Surplus supply may crush thermal coal in 2024

**SLACK OFFTAKE IMPACT.** Prices have plummeted to near 3-year low as global demand continues to be weak

**Subramani Ra Mancombu**  
Chennai

Global thermal coal prices are likely to decline in 2024 on prospects of warm weather cutting heating needs and excess supply, analysts say.

Newcastle coal futures are near a three-year low at \$118 a tonne, the lowest since May 2021. Oversupply in the Chinese market is blamed for the current plunge. The prices are down 55 per cent year-on-year.

"We are revising down our Newcastle thermal coal price forecast for 2024 from an annual average of \$170/tonne (6,000kcal/kg) to \$150," said research agency BMI, a unit of Fitch Solutions.

### WEAK DEMAND

"The Newcastle coal price is expected to decline from just under \$173 a tonne over 2023 to around \$115 a tonne by 2025. This is still well above the

2019 average of \$76 a tonne," said the Australian Office of the Chief Economist (AOCE).

Global demand for coal remains weak alongside buoyant market supply, BMI said, adding that its forecast for 2024 marks a significant departure from the annual average of \$358/tonne reached in 2022.

However, prices remain markedly higher than price levels before the Covid-19 pandemic. AOCE said most factors point to a decline in prices over the outlook period. "The end of the Northern Hemisphere winter will place downward pressure on thermal coal demand in early 2024," it said.

The International Energy Agency (IEA) has forecast China's coal consumption to fall in 2024 and plateau through 2026, with hydropower output set to recover, while electricity generation from solar PV and wind increases significantly.

"However, the pace of economic growth in China and its coal use in the coming years is



**FLIP SIDE.** India, Indonesia and other emerging and developing economies are expected to rely on coal to power strong economic growth

subject to uncertainty," it said.

BMI said: "... we expect prices to improve from current levels over the coming months in 2024. Since H2 2023, buoyant coal supply and demand weakness have resulted in increases in coal inventories globally and sharp declines in prices since their 2022 highs."

"A range of structural price pressures have manifested in thermal coal markets over the last few years. Supply is likely to remain constrained by low capital availability, labour shortages, loss of Russian output following the invasion of Ukraine, and rising global freight costs," AOCE said.

The Australian Chief Economist Office said supply has not yet fully recovered from La Nina disruptions, and there is capacity to bring additional supply into markets over coming months.

"Global gas supplies are expected to increase in 2025 and 2026 with the US and Qatar

bringing extra supply online. Lower gas/LNG prices should reduce pressure on thermal coal markets," it said. IEA said the Chinese economy is undergoing major structural changes as it "reaches the end of infrastructure-led, energy-intensive growth.

### COAL TO POWER INDIA

The global energy body said India, Indonesia and other emerging and developing economies are expected to rely on coal to power strong economic growth, despite commitments to accelerate the deployment of renewables and other low-emissions technologies.

"We forecast global thermal coal consumption to decline by 0.2 per cent year-on-year in 2024, after displaying stagnant growth in 2023. On the other hand, we expect global thermal coal production to grow by three per cent year-on-year in 2024, similar to 3.1 per cent y-o-y in 2023," the research agency said.



# Gold marginally bullish

**BULLION CUES.** Silver testing an important base

**Akhil Nallamuthu**  
bl. research bureau

Precious metals returned a mixed performance last week. While gold appreciated 0.9 per cent to close at \$2,036.6 per ounce, silver was down 0.4 per cent as it ended the week at \$22.7 an ounce.

On the MCX, gold futures gained 0.7 per cent to close the week at ₹62,562 (per 10 gram); silver futures fell 0.8 per cent to end at ₹71,208 (per kg).

## MCX-GOLD (₹62,562)

Gold futures (April contract) produced gains mid-week. This lifted it above both 20- and 50-day moving averages, an encouraging sign. But a drop in price on Friday weighed on the momentum.

Yet, the odds for a rally in gold futures is improving. But there is a resistance at ₹63,000. If this is invalidated, gold futures can quickly rally to ₹64,000-64,150 price band. Alternatively, if the contract falls from here, it can find support at ₹62,000. A breach of this level can lead to a decline to ₹61,150, its 200-day moving average support.

**Trade strategy:** Hold the long that we recommended at ₹62,100. But raise the stop-loss from ₹61,750 to ₹62,000. Book profits at ₹63,800.



GETTY IMAGES

## MCX-SILVER (₹71,208)

Silver futures (March series), which gained in the first half, saw its price drop in the later half of last week after facing resistance at ₹72,700.

Despite the fall, the contract managed to close above the support at ₹71,000.

If this base is taken out, we might see a downswing to ₹68,000, a support. Next support is at ₹66,500.

But if there is a rally from here, silver futures will face resistance at ₹72,700 and ₹73,300. Only a breakout of ₹73,300 will turn the outlook bullish. Resistance above ₹73,300 is at ₹75,000.

**Trade strategy:** We suggest staying out of silver futures from a trading perspective.

Participants can consider fresh positions along the direction of the break of the ₹71,000-73,300 range.

# Poised for a comeback

**CRUDE CHECK.** Key supports remain valid

**Akhil Nallamuthu**  
bl. research bureau

Crude oil prices slumped last week after seeing a sharply rally in the preceding week. Brent crude oil futures on the Intercontinental Exchange (ICE) tumbled 7.8 per cent as it closed at \$77.3 per barrel. Crude oil futures on the MCX lost 5.5 per cent by ending the week at ₹6,030 a barrel.

## BRENT FUTURES (\$77.3)

Brent futures fell through the past week. It has slipped below a rising trendline support and also has closed below both 20- and 50-day moving averages, a sign of weakness.

However, there is immediate support at \$75. Only a break below this level will be bearish. Until then, the bulls have a chance to make a comeback. Support below \$75 is at \$72.

On the other hand, if Brent crude futures bounce back, it will face resistance at \$80 and \$84. A rally past \$84 can open the door for further upside to \$90.

## MCX-CRUDE OIL (₹6,030)

The February futures contract of crude oil looked to continue the rally in the first couple of sessions of the last week. However,



GETTY IMAGES/STOCKPHOTO

there was an abrupt change in the direction of movement.

The contract slipped below the support at ₹6,170 where both 20- and 50-day moving averages coincide.

But it remains above the important support region between ₹5,900 and ₹5,780. Also, the crude oil futures now lie just above a trendline support.

If there is a rebound, which can lift the contract above ₹6,170, we are likely to see an upswing to ₹6,350 or even to ₹6,500. Resistance above ₹6,500 is at ₹6,800.

The trend will turn bearish again if the contract falls below ₹5,780. In this case, the price could drop to ₹5,500.

**Trade strategy:** Buy crude oil futures at the current level of around ₹6,030. Target and stop-loss can be at ₹6,500 and ₹5,750.



## Coal Minister virtually inaugurates 3 CSR projects



### ■ Business Reporter

**THREE** high impact, high visibility corporate social responsibility (CSR) projects aimed at empowering the youth of coal field areas were inaugurated virtually by Union Minister for Coal, Mines and Parliamentary Affairs, Pralhad Joshi on January 31, 2024 at New Delhi.

The CSR project inaugurated were skill development of 655 candidates from peripheral areas of coal mines which will be implemented by Tata Strive at Nagpur, Chindwada,

Varanasi and Kamrup centres.

The second project was 'Supporting Digital Education' in 11 coal mining districts of Jharkhand. The third project was setting up Multi Skill Development Institutes (MSDIs) in subsidiaries of CIL starting with Jaria and Bhurkunda, in the first phase.

The event was conducted in the presence of Secy (Coal), senior officers from Ministry of Coal, top management of the implementing partners viz Tata Strive, EdCIL and NSDC. CMDs and others.

