



खनिज समाचार

KHANIJ SAMACHAR

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खनिज समाचार

KHANIJ SAMACHAR



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Vedanta plans investments in mineral sector in Saudi Arabia

■ The company is already in discussions with stakeholders in Saudi Arabia, which is aiming to become a mineral hub in the Middle East



Anil Agarwal

NEW DELHI, Jan 15 (PTI)

INDUSTRIALIST Anil Agarwal-owned mining major Vedanta Group on Friday said it is exploring investment opportunities in the mineral sector of Saudi Arabia.

The company is already in discussions with stakeholders in Saudi Arabia, which is aiming to become a mineral hub in the Middle East, Vedanta said in a statement.

"Vedanta plans to invest in the mineral sector in Saudi Arabia. The

company is in discussions to identify investment opportunities in Saudi Arabia, which aims to transform itself into a mineral hub in the Middle East," the statement further said.

According to the statement, Vedanta Chairman Anil Agarwal on Wednesday attended the 'Future Minerals Forum 2022' held in Riyadh as a guest speaker and spoke on the huge potential Saudi Arabia has in minerals, including zinc, gold and silver. Considering the strong demand for zinc and its expected shortage globally, Saudi Arabia is looking to team up with global companies to become a

leading producer of the metal. Vedanta group company Hindustan Zinc is one of the world's largest producers of zinc.

"The strong collaboration between India and Saudi Arabia is bringing to the fore big opportunities. We are in the process of identifying investment options in the mineral sector which we believe the country has in abundance. Mining and minerals will play a critical role in the transition to a cleaner and more sustainable world, and we at Vedanta are committed to play an important part in this journey," Agarwal said at the forum.

Saudi Arabia is planning to invest USD 100 billion in the country in areas of energy, refining, petrochemicals, infrastructure, agriculture, minerals and mining, Vedanta said in a statement.

Metals



Accounting for a mere 3.3 per cent of Nifty 50, metals segment contributed close to 7 per cent of the index gains from March-2020. This was driven entirely by rally in metal prices including steel (135 per cent), aluminium and zinc (70 per cent each) from January-2020. The current rally finally saw the stock of industry bellwether Tata Steel comfortably zoom past its 2007-08 highs after over a decade in the doldrums. One interesting thing to note, though, is that the strong earnings growth of metal companies is accompanied by compression in valuation multiple. This indicates markets are adjusting for cyclicalities in the sector.

Most metal prices dipped sharply by mid-CY20 due to the pandemic, expecting lower industrial production, construction, and automobile demand. But with the impetus of loose monetary and fiscal policies announced by central banks and governments around, and with return of demand, metal prices started increasing from May-June, 2020. The peaks this time were sharper and more intense compared to earlier metal rallies. While the raw materials, including energy costs, also went up matching the growth in realisations, operating leverage ensured expansion in EBITDA margins.

In recent months, while steel prices have shown correction from their peaks, aluminum and zinc are still at their peaks.

While last year has been excellent for investors in metal stocks, going forward, investors need to monitor a few trends. Weakness in Chinese real estate market and industrial production are immediate concerns for metal prices. The current calendar year will most likely witness softer prices, earnings and the resulting downward pressure on earnings estimates may lead to stock price corrections. But as a silver lining, structural factors of decarbonisation, demand growth and stronger balance sheets may support the companies, compared to earlier cycles.

International steel prices have corrected by 17 per cent from peaks by early January-2022, taking leads from China's production cuts on weak demand and high energy prices. Although a correction in metal prices is expected in the second half of the current metal cycle, this may not entail a hard landing, with prices being supported above historical levels.

Decarbonisation, wherein economies across Europe, the US and China are lowering the use and production of coal, can translate to a higher demand or prices for Indian metal exports in the long run. In domestic markets, return of high demand from automobile and housing construction will be a key monitorable in addition to export demand.

Metals	Earnings CAGR (%)				PE multiple (times)	
	Past			Current	NTM PE	Multiple expansion over 10-year average (%)
Companies	10 year	5 year	2 year	FY20-23 (Estimated)		
JSW Steel	15	NA	2	66	9.1	-6
Tata Steel	0	NA	-7	83	4.0	-71
Hindalco	NA	NA	0	46	8.7	-13
Coal India	2	-2	-15	1	6.3	-46
Vedanta	-5	3	45	55	6.4	-28

Source: Bloomberg (as on January 7, 2022)

NTM - Next twelve months; NA - Not applicable (as base value is negative)

Companies deleveraging in the current cycle, for instance Tata Steel planning to stock lower than 2x Net Debt to EBITDA across steel cycles will be an improvement over previous cycle (recent peak of 8.8 times in FY16). While deleveraging is expected, so is strong capacity addition through brownfield or acquisitions in large Indian companies. Raw material prices following the eventual correction of metals prices can provide further cushion in the trailing period of the current cycle.

Gold imports jump over 2-fold to USD 38 bn in Apr-Dec 2021

■ The gems and jewellery exports during the nine-month of the current fiscal grew by 71 per cent to about USD 29 million

NEW DELHI, Jan 16 (PTI)

INDIA'S gold imports, which has a bearing on the country's current account deficit (CAD), more than doubled to USD 38 billion during April-December this fiscal on account of higher demand, according to data of the Commerce Ministry.

The imports stood at USD 16.78 billion during the period April-December 2020.

In December 2021, imports of the precious metal rose to USD 4.8 billion from USD 4.5 billion in the year-ago period.

The surge in gold imports during the nine months contributed to the widening of the trade deficit to USD 142.44 billion

against USD 61.38 billion in April-December 2020. Similarly, silver imports also increased to USD 2 billion during April-December 2021 from USD 762 million in the same period of the previous financial year.

India is the world's second-biggest gold consumer after China. The imports mainly take care of the demand by the jewellery industry.

The gems and jewellery exports during the nine-month of the current fiscal grew by 71 per cent to about USD 29 million. India's current account slipped into a deficit of USD 9.6 billion or 1.3 per cent of Gross Domestic Product in the September quarter, according to the Reserve Bank of India.

The current account, which records the value of exports and imports of goods and services, along with international transfers of capital, was in a surplus mode both in the quarter-ago and year-ago periods.

ArcelorMittal India-linked Entity Front-runner to Buy Indian Steel Corp

Jindal Steel & Power said to be another applicant seeking to buy the co

Sangita.Mehta@timesgroup.com

Mumbai: An entity linked to ArcelorMittal India is the front-runner for Indian Steel Corporation that was admitted for debt resolution by the bankruptcy court after proceedings were initiated by Bain Capital-Piramal Enterprises-backed India Resurgence Asset Reconstruction Company, said people aware of the matter.

Naveen Jindal-promoted Jindal Steel & Power is another bidder seeking to buy the steel company, people said.