# MOIL registers manganese ore production of 12.73 lakh MT

■ Business Reporter

**CITY-BASED** public sector undertaking MOIL Ltd achieved production of 12.73 lakh MT of manganese ore registering a remarkable growth of 41 per cent on y-o-y. The company also posted sales of 11.01 lakh MT of manganese ore with a significant growth of 40 per cent on y-o-y. The revenue from operation during the nine months of FY'24 was at Rs 1033.55 crore which was 13 per cent higher over CPLY.

The board of directors of MOIL approved the financial results for the third quarter and nine months ended of FY'2023-24 in its meeting held on Saturday.

Despite adverse market conditions, witnessing reduction of around 16 per cent in prices of Manganese ore during the nine months ended on December 31, 2023, PBT increased by 28 per cent to Rs



CMD of MOIL Ajit Kumar Saxena (centre) and others.

274 crore on account of significant growth in production level. MOIL has also achieved record production of Electrolytic Manganese Dioxide (EMD) during the nine months of the current year, registering a growth of 30 per cent y-o-y. EMD is a 100 per cent import substitution product, used mostly for pharmaceuticals and manufacturing of batteries.

Giving utmost thrust to exploration, MOIL has completed 60,870 meters of exploratory core drilling dur-

ing April-December, 2023 as against 23400 meters during the corresponding period last year, says a press release.

The board also approved payment of interim dividend of Rs 3.50 per share for the FY. 24' that exceeds the last previous years' interim dividend of Rs 3. per share.

CMD of the company Ajit Kumar Saxena, congratulated the team MOIL for the stellar performance and reposed full confidence that improved levels of performance will be maintained.



## 'TATA STEEL proposes additional package for Port Talbot workers in UK'

NEW DELHI, Feb 4 (PTI)

TATA Steel has proposed an additional financial 'support package' of around 130 million pounds for the workers who would be affected as part of its transition plan in the UK, the company's CFO Koushik Chatterjee said.

To reduce carbon emissions and save energy costs, the company drafted a decarbonisation plan for Tata Steel UK which includes installing new plant machinery with low-emission technologies.

Accordingly, the company would close both the high-emission blast furnaces and coke ovens in a phased manner in 2024 and shift to an (electric arc furnace) EAF-based steel making at a cost of about 1.25 billion pounds, with 500 million pounds support from the UK government, Chatterjee said in an earnings call.

"Tata Steel is acutely aware of the impact of its proposal to wind down the heavy end of Port Talbot on the individuals and on the local community associated with our steel works, and we will meaningfully consult with our employees and work to provide them a fair, dignified, and considerate outcome," he said.

Tata Steel proposes to commit in excess of 130 million pounds to a comprehensive support package for the affected employees, the CFO said.

This is in addition to the 100 million pounds funding for the Transition Board set up by the company along with the UK and the Welsh government, in which the company has contributed GBP 20 million, he further said.

Tata Steel CEO and MD T V Narendran said, "We have tried very hard for the last 15 years to support this (UK) business

## Adani's USD 1.2 bn copper plant to boost India's metal output

NEW DELHI, Feb 4 (PTI)

**BILLIONAIRE** Gautam Adani-led group is building the world's largest single-location copper manufacturing plant at Mundra in Gujarat, which will help cut India's dependence on imports and aid energy transition, sources said.

The USD 1.2-billion facility will start operations of the first phase by March-end and full-scale 1 million tonnes capacity by FY29 (March 2029), two sources with knowledge of the matter said. India joins China and other nations that are rapidly expanding production of copper, a metal crucial for transition away from fossil fuels. Technologies critical to the energy transition like electric vehicles

(EVs), charging infrastructure, solar photovoltaics (PV), wind and batteries, all require copper.

Kutch Copper Ltd (KCL), a subsidiary of the group's flagship Adani Enterprises Ltd (AEL), is setting up a greenfield copper refinery project for the production of refined copper with 1 million tonnes per annum capacity in two phases.

For Phase-1, capacity of 0.5 million tonnes per annum, KCL achieved financial closure through a syndicated club loan in June 2022.

"Adani wants to become a global leader in the copper business, leveraging the Adani Group's strong position in resource trading, logistics, renewable power, and infrastructure," one of the sources said.

# India seeks greater market access for steel, rice, shrimp from S Korea

■ Business Reporter

**INDIA** has sought greater market access for certain products such as steel, rice, and shrimp from South Korea with a view to boost exports of these goods, an official said.

These are part of the negotiations, which are underway, for the upgradation of the existing free trade agreement between the two countries, which is officially dubbed as comprehensive economic partnership agreement (CEPA).

The agreement was operationalised in January 2010. The 10th round of upgradation talks are underway here. "We are asking for greater market access for products such as steel, rice and shrimp," the official said.

In the meeting, India has flagged issues over Korean

firms not buying Indian steel.

"Korean firms in India also place orders from their local firms in Korea, so this is a double whammy for Indian companies. The Korean side has asked for an increase in price competitiveness here," the official added. On rice, there is a tariff rate quota of five lakh tonnes in Korea. Under this, they have given a quota of 4.8 lakh tonnes to five countries - China, Australia, the US, Thailand and Vietnam -- and the rest of the countries have a quota of only 20,000 tonnes.

"India is in the others category. So we are demanding either to put India in the country's specific category or increase our quota. South Korea has an import duty of 513 per cent on rice," the official said.



# 50% of coal mines in state are unprofitable

## One-Fourth Will Exhaust Resources In 10 Yrs: Report

Vijay.Pinjarkar  
@timesgroup.com

**Nagpur:** The coal sector is facing challenges of economic unviability, resource exhaustion (old mines), and closures. At least 50% of the operational coal mines in Maharashtra are unprofitable, and one-fourth will soon exhaust their resources, reveals the latest report by iFOREST, a prominent environmental think tank.

The report was released in Mumbai on February 2 at a joint event with the agenda 'Just Energy Transition in Maharashtra'. The state aims to achieve a \$1 trillion economy in the next five years with energy transition. This is the first comprehensive assessment report on the challenges and opportunities of a just energy transition in the state.

Pravin Darade, principal secretary, department of environment and climate change, said, "It is certainly a challenge to achieve a net zero target along with economic growth."

As per the report there are a significant number of mines that are already clo-

### COAL OR RENEWABLE?

➤ Coal power plants are single-largest source of greenhouse gases (GHGs) emissions accounting for 42% of total state emissions

➤ 25% of coal-based capacity is likely to be decommissioned in next 10 years

➤ About 20,000ha of land available with opencast and underground mines that are likely to be closed by 2030

➤ Maharashtra, which accounts for 10% of country's GHG emissions, crucial in achieving India's climate targets, including net zero target by 2070



sed. Further, over 60% of the operational mines will close in the next 10 years. Maharashtra has the largest coal-based thermal power capacity which is 11.3% of the country.

Total capacity of coal-based thermal power plants (TPPs) is about 24GW. Besides, the state also has a captive power capacity of 3GW, which accounts for about 7.4% of India's total captive power capacity.

Maharashtra is also India's sixth-largest coal-producing state. It has a coal production capacity of 87 MMTPA and produced about 63 MMT of coal in 2022-23. The sector supports over 89,000 formal and informal jobs in the three mining districts — Chandrapur, Nagpur, and Yavatmal.

Of the 52 mines in the region, 37 are opencast and 15 underground. Also, most of the old TPPs are in Chandrapur and Nagpur districts.

There are two key opportunities for just transition

in the coal districts — repurposing of land available with coal mines and the retired TPPs.

Over 42,000ha of land is currently available with operational and closed coal mines in Maharashtra. Besides, over 13,000ha is available with the TPPs. A large proportion of this land (50%) is available in the blocks that need to start addressing transition challenges starting this decade.

Maharashtra also has 14 TPPs with a cumulative capacity of 2.7GW that were retired between 2016 and 2021. Besides, 4.4GW (15 units) of the coal fleet is likely to retire in the next 10 years, the report says.

"Repurposing the retired units into industrial parks, green hydrogen plants, and redevelopment provides significant opportunities for supporting green energy and industry development, and strengthening state-level climate action," says the report.



## Aluminium: Go short if futures break below ₹200

**Gurumurthy K**  
bl. research bureau

Aluminium prices have been coming down since the beginning of this month. The aluminium futures contract on the MCX reached a high of ₹204.75 per kg on Wednesday last week and has come off from there. It is currently trading at ₹200.25 per kg.



levels. Intermediate resistance is around ₹203.50. A decisive break above this hurdle will turn the outlook bullish. Only in that case the path will get cleared for the aluminium futures contract to target ₹206 and ₹208 on the upside.

We expect the contract to break and fall below ₹200 going forward. Traders can go short on a break below ₹200. Keep a stop-loss at ₹201.50 initially. Trail the stop-loss down to ₹199 as soon as the contract falls to ₹198.25. Move the stop-loss lower to ₹198 when the price touches ₹197.50. Exit the shorts at ₹197.

### COMMODITY CALL.

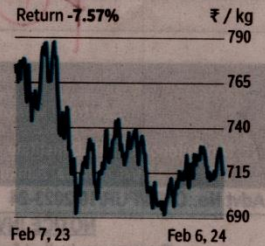
The near-term outlook is weak. The contract has just broken below the support at ₹200.70. If this break sustains, then further fall is possible this week. A fall below ₹200 can take the contract down to ₹198 initially. A further break below ₹198 will increase the selling pressure. In that case, the downside can extend up to ₹196.

To avoid this fall, the contract has to bounce back immediately from current

## Copper: Go short below ₹712.50, stop-loss at ₹718

**Gurumurthy K**  
bl. research bureau

Copper prices have been falling since the beginning of this month. The copper futures contract traded on the MCX has declined about 2 per cent from its high of around ₹732 per kg. It is now trading at ₹717 per kg. The recent fall proceeded from just below a key long-term trendline resistance.



further rise above ₹721 could be difficult. A break below ₹712.50 will increase the downside pressure. Such a break can drag the contract down to ₹700-695 initially. We project the copper futures contract to sustain below ₹721 and fall to ₹695-685 in the coming weeks.

Traders can go short on a break below ₹712.50. Keep stop-loss at ₹718. Trail the stop-loss down to ₹709 as soon as the contract falls to ₹706. Move the stop-loss further down to ₹704 when the contract touches ₹701. Exit the shorts at ₹698.

### COMMODITY CALL.

That leaves the outlook bearish for the MCX copper futures contract. Immediate support is at ₹712.50. Whether the contract sustains above this support or not will determine the next leg of move for the short-term.

A bounce from this support can take the copper futures contract up to ₹721. A



# 'Vedanta to Invest \$4b in 3 years to Double its Oil & Gas Capacity'

India needs to cut import dependence, produce 50% of energy it consumes: Chairman

**Sanjeev Choudhary**

**Goa:** Vedanta will invest \$4 billion over the next three years to double its oil and gas production capacity to 300,000 barrels of oil equivalent per day, its chairman Anil Agarwal has said.

"I have invested so far more than \$20 billion in oil and gas," Agarwal told ET in an interview. "I have a plan to invest another \$4 billion."

The \$20 billion investment includes the price Vedanta paid for acquiring Cairn Energy's India unit more than a decade ago, which gave it control over the country's most prolific on-land oilfield in Rajasthan. Agarwal also met Prime Minister Narendra Modi as part of the CEO's roundtable at India Energy Week on Tuesday.

Vedanta currently produces about 140,000 barrels of oil equivalent of oil and gas, including 100,000 barrels of oil. Oil output will double to 200,000 barrels in three years.

Agarwal said India needs to sharply cut its dependence on imports and produce at least 50% of the energy it consumes. "The world wants India to be a market," said Agarwal, adding that the aim of Vedanta, on the other hand, is to help the country cut energy imports. While domestic oil is being produced for



COMPANY PHOTO

\$12 per barrel, India is paying about \$80 for each barrel of imports, Agarwal said, comparing his cost of production with the going rate in the international market for crude these days.

Agarwal said he was 'ok' with the windfall tax currently being levied on oil production as it has fallen with the oil price. India had imposed windfall tax on the production of crude oil in 2022 as international prices had skyrocketed following the beginning of the Ukraine war that had unsettled the markets. The government revises windfall taxes every fortnight based on the international market.

The overall levies on matured fields are very high at 60%, compared to 'max 35% world-wide', Agarwal said, adding that the government should bring it down. The government needs to offer companies mining rights for the entire life of mines to make exploration more attractive, he said, referring to limited period that companies get for exploration and development of oil and gas fields currently.

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## Tata Steel calls off TRF merger as co sees biz turnaround

Reeba.Zachariah  
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**Mumbai:** Tata Steel has scrapped the merger of its listed associate company TRF with itself as its business performance has turned around.

In Sept 2022, it had decided to fold TRF into itself as part of a broader exercise to streamline its corporate structure. But since then, it has infused funds, placed orders with TRF, helping the material handling equipment manufacturer navigate a challenging operating environment.

As a result, its financials improved and on Wednesday, the TRF stock hit the 20% upper circuit on the BSE and closed at the same level at Rs 328. Trading volume in the counter also jumped substantially. Compared to an average daily volume of about 36,000 shares over the last two-week period, the day's turnover was nearly 1.6 lakh shares, BSE data showed.

The metal flagship of Tata Group has amalgamated five arms, Tata Steel Long Products (which had a turnover of Rs 7,464 crore in FY23), Tata Steel Mining (Rs 5,000 crore), Tinsplate Company of India (Rs 3,983 crore), Tata Metaliks (Rs 3,260 crore) and S&T Mining Company with itself. The consolidation has led to a minor dilution of parent Tata Sons' stake in Tata Steel. Initially, Tata Steel planned to combine seven businesses into it. On Wednesday, it said the merger process of The Indian Steel and Wire Products is in an advanced stage and will be concluded by Q1 FY25. It also proposes to merge Bhubaneswar Power and Angul Energy into it.



# Gold prices plateau

**BULLION CUES.** Silver hovering around a base

**Akhil Nallamuthu**  
bl. research bureau

Precious metals saw a marginal decline in prices last week. In terms of dollars, gold and silver were down 0.7 per cent and 0.4 per cent as they closed the week at \$2,024 and \$22.6 per ounce, respectively.

On the MCX, gold futures slipped 0.4 per cent to close the week at ₹62,294 (per 10 gram); silver futures fell 0.6 per cent to end at ₹70,774 (per kg).

## MCX-GOLD (₹62,294)

Gold futures (April contract) oscillated in the tight range of ₹62,200-62,700 through last week. But there has been a broader price band of ₹61,800-63,000 within which it has been moving over the past month.

As it stands, the short-term trend remains uncertain for gold futures. If it breaks out of ₹63,000, there could be a quick rally to the resistance band of ₹64,000-64,150.

But if gold futures fall below the support at ₹61,800, it may extend the fall to ₹61,160.

**Trade strategy:** Traders who hold longs can retain the trade with a stop-loss at ₹62,000. Book



GETTY IMAGES/ISTOCKPHOTO

profits at ₹63,800. Do not initiate fresh positions now.

## MCX-SILVER (₹70,774)

Silver futures (March series) made an intraweek low of ₹69,880 on last Thursday before recovering to ₹70,774. Although it has closed below the support at ₹71,000, the break is not decisive. Moreover, ₹70,000 is now providing support.