Lenders to the steelmaker, admitted by tribunal last October, are hoping to receive at least about 40% of their dues, one of the persons said.

The resolution professional, Ajay Joshi, received four expressions of interest last week of which AM Mining, an affiliate of ArcelorMittal India is one of the applicants, people said. Others include Jindal Steel & Power, Metro Global and Khandwala Finstock, they said.

The RP declined to comment. JSPL and ArcelorMittal did not respond to a request for comment. Metro Global and Khandwala Finstock could not be reached for comments.

In the last two years, ArcelorMittal In-

dia has acquired two steel companies—Essar Steel in December 2019 and Uttam Galva Steel in June 2021—both under the bankruptcy route. ArcelorMittal partnered with Nippon Steel to acquire Essar Steel for ₹42,000 crore, which amounted to a 77% recovery for lenders. AM Mining offered ₹4,000 crore for Uttam Galva Steel, equating to a 43% recovery.

In a letter to employees last December, ArcelorMittal Nippon Steel's group chief executive Aditya Mittal stated that the company wants to be at the "forefront of supporting the rapid and sustained rise in steel consumption in India." Aditya Mittal is the son of ArcelorMittal founder Lakshmi Mittal.

Indian Steel's verified financial creditors' claim stood at ₹2,704 crore, according to the disclosure made by the RP. Nearly 70% of the company's verified debt has been acquired by India Resurgence ARC from various lenders. Currently, Punjab National Bank holds

about 20% of the debt.

State Bank of India, the largest lender exited by selling its ₹929-crore debt to India Resurgence ARC for ₹360 crore in 2019, a recovery of 40%.

Indian Steel Corporation was promoted by the promoter of Ruchi Group, the Shahra family, in 2002. Subsequently, Japan's Mitsui & Company acquired a 20% stake in the company.

Attempts to recast its debt did not progress and by 2018 it defaulted to lenders, the people said. Competition from global players, cyclical downturns and stretched liquidity profile affected the company's performance, according to a rating report by Icria.

The company has a steel manufacturing facility at Bhimasar village near Kandla port, Gandhidham (Gujarat) near the Mundra port. It makes cold-rolled (CR) coils and sheets along with galvanised plain (GP), galvanised corrugated (GC) sheets and colour-coated galvanised sheets.

BUSINESS LINE DATE : 18/1/2022 P.N.8

Stay away from lead futures until a clear pattern emerges

AKHIL NALLAMUTHU

BL Research Bureau

Although the lead price went up in 2021 and ended the year with a gain, the uptrend lost steam towards the end of September. Therefore, the continuous lead contract on the Multi Commodity Exchange has been fluctuating within the broad range of ₹180-₹196. Even though the contract posted gains last week, it lies within the range. Moreover, currently trading at around ₹189, the risk-reward ratio suggests that range trading strategy might not be a wise move now. The 21- and 50-day moving aver-



ages (DMAs) are flat, indicating a lack of trend. And, indicators like the relative strength index (RSI) and the moving average convergence divergence (MACD) are hovering in the

neutral region. Therefore, participants are recommended to stay away and wait for the breach of either ₹180 or ₹196. Traders can initiate fresh trades along the direction of the break.

If the contract breaks out of ₹196, the lead futures can ease past ₹200-mark and touch ₹210. Above that level, it can rally to ₹220. Since the over trend is up, the contract can witness a quick rally. On the other hand, if the contract slips below ₹180, the near-term trend can turn bearish. The nearest support below ₹180 can be seen at ₹168, below which ₹158 can offer support.

Aluminium may rule firm in the short term

Power market uncertainties led to the metal gaining 6% since January 1

SUBRAMANI RA MANCOMBU

Chennai, January 18

Global aluminium prices are set to rule firm in the short-term on the back of a volatile energy market and uncertainties in the European power market preventing producers from signing a competitive power deal.

The non-ferrous metal has gained over six per cent since the start of the year and nearly 15 per cent over the past month as high power tariff has affected supply with aluminium's fundamentals looking strong. Prices are, however, lower than the 13-year high of \$3,221/tonne witnessed on October 15 last year.

Aluminium production results in an enormous consumption of power. About 17,000 kWh of electricity is required to produce a tonne of the metal.

Aluminium was offered at \$2,977.50 a tonne for cash last



Shanghai Metal Market said with infrastructure investments likely to increase, demand for aluminium will improve

weekend on the London Metal Exchange (LME), while the three-month contract was offered at \$2,998. On Shanghai Metal Exchange, aluminium for delivery in March was quoted at 21,185 Chinese yuan (\$3,338.43) a tonne on Monday.

'Deeper deficit'

In its outlook, Dutch multinational financial services firm ING's economic and financial analysis arm Think said the current problems in the power market may lead to aluminium slipping into a "deeper deficit".

"With low gas storage and high volatility in the gas market, many uncertainties sur-

round the European power market. It would be tough for smelters to secure a competitive power deal in this market," ING Think said.

US research agency Fitch Solutions Country Risk and Industry Research (FSCRIR) said the power issues that affected China during the last quarter of 2021 will continue during the initial parts of this year.

Demand to improve

Fitch Solutions said additional supply growth in primary aluminium relies heavily on the rest of the world but access to cheap and clean power supplies are determining factors for "sustained supply growth" from existing projects and new supply in future. It said only a limited capacity will come online this year.

Shanghai Metal Market (SMM) said with infrastructure investments likely to increase in the first half of 2022, demand for aluminium will improve. It said the focus on new energy vehicles and the photovoltaic sector will also buoy aluminium demand.

ING Think said optimism over strong demand has been fuelled by hefty cancellations of LME warrants that could result in a large outflow of stocks. Inventories have continued to decline and last week, they dropped to 790,000 tonnes, far below the five-year average.

Supply-side concerns

European producers are still affected by high power costs and no solution seemed to be in sight, the Dutch financial services think-tank said, forecasting a deficit in the aluminium market this year.

SMM said supply-side concerns for aluminium include carbon peaking and carbon neutrality strategy of China that could curb aluminium capacity, but the overall situation would improve compared with last year. Fitch Solutions said China's "dual-control" mandate of energy intensity and total energy consumption are disrupting aluminium supply and the energy crises witnessed in the last quarter of 2021 in Europe and China affected growth in supplies.

Coal India registers 31% growth in despatch under e-auction platform

SHOBHA ROY

Kolkata, January 19

Coal India Ltd (CIL) has registered 31 per cent growth in despatch under the five e-auction windows at 77.4 million tonne (mt) during April-December 2021, compared to 59 mt same period last year.

Special forward e-auction, which is the exclusive window meant for power sector, accounted for nearly 28 mt of the total. Coal supplied under other e-auction outlets, where predominantly non-regulated sector customers access coal, accounted for 49.5 mt.