If ₹70,000 is nullified, the contract can decline to ₹68,000. Notably, the ₹66,500-68,000 range is a support band.

But if silver futures rally from the current level, it will face resistance at ₹73,000 and ₹74,450.

**Trade strategy:** We prefer staying out of silver futures from a trading perspective. Consider fresh trades along the direction of the break of the ₹70,000-73,000 range.



# JSW to set up ₹40,000 cr. EV industrial complex in Odisha

The mega project, first of its kind in the eastern state, is expected to create 11,000 jobs; it consists of a 50 GWH EV battery plant, EV plant, lithium refinery, copper smelter, and other units

**Lalatendu Mishra**  
MUMBAI

**J**SW Group has signed a MoU with the Government of Odisha to set up an Integrated Electric Vehicles (EV) and EV Battery Manufacturing project at Cuttack and Paradip in Odisha with an investment of ₹40,000 crore. The first of its kind mega project in the eastern state, is expected to create 11,000 jobs.

The project consists of a 50 GWH EV battery plant, EVs, lithium refinery, cop-



**'World's largest':** The battery manufacturing project will be the world's largest single location project in the sector. ANI

per smelter and related component manufacturing units.

The battery manufac-

turing project "will be the world's largest single location project in the sector," a person familiar with the

project said.

JSW will also set-up an Original Equipment Manufacturing Plant for EVs and components in the same complex. The EV and its battery manufacturing investment will be made in two phases. JSW said it is planning to invest ₹25,000 crore and would generate more than 4,000 jobs.

The EV components plant will come up at the port town of Paradip. This complex will comprise of a Copper and a Lithium smelter in the third phase of its footprint.

## Sovereign Gold Bond price fixed at Rs 6,263/gm; issue opens tomorrow

■ The Sovereign Gold Bond Scheme 2023-24 - Series IV will be open for subscription during February 12 to 16, 2024

■ Business Reporter

**THE** issue price of the next tranche of Sovereign Gold Bond, opening for subscription for five days from Monday, has been fixed at Rs 6,263 per gram, the Reserve Bank said in a statement on Friday.

The Sovereign Gold Bond Scheme 2023-24 - Series IV will be open for subscription during February 12-16, 2024.

"The nominal value of the bond ... Works out to Rs 6,263 per gram of gold," the central bank said.

The Government of India, in consultation with the Reserve Bank, has decided to offer a discount of Rs 50 per gram less than the nominal value to those investors applying online and making the payment against the application through digital mode. For such investors, the issue price of Gold Bond will be Rs 6,213, the RBI said.

The SGBs will be sold through scheduled commercial banks (except small finance banks, payment banks and regional rural banks), Stock Holding Corporation of India Limited (SHCIL), Clearing Corporation of India Limited (CCIL), designated post offices, National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The price of SGB is fixed in Indian rupees on the basis of simple average of closing price

of gold of 999 purity, published by the India Bullion and Jewellers Association Limited (IBJA) for the last three working days of the week preceding the subscription period.

The investors are compensated at a fixed rate of 2.50 per cent per annum payable semi-annually on the nominal value. The maximum limit of subscription is 4 kg for individuals, 4 kg for HUF and 20 kg for trusts and similar entities per fiscal year.

The tenor of the SGB will be eight years with an option of premature redemption after 5th year to be exercised on the date on which interest is payable.

The Reserve Bank of India issues the bonds on behalf of the Government of India.

The bonds can be used as collateral for loans.



# Duty concession on gold will be major concern for India under proposed FTA with Peru: GTRI

## Business Reporter

**DUTY** concessions on gold, which accounts for 80 per cent of India's imports from Peru, is the most challenging issue for New Delhi under the proposed free trade agreement with the South American nation, a report said on Sunday.

Economic think tank Global Trade Research Initiative (GTRI) said that gold, a high-value product with low volume, attracts a 10 per cent basic customs duty in India, and even minor tariff concessions could lead to a significant increase in imports.

India and the South American nation Peru are negotiating a free trade agreement to promote bilateral trade and investments between the two countries.

In such pacts, two trading partners either significantly



reduce or eliminate customs duties on the maximum number of goods traded between them, besides easing norms to promote trade in services.

The next round of talks is expected to start this week in Lima, Peru.

"Tariff concessions on gold, accounting for USD 1.8 billion or 80 per cent of India's imports from Peru in FY23, is the most challenging issue for India," GTRI founder Ajay Srivastava said.

He argued that after tariff

concessions under the India-UAE free trade agreement, gold imports from the UAE, India's second-largest gold supplier, doubled in 2023 compared to 2022. "Peru, the fifth-largest supplier to India, could see a similar surge in gold imports if concessions are made," the report said.

In 2023, India's global imports of unwrought gold are estimated at USD 43 billion, with Switzerland accounting for 40 per cent of these imports, it said, adding that given Peru's gold mines, its gold would easily meet any Rules of Origin criteria.

"FTAs offer concessions on effective duties rather than on the bound duty. Excluding gold from an FTA would violate the World Trade Organization's Article XXIV, which requires duty cuts on substantial trade for FTAs," Srivastava said.



# 'Copper demand may see double-digit growth in 2024'

**bl.**interview

**Abhishek Law**  
New Delhi

India's copper demand rose 16 per cent growth in FY23. And, in FY24, the trends indicate a possible "double-digit growth", too, outstripping global growth of around 3 per cent, said Mayur Karmarkar, Managing Director, International Copper Association, India (ICA). Infrastructure, EVs and clean tech are among the key sectors driving consumption in India, apart from consumer durables. Because of its wide industrial use, copper price is often viewed as a barometer of global economic health.

In an interview to *businessline*, Karmarkar spoke about India's copper demand trends, the country's journey from being a net exporter to an importer, and how new smelters coming up can change the scenario here. Excerpts:

**How is copper demand expected to play out in 2024, both in India and globally?**

Early data paint a promising



The Centre's focus on infrastructure development, clean energy transition and growth in consumer spending are expected to remain key growth drivers

**MAYUR KARMARKAR**,  
MD, International Copper Assn,  
India

picture for continued double-digit copper demand growth in FY24. Till November 2023, copper cathode demand reached 5,98,000 tonnes or 81.2 per cent of the total demand from the previous financial year. Cathode imports surged 174 per cent y-o-y during this period. Imports of copper scrap and wire rods witnessed significant increases of 56 per cent and 13 per cent, respectively.

These trends collectively

suggest that India's copper demand is likely to witness robust double-digit growth in 2024. While global economic headwinds pose some risks, the Centre's focus on infrastructure development, clean energy transition and growth in consumer spending are expected to remain key growth drivers. The global demand growth for copper is expected to be in the range of 3 per cent.

**India continues to be a major importer. Any change in patterns that you see?**

Copper demand in the country has witnessed significant growth, jumping from 13.1 lakh tonnes (lt) in FY22 to 15.2 lt in FY23. This surge mirrors the country's economic expansion, particularly in gross fixed capital formation and private consumption. However, per capita copper usage in India remains low at 1 kg, compared to the global average of 3.2 kg. Industry estimates suggest there will be substantial growth in usage, potentially reaching the global average by 2047.

However, domestic copper production struggled to keep pace with this rising demand. Over 50 per cent of India's smelting capacity has shut down, leading to a

transition from being a net exporter until May 2018 to a reliance on imports in recent years. The closure of the Sterlite copper smelter in Tuticorin significantly impacted this shift. The upcoming Adani smelter, expected to begin production of 5 lt in 2024 and a potential resolution of the Sterlite smelter's legal issues, also in 2024, could alter the scenario.

These developments, if successful, could pave the way for India to potentially reclaim its position as a net copper exporter soon.