Under this category, CIL logged a growth of 21 per cent compared to 41 mt of same period last year and a two-fold increase over 24.4 mt of comparable period during 2019.

The company has booked a total of 83.7 mt of coal under its five e-auction categories during April-December 2021, which is marginally higher as compared to 81.4 mt during

the corresponding period last year.

According to a senior company official, even if CIL were to book the same quantity of coal in e-auctions during the fourth quarter of the current fiscal, which was 42.6 mt, the company would still sail past the record high e-auction allocation of 124 mt achieved in 2020-21.

Higher realisation

It is to be noted that a higher sale, through auction route would help the company garner better profitability as the average price realisation is usually better than the sale through fuel supply agreement route.

The premium over notified price in e-auctions increased almost four-fold to 58 per cent during April-December 2021 compared to 15 per cent of the same period last year.

Coal sold through e-auction route accounts for around 15-16 per cent of the total sales.

Depending on the demand situation, CIL injects a reserve price, which is basically the floor price, over and above the notified price, at which the auctions begin. This is done based on the kind of response received at e-auction and the amount of premium garnered. An improvement in premiums over notified value is expected to boost the company's bottom line.

The volume increase in supplies under e-auction was achieved even though CIL pumped an all-time high of almost 391 mt of coal to thermal power plants during April-December 2021, clocking over 23 per cent growth, the official said. The despatch to power sector stood at 317 mt for same period last year.

CIL's total off-take scaled up to 482 mt during the first nine months of the fiscal in progress registering a year-on-year growth of 18 per cent as compared with 410 mt in April-December 2020.

सिद्धू ने फिर उठाया अवैध खनन का मुद्दा

चन्नी का नहीं दिया साथ

■ चंडीगढ़, एजेसिया। पंजाब में अवैध रेत खनन के मामले में रिश्तेदारों पर प्रवर्तन निदेशालय की छापेमारी पड़ने से सीएम चरणजीत सिंह चन्नी निशाने पर हैं। इस मामले में चरणजीत



अपने पंजाब मॉडल के जरिए राज्य में

सिंह चन्नी को पंजाब कांग्रेस के अध्यक्ष नवजोत सिंह सिद्धू का समर्थन नहीं मिला। सिद्धू ने दावा किया कि वह

अवैध रेत खनन के कारोबार पर रोक लगाएंगे। सिद्धू ने इसी बहाने से पंजाब में अवैध रेत खनन के मुद्दे को फिर से उठाया। सिद्धू ने कहा कि जिन पर कार्रवाई हो रही है उन्हें जवाब देना चाहिए। पंजाब मॉडल ही राज्य में अवैध रेत खनन को खत्म कर सकता

है। रेत खनन का सारा कंट्रोल सरकार के हाथों में होना चाहिए। रेत कार्रपोरेशन बनाकर ही ठिकेदारी सिस्टम को खत्म किया जा सकता है और उससे रेत खनन पर रोक लगेगी। सिद्धू ने इस मामले में तेलंगाना सरकार का उदाहरण दिया।

Silver set to become a precious industrial metal

COMMENTARY

G CHANDRASHEKHAR

The industrial metal character of silver is expected to gain more traction in the years to come. The metal is favoured for its many useful physical and chemical properties in varied industrial applications including the electric vehicles (EVs), 5G mobile phone technology and commitment of various governments to invest in 'green' infrastructure.

Current prices would encourage higher demand for jewellery and silverware from price-sensitive markets such as India. Resurgence in demand and its positive effect on prices would attract financial investors.

It may also result in ETF investors joining the bandwagon, resulting in inflows.

While the 2022 demand outlook for silver looks constructive, the best would come in the years ahead.



As much as 50% of silver demand is accounted for by industrial use

Automotive sector

Silver will benefit from applications in the automotive sector — for example, in electrical contacts, micro-processors, memory and circuit boards, radar and camera sensors. Silver is difficult to replace in various automotive applications due to its superior electrical properties.

Studies suggest that in battery-powered vehicles the use of silver will be markedly more than in conventional vehicles. This is in addition to use in charging stations, power genera-

tion and other supporting infrastructure that would need this metal.

The Silver Institute estimates that silver demand from the automotive industry will reach 88 million ounces by the middle of this decade (up from just over 60 million ounces in 2021).

The installation of solar systems, too, is driving demand for silver higher. The photovoltaic sector is currently demanding around 100 million ounces of silver annually. Some experts forecast an increase in silver de-

mand to 185 million ounces over the next ten years from the photovoltaic industry. Given this emerging scenario, silver is expected to benefit the most among precious metals. Silver may not only outperform gold but would at some stage decouple from gold and stand on its own.

The risk that silver supply growth may not keep pace with demand growth is real. So, stakeholders should brace for higher and higher prices in the coming years. The government should take cognizance of the emerging scenario. Demand within the country is likely to grow rapidly with policy thrust on EVs and solar energy. As import dependence for the metal is set to increase it is necessary to work towards augmenting silver supplies from a long-term perspective.

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

MCX copper futures: Go long, stop-loss at ₹718

COMMODITY CALL



AKHIL NALLAMUTHU

BL Research Bureau

The price of copper has primarily been flat since the beginning of the year. The continuous contract of the red metal on the Multi Commodity Exchange (MCX) is currently hovering around ₹745.

Although it is now in a sideways crawl, the contract has moved on to the rising trendline support at around ₹738. Notably, the price band between ₹720 and ₹730 is a strong demand zone.

Therefore, the contract is expected to gradually pick up momentum in the forthcoming sessions. It is likely to begin a rally between the current level and ₹730.

The contract will most probably touch ₹770, a potential resistance, in the near term. But the futures can rally past this level and appreciate to ₹780. Subsequent resistance is at ₹800.

On the downside, there is a confluence of supports between the current level and ₹720. In case ₹720 is breached, the near-term outlook of the contract become bearish, where the price will most probably fall to the critical support of ₹685.

Considering the above factors, one can initiate fresh longs at current levels and accumulate more if the price declines to ₹730. Place initial stop-loss at ₹718. Once the contract crosses over ₹770, revise the stop-loss to ₹745. Liquidate all the longs when the futures touch ₹780.