**The availability of mines remains an issue. Are there Indian companies looking at acquisitions?**

Vedanta reinstated its ownership and management of Konkola Copper Mines, ending a row over ownership of the assets with the Zambian government that started in 2019. The mine assets have reserves and resources of 16 million tonnes of contained copper with a copper grade of 2.3 per cent when compared to the global average of 0.4 per cent.

Other Indian companies are looking to acquire exploration and mining rights overseas, but nothing concrete has materialised.

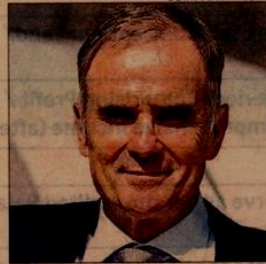


ET Q&A

**JOHN SLAVEN**  
CEO, VEDANTA ALUMINIUM

# 'India's Aluminium Consumption Set to Double in 5 Yrs'

A combination of volume growth, cutting costs and a higher percentage of value-added products can help Vedanta double the operating profit made on each tonne of aluminium going ahead, said John Slaven, chief executive officer for Vedanta Aluminium. India's consumption of aluminium is likely to double in 5 years at the current growth rate and Vedanta will look at maintaining its market share while focusing on sustainability, Slaven told ET's **Nikita Perwal** in an interaction. Edited excerpts:



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**Tell us about your growth plans as the largest producer of aluminium in the country.**

The consumption of aluminium in India has grown by an average of 14% in the last three years, when the economic growth rate was at 7%. India currently consumes around 5 million tonnes. And, if it maintains the current growth rate, in 5 years, the consumption is going to be 10 million tonnes. In another 5 years, it is going to be 20 million tonnes. We have about 50% market share currently and want to maintain that.

**So, will that be the pace at which the company grows?**

We have to grow at that pace and the first opportunity for us is to migrate the products that we are selling overseas to the Indian market. This will help us with price realisations, which we are already improving with more value-added products (VAP). We currently have 60% VAP in our mix and this will go to 90% once we raise production to over 3 million tonnes. So, it is higher value add in a higher price market and, at the same time, we are reducing our cost significantly through backward integration.

**What are some of your long-term targets?**

Being self-sufficient through the value chain, which is a big cost reduction opportunity. We are ramping up our bauxite mining as well as alumina refinery to meet all internal needs. We are also opening up 3 new coal mines to reduce the cost of power generation. In the last quarter, we generated an operating profit of about \$500 a tonne. If we work through the cost reduction and the increase in value added products, we will be generating \$1,000 per tonne on 3 million tonnes, which

**SHIFT FROM CHINA**

We are seeing a massive switch away from China, which has really fed the global demand for aluminium for the past two decades

**JOHN SLAVEN**  
CEO, Vedanta Aluminium

**How will the funding for growth ahead be split between internal accruals and debt?**

We need to manage our cash position carefully till our cash engine is still warming up. But once we are in a position of \$3-billion EBITDA per year, we will have sustaining capital. There will be some relatively small interest payments but we will have a huge source of operating cash flow to put to work. So, there will be plenty of opportunity to deploy in growth projects without having to resort to incremental borrowings.

**What is your take on the 'China + 1' narrative? How do you see the company benefitting?**

We are seeing a massive switch away from China, which has really fed the global demand for aluminium for the past two decades. But, with a cap on smelting capacity, all the new capacity to meet the world's growing demand for the metal needs to happen outside of China and India is the next best place from a cost perspective. We are building capacities at less than \$3,000 per tonne, compared to \$6,000 per tonne in the Middle East, Europe and North America.

**What is your outlook for prices this year?**

We are not seeing any major catalysts for prices moving up in 6-9 months. But, beyond that, we are seeing strong medium- to long-term

b



# RBI's Gold Purchases Hit Six-Year Low in 2023

Reserve bank, which started accumulating gold in 2017 to diversify reserves, likely trimmed purchases amid rising prices

Gayatri Nayak

**Mumbai:** The Reserve Bank of India's gold purchases in the last calendar year fell to their lowest levels since the central bank started accumulating the yellow metal in 2017 amid a strong US dollar.

It had added 0.04 million troy ounces of gold in December, 2017, when the gold stock had touched 17.94 million troy ounce then.

The central bank's stock of gold holding in 2023 increased 0.52 million troy ounces (ozt) to 25.84 million ozt by the end of December from 25.32 million ozt a year earlier.

One troy ounce is approximately 31.10 grams.

The RBI may have trimmed the purchases like most other central banks amid rising gold prices, which help it make mark-to-market valuation gains on its historical stock of yellow metal. The central bank started accumulating gold in small quantities in December 2017 as a part of its strategy to have a diversified portfolio of its foreign exchange reserves. "My sense would be that for 2023, the RBI would have not bought a lot of dollars, and given the fall in securities holdings in 2022, it made sense to bring hard currency assets back, since they are remunerative, while for gold you only have to hope for capital appreciation," said Rahul Bajoria head of EM Asia (ex China) economics research, Barclays Invest-



ment Bank. "We need to know RBI policy on this," said Madan Sabnavis, chief economist at Bank of Baroda. "It is likely the possible allocation (for gold) is in proportion to dollar reserves and with the (gold) price being at high levels it would

mean lower tonnage." In its half-year report on forex reserves released in November, the central bank said that as at end-September 2023, it held 800.79 metric tonnes of gold (including gold deposits of 39.89 metric tonnes). While 388.06 metric tonnes of gold were held overseas in safe custody with the Bank of England and the Bank of International Settlements (BIS), 372.84 metric tonnes of gold were held domestically.

In value terms, the share of gold in the total forex reserves decreased from 7.81% at end-March 2023 to about 7.37% at end-September 2023, it said. As of end-December 2023, the share of gold in reserves rose to 7.70%. This is reckoned to be higher than China's share of gold in reser-

ves, which, according to World Gold Council, is at 4% in December 2023.

The RBI and People's Bank of China accounted for one-third of the 1,037 metric tonnes of gold purchased collectively by all central banks in the world in 2023, the council said. The average 2023 gold price of \$1,940.54/ozt — also a record — was 8% higher than 2022, it said.

Unlike other central banks, the Reserve Bank of India has never sold its stock of gold to book profits.

"While safety and liquidity constitute the twin objectives of reserve management in India, return optimisation is kept in view within this framework," RBI said in its report.

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# Coal India Q3 net profit jumps 18% at ₹9,094 crore

Mithun Dasgupta  
Kolkata

State-run coal miner Coal India, on Monday, reported a 17.81 per cent year-on-year growth in consolidated net profit at ₹9,093.69 crore for the third quarter this fiscal, registering higher-than-expected profit.

The coal behemoth had posted a net profit of ₹7,719.11 crore in the third quarter last fiscal. The company's revenue during the period under review grew 2.79 per cent y-o-y at ₹36,153.97 crore, against

₹35,169.33 crore in the third quarter last fiscal, buoyed by higher coal sales.

Total expenses stood at ₹26,268 crore in Q3 FY24, compared to ₹26,246.44 crore in Q3 FY23, said the company in a stock exchange filing. Coal India, in a release, said its net profit in the third quarter this fiscal was the "highest PAT earning" during the third quarter of any year since the company's listing.

"Evinced strong financial buoyancy, PAT and PBT for the nine-month period ending December 2024 also reached

## Scorecard

	Q3FY23	Q3FY24	y-o-y change (%)
	₹ crore		
Net profit	7,719.11	9,093.69	17.81
Revenue from operations	35,169.33	36,153.97	2.79
Total expenses	26,246.44	26,268.00	

Source: Coal India

their respective record highs for this period," said the company.