NAVBHARAT DATE : 21/1/2022 P.N.3

बालू खनन पर नई नीति

राज्य कैबिनेट ने
लिया फैसला

मौलाना आजाद अल्पसंख्यक आर्थिक
विकास निगम की पूंजी बढ़ाई गई



■ मुंबई, नवभारत न्यूज नेटवर्क. राज्य सरकार की कैबिनेट ने राज्य की नदियों एवं खाड़ियों में बालू खनन पर विद्यमान नीति को निरस्त करने तथा लोगों की सुविधा के लिए नई नीति को लागू करने का निर्णय लिया है. गुरुवार को मुख्यमंत्री उद्धव ठाकरे की अध्यक्षता में हुई कैबिनेट की बैठक में यह फैसला लिया गया. राज्य में नदी

राज्य सरकार ने अल्पसंख्यक समाज को रोजगार व आर्थिक आधार देने के लिए गठित मौलाना आजाद अल्पसंख्यक आर्थिक विकास निगम की पूंजी को बढ़ाने का फैसला किया है. गुरुवार को मुख्यमंत्री उद्धव ठाकरे की अध्यक्षता में हुई बैठक में यह निर्णय लिया गया. सरकार ने इस निगम में आधिकारिक शेयर पूंजी को 500 करोड़ से बढ़ाकर 700 करोड़ रुपए करने को मंजूरी दी है. उप मुख्यमंत्री व राज्य के वित्त मंत्री अजीत पवार ने साल 2021 के बजट सत्र में मौलाना आजाद अल्पसंख्यक आर्थिक विकास निगम की शेयर पूंजी को 200 करोड़ रुपए बढ़ाने की घोषणा की थी.

बेसिन और क्रीक बेसिन से बालू हटाने को लेकर 3 सितंबर 2019 और 21 मई 2015 को लिए गए सरकारी फैसलों को निरस्त कर दिया गया है. सरकार ने यह फैसला लोगों को उचित दर पर बालू उपलब्ध कराने के लिहाज से लिया है. इसके तहत

खनन की अवधि को 5 साल तक बढ़ाना और सफल बोलीदाताओं को आशय पत्र प्राप्त होने के बाद पर्यावरण परमिट प्राप्त करना; साथ ही खाड़ी में पारंपरिक रेत खनन व्यवसाय के लिए स्वामित्व दलों में संशोधन करना शामिल है.

BUSINESS LINE DATE : 22/1/2022 P.N.2

JSW Steel logs 69% jump in Q3 profit at ₹4,516 crore

Better realisation, higher output boost performance

OUR BUREAU

Mumbai, January 21

JSW Steel has reported that its net profit in Q3 of FY22 increased by 69 per cent to ₹4,516 crore against ₹2,669 crore logged in the same period last year on the back of higher output and better realisation.

Sales revenue was up 74 per cent at ₹37,462 crore against ₹21,487 crore while the sales of value-added and special products increased to 62 per cent of overall sales against 57 per cent recorded last year.

The company has incurred a capital expenditure of ₹4,026 crore in the quarter under review.

JSW Steel has made a provision of ₹1,056 crore towards payment of disputed mining premium and royalties. The Indian Bureau of Mines (IBM) had made upward revision of



already published average selling price of iron ore for September and October.

IBM methodology

Based on legal opinion, the company believes the methodology used by IBM for arriving at such revised average selling price by excluding certain bona fide sale transactions of iron ore by the company is not in accordance with the provisions of the Mineral Conservation and Development Rules, 2017, it said.

The company has moved the Odisha High Court against IBM decision. However, it has recognised the provision towards the levies to be paid, said the company. Bhushan Power and Steel

(BPSL) reported net profit of ₹1,018 crore on revenue of ₹5,083 crore.

Even as the Supreme Court is yet to give its final verdict on BPSL sale, JSW Steel has increased its stake in the company to 83.28 per cent from 49 per cent by converting the optionally fully convertible debentures. BPSL has become subsidiary of JSW Steel from October 1.

JSW's Italy-based rolled long products manufacturing facility reported EBITDA loss of ₹6.8 million in the December quarter due to certain one-time write-offs and impairment charge.

The company expects the ongoing Omicron outbreak to affect growth in March quarter. However, manufacturing activity continues to be robust, and a strong bounce back is expected once the wave subsides. The current wave is much less severe than the previous waves from a health perspective, said the company.

JSW Steel Q3 Net Soars 69% On Higher Income

Our Bureau

Mumbai: Steelmaker JSW Steel on Friday reported a consolidated net profit of ₹4,516 crore, up around 69% year-on-year during the December quarter of FY22, mainly on higher income.

"JSW Steel reported a crude steel production of 4.41 million tonnes, an increase of 8% quarter-on-quarter, led by an increase in average capacity utilisation to 94% from the existing operations, and production of 0.18 million tonnes from the recently commissioned Dolvi Phase-2 expansion," JSW Steel said in a media statement.

The company's net profit during the quarter came down by 36% sequentially as profits during the September quarter was at ₹3,424 crore mainly due to lower Ebitda margin, higher interest and depreciation on completion and capitalisation of projects, the company said.

JSW reported consolidated revenue of ₹38,701 crore, up 74% year-on-year. Its total expenses went up by 76% YoY to ₹31,986 crore.

The company's standalone quarterly operating earnings (Ebitda) was at ₹6,797 crore, lower by 22% quarter-on-quarter, with an Ebitda margin of 23.6%. Its consolidated operating profit was at ₹9,132 crore, with an Ebitda margin of 24%.

"The Ebitda margin was lower QoQ primarily due to elevated prices of coking coal and higher power cost. Domestic iron ore prices during the quarter softened in line with global indices, partly offsetting the cost increase," the company's statement said.

JSW Steel's consolidated net debt to equity (post-consolidation of Bhushan Power & Steel) stood at 1.02x at the end of the quarter as against 0.92x at the end of the September quarter and leverage (net debt to operating profit) stood at 1.73x as against 1.58x at the end of the preceding quarter.

The company incurred a capex of ₹4,026 crore during the quarter.

JSW said that the 5 MTPA brownfield expansion at Vijayanagar is progressing well, with civil works underway at the site. The project is expected to be completed by FY24.

"The downstream expansion projects at Vijayanagar, Vasinad and Tarapur are in advanced stages of implementation, with several lines having been commissioned in 9M FY22," the company's statement said.

The company's Ohio operations in the United States reported an Ebitda of \$42.1 million for the quarter compared to \$48.3 million in Q2. US Plate & Pipe Mill reported an Ebitda of \$13.38 million for the quarter compared to \$13.16 million in Q2.



JSW's steel production rose by 8% sequentially to 4.41 MT led by capacity utilisation, which stood at 94%

BULLION CUES

Bulls gaining momentum

While gold is yet to break out, silver cracks a key resistance

AKHIL NALLAMUTHU

BL Research Bureau

Bullion prices were up last week ahead of the US Federal Reserve's meeting this Wednesday. Gold, despite gaining last week, is struggling to find direction whereas silver, which posted the biggest weekly gain in one year, looks more positive. Silver, which also has wide ranging industrial application, rose along with other metals. The rally in metals was triggered by low inventory and supply chain issues. On the other hand, of late, gold seems to be stuck between hawkish Fed and the rise in the US yields and the dollar. Thus, gold traders and investors seem to be taking a more cautious approach.

Nevertheless, the global gold ETFs (Exchange Traded Funds) has seen net inflow of 4.4 tonnes in the first half of this month according to WGC (World Gold Council) data. North American and European region saw net inflows in the first couple of weeks whereas Asia saw net outflows in the corresponding period. On the other hand, speculators seem to be waiting for more informa-

tion as they trimmed their net long positions on the COMEX to 670.5 tonnes on 18th January compared to 707 tonnes a couple of weeks back.

On the trading front, powered by the mid-week rally, gold posted a gain of 0.9 per cent last week as the spot price in the international market closed at \$1,833.3 per ounce. Similarly, on the Multi Commodity Exchange (MCX) gold futures (April expiry) appreciated by 0.8 per cent as it ended the week at ₹48,284 (per 10 grams). On the other hand, silver spot price in the global market rallied through the week and wrapped up the week with a gain of 5.6 per cent by closing at \$24.23 per ounce on Friday. This is the biggest weekly gain in the last one year in dollar terms. Silver futures (March series) on the MCX went up by 5.2 per cent and closed at ₹64,806 (per kg).

MCX-Gold (₹48,284)

The April futures of gold on the MCX rallied last week and gained 0.8 per cent and closed at ₹48,284. Although it made an intraweek high of ₹48,625, the contract was unable to close above the res-

istance at ₹48,550. Therefore, the sideways range of ₹47,400 - ₹48,550 still holds true and unless the contract moves out of this range decisively, we cannot assume the direction of the next leg of trend.

Certainly, there are positive signs i.e., indicators like the relative strength index (RSI) and the moving average convergence divergence (MACD) are now showing a fresh uptick on the daily chart. In addition, there is an increase in the number of outstanding open interest (OI). The total OI of all active gold futures on the MCX has increased to 13,613 contracts on Friday compared to 13,192 contracts a week back. A rally accompanied by an increasing OI is a bullish sign.

However, the fact remains that the resistance at ₹48,550 is yet to be breached. So, despite some bullish signals, traders are advised to wait for the decisive breach of ₹48,550 before pulling the trigger. That is, go long on the break of ₹48,550 with stop-loss at ₹47,750. Since ₹50,000 is a psychological level, consider liquidating longs at this level. Further trades can be decided

based on how the contract reacts to this level. Barrier above ₹50,000 is at ₹52,500.

If the contract declines from the current level, it can find support at ₹48,000 and ₹47,400. A breach of ₹47,400 can turn the near-term outlook negative. Support below ₹47,400 can be seen at ₹46,800 and ₹45,920.

MCX-Silver (₹64,806)

Silver futures (March) on the MCX surged ahead of the critical resistance at ₹62,500 last week and posted a gain of 5.2 per cent, its biggest weekly gain since May last year. The contract has eased past both the 21- and 50-day moving averages (DMAs). Substantiating the bullish bias, the RSI and the MACD on the daily chart are showing strong uptick in upward momentum. Likewise the average directional index (ADX) is indicating that bulls are now stronger than bears. That leaves the probability of the contract making further gain high.

However, it is worth noting that the cumulative outstanding OIs of all active silver futures on the MCX has seen a considerable drop - it stood at 7,787 contracts when compared to 13,518 contracts a week back. This is a sign that the shorts that dragged down the contract since November last year might be making an exit i.e., short covering.

Nevertheless, given the current momentum, the contract is likely to rally past the nearest minor hurdle at ₹65,000. Above this level, the price area of ₹67,375 (200-DMA) - ₹68,300 can act as a resistance band.

Since the chart is indicating more on the upside, traders can consider fresh longs. But rather than going in all at current price, split your entries. Buy 50 per cent of the intended quantity at current level and the remaining when price dips to ₹63,400 so that the average buy price will be around ₹64,100.

Place stop-loss at ₹62,300. When the contract moves above ₹66,400 alter the stop-loss to ₹64,400.

Exit the longs at ₹68,000 since there is a good chance for the contract to see a decline after hitting this level.

GETTY IMAGES/ISTOCKPHOTO

कोळसा वितरणासाठी पोर्टल विकसित करण्याची खाण महामंडळाला सूचना कोळसा ट्रकला जीपीएस लावण्यात येईल



न्यूज इम्पॅक्ट

लोकमत न्यूज नेटवर्क

नागपूर : उद्योजकांकडून राज्य शासनाला प्राप्त झालेल्या अनेक तक्रारींची दखल घेत शासनाने महाराष्ट्र राज्य खाण महामंडळाला (एमएसएमसी) कंपन्यांना कोळसा पुरवठा करताना विविध सुधारणा करण्याबाबत सूचना केल्या आहेत. महामंडळाने कोळसा खाणीमधून आलेला कोळसा आणि पुरवठा केलेला कोळसाबाबत सविस्तर माहिती असेल असे ई-पोर्टल तयार करण्याचे आवाहन राज्य शासनाने केले आहे.

उल्लेखनीय म्हणजे 'लोकमत'ने कोळसा वितरणामध्ये होणाऱ्या गैरप्रकाराबाबत अनेकदा वृत्त प्रकाशित



केले आहे. त्यानुसार राज्य शासनाने खाण महामंडळाला निर्देश जारी केले आहेत. या सूचनांनुसार कोळसा वाहून नेणाऱ्या वाहनांना जीपीएस प्रणालीद्वारे जोडून ते कोणतेही वळण न घेता निर्धारित ठिकाणी पोहोचवितात की नाही, यावर नियंत्रण ठेवण्यासाठी सांगण्यात आले आहे.

याशिवाय कंपन्यांनी शासनाच्या खाण कंपन्यांकडून कोळसा घेताना केवळ जीपीएस प्रणालीने जोडलेल्या वाहनांनाच प्राधान्य द्यावे आणि माल पोहोचल्याची माहिती

एमएसएमसीच्या पोर्टलवर अपलोड करावी, असे आवाहन करण्यात आले आहे. विदर्भ इंडस्ट्रीज असोसिएशनचे अध्यक्ष सुरेश राठी यांनी शासनाच्या या निर्णयाचे स्वागत करत यामुळे उद्योजकांना लाभ मिळेल, असा विश्वास व्यक्त केला आहे. मात्र त्रयस्थ एजन्सीकडून उद्योजकांना त्रास होऊ नये, अशी मागणी त्यांनी केली आहे.

India's Steel Consumption Rising on Monthly Basis: JSW Steel Jt MD

Demand being driven by infra projects, price hikes likely in this quarter, says Seshagiri Rao

Satish John & Bhavya Dillipkumar

Mumbai: Despite a fall in iron ore prices and volatile coking coal prices, Indian steel consumption is rising on a month-on-month basis, said JSW Steel's joint managing director Seshagiri Rao, in an interaction with ET.

"Even though the consumption is not as strong as last year, we see that the December consumption levels are around at 9.29 MT, highest since April 2021," Rao said.