Net profit at ₹23,849 crore during April-December 2023 witnessed a jump of 6 per cent

over the year growth, compared to ₹22,597 crore during the corresponding period in 2022. During the nine months ended December FY24, EBITDA increased to ₹32,451

crore, compared to ₹31,998 crore in April-December in FY23.

## COAL OUTPUT

CIL's coal output of 199 MT in Q3 FY24 saw 11 per cent y-o-y growth, against 180.06 MT in Q3 FY23. Coal supplies were up 9 per cent to 191.30 MT during the quarter against 175.8 MT in the third quarter last fiscal.

Total supply of coal through the fuel supply agreement was 172.3 million tonnes (MT) in Q3 FY24, and the average realisation per tonne from FSA sales was ₹1,531.98 per tonne.



# Gold ETF inflows jump over 7 times as global uncertainty lingers

**Suresh P. Iyengar**  
Mumbai

Inflows in gold exchange traded funds increased sharply to ₹657 crore in January against ₹88 crore in December as the uncertainty over the US Fed cutting interest lingers apart from global economic uncertainty. The inflows were also aided by the launch of Tata Gold Exchange Traded Fund which garnered about ₹6 crore last month.

The assets under management in gold ETF increased 2 per cent to ₹27,778 crore against ₹27,326 crore in December, according to the Association of Mutual Funds in India data.

Gold prices in global markets have scaled new highs after going past the \$2,100 per ounce-mark in early last December but have gradually come down ever since opening an opportunity for investors to consider gold ETF



as an investment option. It has been trading range-bound at about \$2,023 an ounce currently.

Melvyn Santarita, Analyst, Morningstar Investment Research India said with the ongoing geopolitical tensions and US inflation still hovering higher than the desired number, the appeal of gold as a safe haven and hedge against inflation is expected to continue.

## RISK-ON APPROACH

In India, he added that gold has done fairly well over the last year but dwarfs in comparison to the bull run in the equity markets.

“Given this, flows in gold ETF category has been somewhat patchy with few investors choosing to opt for a risk-on approach in anticipation of a reversal in the US rate cycle going ahead,” he said.

Inflows in gold ETF softened to ₹1,263 crore in December quarter against ₹1,659 crore in September quarter after a nominal inflow of ₹298 crore in June quarter.

The asset under management has jumped to ₹22,339 crore in June quarter to ₹27,326 crore in December after a sharp run-up in prices.

Ajay Kumar, Director, Kedia Commodities said gold prices are expected to remain volatile through this year and it may fall to \$1,950 an ounce on the back of strengthening dollar against other global currencies.

The US Fed rate cut is expected after May as the US will go for election in November and the yellow metal should rally to \$2,240 an ounce in the second half of this year, he added.



# Gold ETFs continue to glitter, attract Rs 657 cr in Jan

Business Reporter

**GOLD** Exchange Traded Funds (ETFs) attracted Rs 657 crore in January, marking a seven-fold jump compared to the previous month, according to Amfi data.

Experts believe that the appeal of the precious metal as a safe haven and hedge against inflation will continue amid ongoing geopolitical tensions and higher inflation in the US.

The inflow helped inflate the assets under management (AUM) of gold funds by 1.6 per cent to Rs 27,778 crore by the end of January compared to Rs 27,336 crore at the December-end, the Association of Mutual Funds in India (Amfi) data showed.

The net flows in Gold ETFs were sharply higher at Rs 657.4 crore in January from Rs 88.3 crore in the previous month,



the data showed. The launch of Tata Gold Exchange Traded Fund which garnered Rs 6 crore also aided the growth.

With ongoing geo-political tensions and US inflation still higher than the desired number, the appeal of Gold as safe haven and hedge against inflation is expected to continue, Melvyn Santarita, Analyst at Morningstar Investment Research India, said.

Gold prices in US Dollar terms scaled new highs after going past the USD 2,100 per ounce mark in early December 2023 but since then has come

down gradually. In Rupee terms, gold has done fairly well over the last year but dwarfs in comparison to how equities have fared.

"Given this backdrop, flows in the Gold ETF category have been somewhat patchy. Some investors could be choosing to opt for a risk on approach to investing with the anticipation of a reversal in rate cycle going ahead," he added.

In 2023, Gold ETFs witnessed an inflow of Rs 2,920 crore, which was higher than the Rs 459 crore inflow seen in 2022.

The attractiveness of gold as

a safe haven and a hedge against inflation enhanced significantly in 2023. Rising inflation, subsequent interest rate hikes, and geopolitical events boosted the demand as investors sought a secure investment option.

Gold, with its superlative performance over the last few years, has garnered substantial investor interest and the consistent increase in folio numbers serves as a testament to its attractiveness.

During the month, the folio numbers in gold ETFs rose to 49.72 lakh in December 2023 from 49.11 lakh in December 2022. This indicates a growing inclination among investors towards funds related to gold.

Gold ETFs, which aim to track the domestic physical gold price, are passive investment instruments that are based on gold prices and invest in gold bullion.

THE HITAVADA

DATE:14/2/2024 P.NO6

## India's coal import rises 27 pc in Dec

**INDIA'S** coal import registered a rise of 27.2 per cent to 23.35 Million Tonne (MT) in December, over the corresponding month of the previous fiscal. The Coal Ministry is aiming for zero thermal coal import by FY26. The country's coal import was 18.35 MT in the corresponding month of the previous fiscal, according to data compiled by mjunction services ltd.

"Coal imports in December 2023 stood around 23.35 million tonne..Imports in December 2023 were up by 27.25 per cent as compared to 18.35 MT recorded for December 2022," it said.

Of the total imports in December, non-coking coal imports stood at 15.47 MT, against 10.61 MT imported in December 2022.

Coking coal import volume was 4.84 MT, against 4.71 MT imported in the same month of the previous financial year.

THE INDIAN EXPRESS  
DATE:14/2/2024 P.NO15

## Hindustan Copper Q3 profit declines 21%

**New Delhi:** State-owned Hindustan Copper on Tuesday reported 21.44 per cent decline in consolidated net profit at Rs 63 crore for the quarter ended December 31, 2023 due to lower revenue from operations. Under the administrative control of Ministry of Mines, the company had posted a net profit of Rs 80.20 crore for the year-ago period. PTI



# MOIL Tigerman Triathlon 2024 wraps up with resounding success

■ Business Reporter

**THE** MOIL Tigerman Triathlon 2024, the largest triathlon event in India, culminated in a celebration of achievement of winners and participants of various categories on Sunday at the MOIL head office here in the city. The presence of esteemed dignitaries like Ajit Kumar Saxena, CMD MOIL; Jai Prakash Dwivedi, CMD WCL; Indra Dev Narayan, CMD MECL; added to the grandeur of the occasion.

They were accompanied by Rakesh Tumane, Director (Finance); Usha Singh, Director (HR), M M Abdulla, Director (Production & Planning), Rashmi Singh, Director (Commercial) and other officials. With more than 250 enthusiastic participants, the event showcased incredible sportsmanship and resilience.

The MOIL Tigerman Triathlon, renowned for its



challenging task categories like Tigerman Triathlon Ultra 255, 183, 122, Olympic distances (distances of swimming from 250m to 5km, cycling from 10 km to 200 km and running from 2km to 50km) attracted national and international participants from Oman, Turkey, Mascot etc.

Children between 11-14 years and 14-18 years participated in Super sprint and sprint Triathlon and Duathlon events on February 10. Above 18 years participants in longer distances of Triathlon and Duathlon were awarded for their outstanding

performances on February 11 at MOIL head office by key dignitaries.

In his speech, the CMD of MOIL emphasized that participation holds greater significance than winning. He expressed a desire to witness double the number of participants next year.

As the event concluded on a high note, MOIL Tigerman expressed their gratitude to all participants, sponsors, and supporters who contributed to making the MOIL Tigerman Triathlon 2024 a remarkable success.