Indian benchmark HRC (hot-rolled coil) steel prices touched record high levels of ₹70,875 in the month of November last year. However, due to cost pressure and destocking by the trade market the prices have been falling globally and in India. The prices touched around ₹67,000 a tonne in January.

"Whatever price correction that has happened in China and Asia, I don't expect the same to happen in India. And the prices will definitely not come down to the previous (2019-2020) levels. I don't expect a further downside," Rao said.

JSW Steel allocated around ₹18,300 crore of capex for the financial year

2022 and has spent around ₹10,000 crore in the last nine months. It plans to allocate around ₹15,000 crore of capex for FY23.

"In my view, ₹8,000 crore will not be spent in one single quarter. I'm expecting around ₹15,000 crore of capex in the whole of FY22. For the next financial year the capex will be in the similar range of ₹15,000-18,000 crore," Rao said.

During Q3 of FY22, the company's net debt levels stood at ₹66,300 crore, up around ₹13,700 cr as against last year.

"The reason is this year there is a lot of money invested in working capital, either in debtors or inventories. And this debt increase also includes around ₹7,500 crore of debt from Bhushan Power and Steel," Rao said.

The company plans to reduce debt by at least ₹3,000-4,000 crore in the last quarter of FY22, Rao added.

Rao expects prices to go up in the coming months and said that the-

Gaining Momentum

JSW Steel plans to bring down debt by ₹3,000- ₹4,000 cr in Q4 FY22

Capex allocation estimated to be ₹15,000- ₹18,000 cr for FY23



JSW Steel expects sustainability-linked incentive schemes in Union Budget 2022

Steelmakers to hike prices in February as consumption growth is strong on a monthly basis



SESHAGIRI RAO, Jt MD, JSW Steel

re is even scope for a price hike in February.

"We are already seeing steel prices going up globally. Majorly right now is cost-push, steel prices in my mind there might be some price hikes in the current quarter," he said.

Rao said that the demand is strong in India and capex spending is mainly driven by infra projects like bridges, pipelines and other renewable energy projects.

JSW Steel is seriously pursuing renewable energy sources and has signed a PPA (power purchase agree-

ment) with JSW Energy for the supply of around 958 megawatts (MW) of renewable power to help the company replace fossil fuel-based power with renewable sources.

"We have allocated around ₹10,000 crore for achieving our sustainability goals. Out of the ₹10,000 crore, we are spending a lot of money on the in-house efficiency-enhancing projects and raw material processing projects," Rao said.

The company is looking forward to the upcoming union Budget 2022 for some sustainability-linked incentives.

HIGHER VOLUMES from the new Dolvi plant to enter the market at a time when steel demand is set to improve JSW Weathers Slump, Set for Rebound Gains

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: JSW Steel should not only sail through the temporary rough phase for the industry but also gain from revival in demand, early signs of which are already visible.

During the December quarter, the company reported lower margins due to low steel prices. This, however, was more than offset by a higher volume contribution from the commissioning of its 5 million-tonne Dolvi plant in Maharashtra, the full benefit of which will be seen in the coming quarters.

The production ramp-up at this facility will allow the company to report higher earnings every quarter, despite lower steel prices and higher raw material costs. Besides, the recovery in demand will offer an additional boost.

The stellar recovery in the commo-

dity cycle beginning July 2020 was halted after China in July 2021 decided to curb production as part of its decarbonisation efforts in the run-up to the Winter Olympics scheduled in February 2022. What followed was a sudden drop in Chinese demand from the real estate and construction sectors after the Evergrande default fears in August 2021.

These developments also led to China turning to exports, which hurt the global steel trade. Steel prices across regions have fallen 25-30%, causing volatility in the prices of key raw materials iron ore and coking coal.

The industry expects the curbs to be removed after the Chinese lunar new year and the Winter Olympics. The Chinese government is also working toward restructuring Evergrande and the entire real estate sector, which should bring back demand. Positive statements from China have led to speculative bets in commodities,

In a Sweet Spot

JSW Steel December quarter performance (in ₹ cr)

	Dec FY22	Sep FY22	(in tons)
Revenues	38,071	32,503	
Ebitda	9,132	10,417	
Net Profit	4,516	6,576	
Production*	5.2	4.1	
Sales Vols.*	4.63	3.8	

especially iron ore and coking coal.

"In my view, the recent slowdown is temporary. Once Omicron is behind us, the US and European demand will bounce back. The downside in demand in Asia is limited. The Chinese policy to remove restrictions on production should be watched carefully," said Seshagiri Rao, joint managing director, JSW Steel.

JSW Steel's output during the quarter stood at 5.2 MT and sales volumes at 4.6 MT, despite the extended monsoon and the spread of the Omicron variant of Covid. The output stood at 8.2 MT in the first half and 14.9 MT in FY21.

The 5MT Dolvi plant contributed 1.8 MT to the output. This led to a 17.4% jump in revenues over the preceding quarter. The net profit, however, was lower due to high raw material costs.

The operating profit (Ebitda) margin dropped to 24.5% from over 30% in the preceding quarter. Volumes are expected to be even higher by 1 MT in the March quarter.

The worst seems to be over for the steel sector. The fall in commodity prices has stopped. Raw material prices that had risen sharply have also softened.

The gains from improving demand will start showing from April and the benefit of lower raw material costs will follow due to a lag effect from inventories.

Shares of the top four steelmakers have recovered up 10-15% from their November lows and JSW Steel has been an outperformer in the past few months.

The company remains in an advantageous position, as it is the only company to see incremental capacities from its investments made 4-5 years ago. Its current capacity is at 26 MT and is expected to touch 36 MT by the end of FY24.

Stop illegal mining, Karnataka CM directs district officials

SPECIAL CORRESPONDENT
HASSAN

Karnataka Chief Minister B.S. Yediyurappa has instructed all Deputy Commissioners to stop all forms of illegal mining in their districts.

His directive comes in the wake of a blast at a stone quarry at Hunasodu in Shivamogga on Thursday night,

which claimed six lives.

Speaking to presspersons at the Shivamogga helipad, he said, "I have not said illegal mining will be regularised. Those into mining have to seek permission with all the relevant documents. The officials concerned will inspect the spot and take further action as per the law. Ille-

gal activities will not be entertained."

There are reports of illegal mining in different places. "The mining at Baby Betta in Mandya district could impact the KRS. I have instructed officials to stop the illegal mining immediately."

He said development works required jelly and

sand, but their extraction and transportation should be as per the law. "I have instructed officers not to trouble people who have been extracting materials by adopting traditional methods and not harming the environment," he claimed.

The State government has appointed a committee

headed by Shivamogga Deputy Commissioner K.B. Shivakumar to probe the blast at Hunasodu. Shivamogga Superintendent of Police K.M. Shantharaju and three technical experts are also part of the committee.

K.B. Prasanna Kumar, former MLA and Congress leader, alleged that the inves-

tigation by the committee was just an eyewash. "Nothing will come out of this. For a fair investigation into the case, the Minister in charge of the district, K.S. Eshwarappa, should resign first. The matter should be handed over to the CBI or a probe by a sitting High Court judge should be ordered," he said.

MCX aluminium: Go long on dips

GURUMURTHY K

BL Research Bureau

The aluminium futures contract (₹238.15 per kg) traded on the Multi Commodity Exchange (MCX) has come off sharply from last week's high. The contract made a high of ₹246 a kg on January 20 and has declined over three per cent since then.

It is currently trading near ₹238. There is room to see further fall from here towards ₹233 in the near-term. The level of ₹233 is a strong trendline support which can halt the current pull-back move.

A fresh and strong bounce from this support can take the contract up to ₹246-248 in the coming week. Traders with a short-term perspective can wait for dips and go long at ₹233.5. Stop-loss can be placed at ₹229. Trail the stop-loss up to ₹235 as soon as the contract moves up to ₹239. Move the stop-loss further up



to ₹238 as soon the contract rises to ₹241. Book profits at ₹243.

The uptrend will come under threat if the MCX aluminium futures contract breaks below ₹233 decisively. Such a break can take the contract down to ₹230 initially. A further break below ₹230 will increase the downside pressure and drag the contract further fall to ₹220.

As such the price action around ₹233 will need a close watch in the coming days. For now, we expect the contract to sustain above ₹233 and see a reversal to keep the uptrend intact.

भास्कर
Original

राजस्थान : भीलवाड़ा में मिली पहली गोल्ड माइन, यहां 600 किलो सोना

कोटड़ी के देवतलाई में है खान, इसकी वैल्युएशन ₹1840 करोड़ निकाली

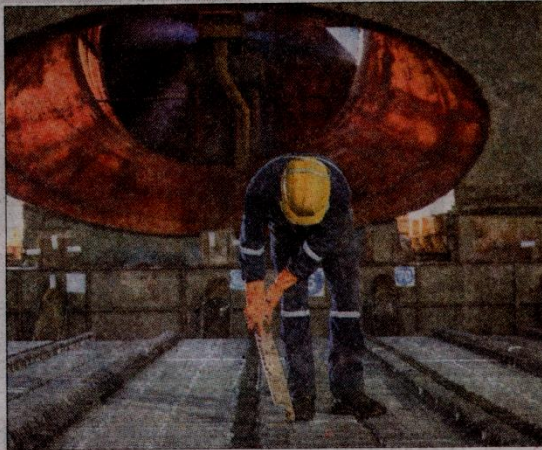
भास्कर न्यूज़ | भीलवाड़ा

राजस्थान के भीलवाड़ा में सोने और तांबे के बड़े भंडार मिले हैं। प्रदेश में सोने की खोज तो कई जगह हो चुकी है, लेकिन यहां पहली बार खान आवंटन की प्रक्रिया शुरू हो चुकी है। गोल्ड माइन मिलने की पुष्टि के बाद खान बेचने के लिए खान व भू-विज्ञान विभाग ने एनआईबी यानी कि नोटिफाइड इनवाइटिंग बीड जारी कर दी है। जल्द खनन शुरू हो जाएगा।

दरअसल, मिनरल एक्सप्लोरेशन कॉर्पोरेशन ने वर्ष 2007 में कोटड़ी क्षेत्र में सर्वे किया था, जिसमें कॉपर-गोल्ड की पुष्टि हुई थी। जमीन सतह से 60 से 160 मीटर अंदर गोल्ड व कॉपर का खजाना है। विभाग ने कॉपर व गोल्ड की इस बड़ी खदान के ब्लॉक की नीलामी जारी की है। भू-सर्वेक्षण विंग ने कोटड़ी के देवतलाई क्षेत्र में 188 हेक्टेयर का एक नया ब्लॉक तैयार किया है। इस ब्लॉक में 600 किलो सोना व 25 लाख टन कॉपर है। ब्लॉक की प्रारंभिक रिजर्व प्राइज 1840 करोड़ रुपए आंकी है।

हमारे पास एशिया की 2 सबसे बड़ी खदानें

रामपुरा-आगूचा में **जिंक** की एक किमी गहरी और चैनपुरा में **सोपस्टोन** की एक किमी खुली खदान



आगूचा माईंस का स्मेल्टर प्लांट, यहां 4.5 मिलियन मीट्रिक टन उत्पादन

तस्वीर विश्व की दूसरी व एशिया की सबसे बड़ी जिंक उत्पादन करने वाली माईंस में से एक आगूचा माईंस के स्मेल्टर प्लांट की है। आगूचा में 955 मीटर गहराई में अंडरग्राउंड माईंस में हाई मैकेनाइज्ड तरीके से जिंक और लेड का खनन होता है। यहां ओपन माइनिंग वर्ष 1991 में शुरू हुई। इसके बाद अप्रैल 2018 से अंडरग्राउंड माइनिंग हो रही है। सालाना 4.5 मिलियन मीट्रिक टन उत्पादन है। माईंस में सांस लेने में परेशानी नहीं हो इसके लिए नीचे तक एक सॉफ्ट लगाया है। हर कर्मचारी के पास एक ऑक्सीजन सिलेंडर होता है।

हमारी ताकत : 1239 खदानें, 59 खनिज, 12000 करोड़ का टर्नओवर

■ **₹2600 करोड़ का निवेश होगा**

1239 खानें, 59 खनिज, 15 कंपनी, 2600 करोड़ रु. के एमओयू।

■ **42 देशों में एक्सपोर्ट**

भीलवाड़ा का खनिज 42 देशों में जाता है। प्रदेश को 35% राजस्व देता है।

■ **प्रदेश का सबसे अमीर ट्रस्ट**

डिस्ट्रिक्ट मिनरल फाउंडेशन ट्रस्ट में सालाना 350 करोड़ जमा होते हैं।

1050° C में तप के निकलता है जिंक

खान में आस्ट्रेलिया से मंगाई स्पेशल जंबो मैकेनाइज्ड मशीनों से खुदाई होती है। आगूचा माईंस के चंदेरिया स्मेल्टर प्लांट में करीब 1050 डिग्री सेंटीग्रेट तापमान पर जिंक और रॉ मैटेरियल को अलग किया जाता है।



Transparency, and not duty cut, will boost gold trade

COMMENTARY

G CHANDRASHEKHAR

Ahead of the Budget, the gold jewellery trade has started to lobby for a reduction in the taxes rates that the yellow metal is subject to.

Gold import and jewellery sales are subject to a multiplicity of fiscal levies in the form of duties and taxes (Customs duty, Agri Infra Cess and GST) that cumulate to 13.75 per cent.