# JSW Steel, JFE form JV; to invest ₹5,500 cr in Karnataka

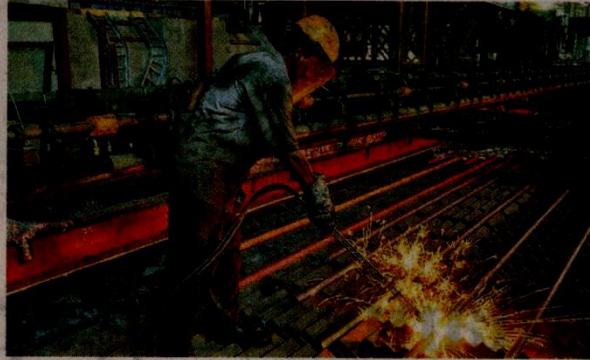
**FIRST OF ITS KIND.** The new company will produce grain-oriented electrical steel

**Our Bureau**  
Mumbai

JSW Steel has formed a new joint venture (JV) with Japan's JFE Steel Corporation to produce grain-oriented electrical steel in Karnataka with an investment of ₹5,500 crore.

The new company, JSW Electrical Steel, will be renamed JSW JFE Electrical Steel, after both companies agreed to hold an equal stake in the joint venture. The facility is targeted to commence production in the financial year 2026-27 and plans to further expand its capacity to meet the growing market demand for grain-oriented electrical steel in India, said the company in a statement on Tuesday.

The JV company would be the first to have end-to-end



**CORE MATERIAL.** Grain-oriented electrical steel plays a pivotal role in the production of energy-efficient transformers

manufacturing of grain-oriented electrical steel products in India. It aspires to cater to the surging domestic demand and contribute significantly to the country's energy infrastructure.

Grain-oriented electrical steel plays a pivotal role in the production of energy-efficient

transformers. Whether in laminated, wound, or punched sheet form, it serves as the essential core material for distribution transformers, power transformers and small transformers.

The proposed investment comes after JSW Steel getting 2,950.31 acres at Utkal

in Odisha last month for setting up a 13-million-tonne integrated steel plant.

## **OTHER PROJECTS**

In 2022, the steel-maker announced plans to set up a steel plant in Odisha with an investment of ₹65,000 crore in a phased manner. The company already owns substantial iron ore reserves in the State.

In a separate development, JSW Group promoters planned to invest ₹40,000 crore in its electric vehicles and component manufacturing projects at Cuttack and Paradip in Odisha. Both the projects are expected to create over 11,000 new jobs in the State. With this, Sajjan Jindal-led Group has proposed to invest about ₹2-lakh crore across automobile, mining, steel, power and cement industries.



# Steel prices remain range-bound amidst increasing import worries

**Abhishek Law**  
New Delhi

Despite strong domestic demand, steel mills in India continued to roll over prices in February with the benchmark hot rolled coil prices hovering around ₹54,000 - 54,500 per tonne range. Mills have also announced discounts in some cases to the tune of ₹2,000 per tonne. Prices were range-bound at a trade level in view of increased availability of cheaper offerings (imports) and due to need-based buying.

As per market sources, HRC prices hovered around ₹53,900 per tonne levels in early February trade, down or flat over January exit prices; but slowly stabilised at ₹54,000-54,500 per tonne levels by the second week of the month, indicating a 0-1 per cent increase over January. However, HRC prices continued to be lower than December, where it hovered at ₹55,000 per tonne range



**BOOSTING SALES.** SAIL announced price hikes for flat steel and hot rolled coils in the ₹55,500-56,000 per tonne range

and exited into January at ₹54,900 per tonne.

In case of cold rolled coils (CRC), the trade level prices remained at ₹62,000 per tonne levels in February, almost at par with January prices. Prices saw a ₹300 per tonne decline over December, less than one per cent decline.

Prices of rebar stood at ₹49,250 per tonne, same as January-exit prices. On the other hand, prices saw a 1 per cent decline over December prices of ₹49,500 per tonne.

BigMint's (formerly Steel-Mint) benchmark assess-

ment was about ₹53,500-54,500 per tonne, ex-Mumbai, while CRC prices stayed unchanged at ₹61,500-62,500 per tonne.

Market sources said, PSU-major SAIL announced price hikes for flat steel and HRCs for February 2024, with prices hovering in the ₹55,500-56,000 per tonne range. However, the mill has announced a rebate of ₹2,000 per tonne too.

BigMint in a recent report added that rebates offered by private mills were in the range of ₹2,000-2,500 per tonne. In-

creased price levels of raw material is seen as the prime reason behind this hike. Globally, steel prices have seen a slight uptick in China, Vietnam and Europe.

## MARKET SENTIMENTS

Trade market sentiments have remained subdued, sources said. In majority of markets there is need-based buying. "Domestic HRC prices remain high, deterring buyers amid elevated inventories and weak demand," BigMint said in its report. This apart, there continues to be sustained import activity even in February thereby making cheaper alternatives available.

Export prices have also remained range-bound for West Asia at around \$600-635 per tonne levels, depending on the region where the shipments were sent. Against this, Chinese HRC prices were around \$605-610 per tonne.

In Europe, Indian HRC exports was \$715-720 per tonne.



# Higher Coal Prices may Impact Steel Industry's Growth Plans, Says S&P

Agency sees consolidated debt of top cos at ₹2.1 l cr as of Mar '25, up ₹15k cr from previous estimate

**Nikita Periwal**

**Mumbai:** Higher prices of coal could slow down the debt reduction plans of Indian steelmakers with leverage for the sector weakening to 2021 levels if input prices remain at the current levels, said S&P Global Ratings.

"We no longer think India's leading steel companies will shed debt in the coming fiscal year," Anshuman Bharati of S&P said in a note on Wednesday. "Instead, debt should remain at the same level, due to narrower steel spreads that will feed into cash flows."

The firm sees the consolidated debt of major steelmakers in the country — which account for three-fifth of the country's production — at ₹2.1 lakh crore as of March 2025, up ₹15,000 crore from what was previously estimated.

S&P now sees the average prices of metallurgical coal at \$270 a tonne in 2024, up from \$220 a tonne estimated earlier. This is largely due to supply constraints in Australia, tensions because in the Red Sea, and strong demand from India and markets outside of China.

The average prices of met coal have jumped by a fourth sequentially in the December quarter. The average prices of coal in 2023 was \$300 per tonne, while the current price of coal is \$315 per tonne.

Average prices of coal in 2024, though, are expected to be lower than that in 2023 because of an improvement in supplies from Australia in the second half of 2024 from several new mines,



FILE PHOTO

especially in Queensland and New South Wales.

Steel prices in the domestic market in 2024-25 (April-March) are seen underpinned by an improvement in demand, largely due to spending on infrastructure for the National Infrastructure Pipeline, but may not be enough to match the rise in input costs.

The average debt-to-operating profit ratio of these steel producers will be 2.4 times by March 2025, and if coal prices remain at the same levels, it could also cross 3 times, which is the 10-year median for these companies.

"That would undo several years of debt improvement in the sector and could derail expansion plans needed to accommodate growing steel demand," S&P said.

Steelmakers could also defer their next leg of expansion if the debt-to-operating profit ratio of the sector exceeds its 10-year median, Bharati said.

India plans to increase its domestic production capacity to 300 million tonnes by 2030, up from around 155 million tonnes currently. The country will have around 170 million tonnes of capacity by the middle of this year.

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# CIL to add mines to meet higher demand

**Reuters**  
SINGAPORE

State-run Coal India (CIL) plans to start operations at five new mines and expand capacity of at least 16 existing ones to address growing demand for the fuel, its chairman told Reuters on Wednesday.

India has increasingly relied on coal to meet record power demand in recent months, with the rise in coal-fired power output outpacing renewable energy growth for the first time since at least 2019.

A record output by Coal India—the world’s largest coal miner whose profits and share price have surged since early 2023—is set to boost inventories at



power plants running on domestic coal by 16.1% year-over-year to 40 million metric tons by end-March, CIL Chairman P.M. Prasad said.

The company is on track to exceed its production target for the second straight year during the fiscal year ending March, Mr. Prasad said, after failing to achieve its output goals for 16 straight years.

# NMDC Q3 net rises 68% to ₹1,492 crore

**The Hindu Bureau**  
HYDERABAD

India’s largest iron ore producer NMDC reported standalone net profit for the quarter ended December increased 68% year-on-year to ₹1,492 crore as revenue from operations rose more than 45% to nearly ₹5,410 crore.

NMDC declared an interim dividend of ₹5.75 per share (face value ₹1).

Steel demand in the country is rapidly growing and it is expected to continue its upward momentum, directly aligning with overall GDP growth, CMD (additional charge) Amitava Mukherjee said.

NMDC has been ramping up capacity and creat-



Amitava Mukherjee

ing a secure supply channel to meet the domestic demands of the industry, and the company’s financial and physical performance were testimony to its investments in technology and innovation reaping high returns, he added.

NMDC’s shares on Wednesday closed 3.88% higher at ₹235.5 apiece on the Bombay Stock Exchange.



# Keep aluminium, copper out of UAE FTA: Hindalco

**Suresh P. Iyengar**  
Mumbai

Hindalco Industries, an Aditya Birla group company, foresees challenges from the import of cheap aluminium foils at zero per cent duty from free trade agreement countries.

The government recently removed anti-dumping duty on foil and the resultant cheap imports have hit the company's packaging segment.

## MORE FTAs TO COME

Satish Pai, Managing Director, Hindalco Industries, said the free trade agreement signed with the UAE will open up imports at zero duty even as the Indian market is among the few bright spots as far as aluminium demand is concerned.

While the UAE has its own vibrant aluminium and copper industry, China uses Thailand to tap into the UAE, he said.

"Now, Oman is also close to signing an FTA with India. In all these FTAs, we have requested the government not to include aluminium and copper, because it can affect the domestic industry," said Pai.

The company has cut its capital expenditure from ₹5,000 crore to ₹4,500 crore for this fiscal and



Satish Pai, Managing Director, Hindalco Industries

plans to spend ₹5,500 crore next fiscal.

Hindalco plans to have a thermal and green energy mix of 70:30 by 2030-end.

## GREEN ENERGY PUSH

"We are adding another 50 MW of renewables this year," he said.

The company has to decarbonise at one end, while also depend on buying captive coal at fixed cost rather than auctions, he added.

"We are counting on round-the-clock power renewables to get to low-carbon aluminium, which we require for many of our customers and export markets," he added.

The company received a single-window clearance from the Odisha government for setting up manufacture of 30,000 tonnes of battery foil at Aditya Aluminium in Sambalpur.

Electric vehicle batteries have aluminium and copper foils.

# India joins the race for lithium reserves

### Strategic international engagements are key to ensure reliable supply of critical mineral

Srejita Nandy  
Siddharth Nema

India's rising energy demands has placed a significant emphasis on securing sustainable and clean energy resources. With the global impetus towards renewable energy and the electrification of transportation, the importance of lithium as a key component in lithium-ion batteries has become paramount.

India has set an ambitious target of achieving a 500 GW capacity of non-fossil fuels-based energy and reducing CO2 emissions by 1 billion tons by 2030. Significant increase in electric vehicle adoption is required to achieve this goal.

India currently has a limited presence in the global supply chain for Advanced Cell Chemistry (ACC) technologies. The government has introduced the Production Linked Incentive Scheme for the 'National Program on Advanced Chemistry Cell (ACC) Battery Storage' with an outlay of ₹18,100 crore, with the goal of achieving a manufacturing capacity of 50 GW Hour of ACC battery storage.

However, building a robust domestic lithium-ion battery manufacturing

ecosystem hinges on securing reliable supply chains for critical minerals like lithium.

According to the International Energy Agency, China's share of processing is close to 60 per cent for lithium. China has made significant investments in overseas assets in Australia, Chile, DRC, and Indonesia.

In July 2023, the Mines and Minerals (Development and Regulation) (MMDR) Act 1957 was amended through the MMDR Act 2023 to increase exploration and mining of critical minerals with an objective to achieve self-sufficiency. Presently, the two blocks of lithium reserves, one each in Jammu and Kashmir and Chhattisgarh, are up for auction for a composite license. Besides domestic exploration, India needs to bolster its international engagements and undertake joint exploration activities for ensuring uninterrupted access to these critical minerals.

The US Geological Survey has estimated the global resources of lithium at 98 million tonnes (mt) in 2022. Argentina, Bolivia, and Chile, collectively referred to as the Lithium Triangle, account for roughly 53.1 per cent of the global lithium resources. The global production of lithium in 2022 was



**LITHIUM.** Crucial for green energy

REUTERS

estimated at 130 thousand tonnes with Australia being the largest producer followed by Chile, China and Argentina.

While Australia was the largest exporter of unprocessed lithium (raw material) accounting for a global share of 82.1 per cent in 2022, China was the largest importer accounting for a global share of 84.6 per cent.

#### INDIA'S MOVES

India leverages diplomatic ties for strategic mineral collaborations with resource rich countries through the Khanij Bidesh India Ltd. (KABIL), a joint venture with equity contribution of

National Aluminium Company Ltd, Hindustan Copper Ltd and Mineral Exploration and Consultancy Ltd.

India signed an MoU with Australia's Critical Minerals Facilitation Office (CMFO) in June 2020, followed by a detailed agreement between KABIL and CMFO in March 2022. This partnership, backed by a joint investment commitment of \$6 million with equal partnership, focuses on joint due diligence for lithium and cobalt assets in Australia.

In January, KABIL and Argentina's state-owned "Catamarca Minería Y Energética Sociedad Del Estado" signed an agreement for exploration and development of 5 lithium brine blocks in Catamarca province of Argentina.

India has joined the Mineral Security Partnership (MSP) in June 2023, becoming the 14th member alongside countries like the US, UK, Canada, Australia, South Korea, and Japan. India may need to devise a strategic funding mechanism for co-financing projects to secure strategic minerals like lithium in order to support domestic manufacturing of batteries necessary for the growth of the EV ecosystem.

The writers are economists with India Exim Bank. Views expressed are personal

# Go short in copper, add more if prices rise further

Gurumurthy K  
bl. research bureau

Copper prices witnessed a sharp fall last week, breaking below their key support in line with our expectation. The copper futures contract traded on the MCX broke the support at ₹712 per kg and fell towards ₹700 as expected. The contract made a low of ₹699.50 and has recovered well from there. It made a high of ₹713.60 and has since declined from that level.

### COMMODITY CALL.

The futures contract currently trades at ₹705 per kg.

The trend is down. Strong resistance is seen between ₹713 and ₹718. As long as the contract trades below ₹718, the outlook will remain bearish. The MCX copper futures contract can fall to ₹685 over the next two-three weeks. The



region around ₹685 is a strong support. So, the chances for a fall to halt around that support are high. A fresh bounce from around ₹685 will have the potential to take the copper contract up to ₹700 and higher again. To avoid the above-mentioned fall to ₹685, a strong and sustained rise above ₹718 is needed. Such a rise can take the contract up to ₹730. Positional trades with a time frame of two-three weeks can be considered at the moment. Go short now at around ₹705. Accumulate on a rise to ₹711. Keep a stop-loss at ₹719.