The trade's stand has always been that high rates of customs duty encourage illegal import (smuggling), while high domestic taxes like GST drive customers to the grey or unorganised market.

But there are larger ques-

tions to be addressed. In the last Budget, customs duty on gold import was reduced by 2.5 percentage points. It is unclear what impact the duty reduction had on the gold trade.

Next, given the government's precarious financial position, can the FM afford to forego any more revenue from the gold import and jewellery trade?

Illegal trade

It is claimed that 70-80 per cent of the gold demand is met through the grey market. If it indeed is the case, the gold business calls for a strict regulation from the point of import till the material is sold in the retail.

Whether a mere reduction in taxes would bring about transparency in the physical trade is open to question. At the same

time, it is the responsibility of the government to take more stringent steps to curb smuggling. Importantly, it devolves on the existing organised gold trade to act. Each one of them should demonstrably show that their business is transparent and strictly follows the Environmental, Social and Governance (ESG) principles.

This is a sure way to gain the trust of the policymakers and customers. In our country, given the size of the business, gold trade needs an audit trail that must ascertain the origin (usually in bars), source of payment, disposal of the imported material and conversion into jewellery, and eventual consumer sale/purchase.



MCX nickel: Make use of dips to bet long

COMMODITY CALL

AKHIL NALLAMUTHU
BL Research Bureau

The continuous contract of nickel on the Multi Commodity Exchange (MCX), which was on an uptrend since March 2020, lost momentum in October. Although there was no bearish trend reversal, the contract could not rally beyond the resistance band of ₹1,615-1,635.

Nevertheless, as the calendar turned to 2022, the contract started to pick up momentum. The price level of ₹1,550 acted as support where both 21- and 50-day moving averages coincided. The contract began moving up and resulted in the breakout of ₹1,635 last week. Last Friday, it hit a fresh high of ₹1,845. While the price has now moderated to

₹1,716, a fresh upward momentum seems to be building up.

The cumulative open interest of all active nickel futures on the MCX has increased to 2,763 contracts from 2,481 by the end of December — indicating a long build-up. So, the contract is likely to appreciate.

Traders can deploy 50 per cent of the intended capital at the current level of about ₹1,716 and accumulate the remaining when the price dips to ₹1,640. Therefore, the average price will be around ₹1,678.

Place initial stop-loss at ₹1,580 and revise it to ₹1,680 when price moves above ₹1,800. When the contract touches ₹1,845, liquidate 50 per cent of the longs and then tighten the stop-loss to ₹1,750. Exit the remaining position at ₹1,900.

Aluminium industry wants import duty increased to 10%

Says basic customs duty not in line with other non-ferrous metals

OUR BUREAU

Mumbai, January 26

The Aluminium Association of India, the industry body of primary aluminium producers, has urged the government to increase the customs duty on primary aluminium from 7.5 per cent to 10 per cent and that on downstream products from 7.5-10 per cent to 10-12 per cent. Similarly, it wants import duty on aluminium scrap to be increased from 2.5 per cent to 10 per cent. Despite having significant primary aluminium capacity and potential to generate sufficient domestic scrap, India is completely dependent on imports of scrap.

The Indian aluminium industry is still struggling to recover from the Covid pandemic. The share of domestic producers market is declin-



India has overtaken China as the world's largest aluminium scrap importer REUTERS

ing as imports surge and costs escalate for primary producers — primarily due to a rise in input costs of critical raw materials, escalating freight and logistics costs due to container shortage. The current coal crunch has further slowed down revival of the industry, said the association.

Share of scrap up

The basic custom duty on aluminium and aluminium scrap is not in line with other non-ferrous metals such as zinc, lead, nickel and tin, it added.

The share of scrap in total imports increased from 52 per cent in FY16 to 66 per cent

in FY21, resulting in forex outgo of \$2 billion (₹15,000 crore).

Incidentally, China imposed 25 per cent duty on aluminium scrap imports from US and classified aluminium scrap in restricted import list from July.

Post this, the share of import from the US in China's total aluminium scrap imports declined from 53 per cent in 2017 to just 16 per cent in 2019. India has overtaken China as world's largest aluminium scrap importer due to Chinese measures. As a result, and in the absence of quality or BIS standards for scrap recycling/usage and imports in the country, the global scrap chain is shifting base to India.

The EU and other developed countries have stringent standards for scrap and so, the US is diverting large volume of scrap to India. Import from US as a share of India's total scrap imports increased from 8 per cent in FY16 to 24 per cent in FY21.

SCCL's plans for new forays make slow progress

SCCL looks at extraction of construction sand from overburden

B. CHANDRASHEKHAR
HYDERABAD

Singareni Collieries Company Ltd (SCCL), which has already diversified into thermal and solar power generation by having 2×600 megawatt and 220 MW units, respectively, in addition to its core activity of coal mining, is planning to enter varied activities such as sand and iron ore mining as well as other minerals.

Although the pace of such plans is not moving on a fast track for now, some sustained activity is still in progress.

The company has been planning to join hands with the State Mineral Development Corporation in the area of sand mining, not by bidding for sand quarrying blocks but by supplying sand segregated from the overburden removed for coal extraction.

“Preliminary tests conducted for ascertaining the percentage of sand in the overburden for utilising it in the construction activity have thrown positive results,” a senior official of the SCCL said.

As part of coal mining, the company removes overburden of over 300 million cubic metres every year and the overburden contains sand useful for the construction activity.

The company has taken to ex-



The JK-5 opencast coal mine at Yellandu of Bhadradi Kothagudem district. ■ FILE PHOTO

ploring areas other than thermal and solar generation on the suggestion made by Chief Minister K. Chandrasekhar Rao at several review meetings held on the company's performance and the need to diversify further for sustaining the company for more generations.

The company's plans to enter iron ore and limestone mining have also not made much headway so far except for asking for a detailed project report on the same.

“Once crystallised, the company could explore the opportunities of iron ore mining in Bayyaram and other areas in the State. However, such foraying needs the approval of the government.

Admitting that company is more focused on protecting coal

blocks within the Singareni areas now from the entry of private players following the rollout of plans by the Centre to privatise more coal blocks in the country, the SCCL officials said plans of setting up a floating solar power plant with 350 MW capacity on the waters of Lower Manair Dam near Karimnagar and adding an 800 MW unit to its thermal power in Mancherla district were moving in the right direction.

“Survey work for the floating solar power plant is in progress and once that is completed the company will invite bidders for the tender of setting up the plant. Similarly, the proposal of adding another unit to the existing thermal power plant is also in progress”, the coal company officials said.

देशभरात कोळशाच्या वापरात पाच टक्क्यांनी घट सिमेंट, टेक्सटाईल, वीज क्षेत्रात वापर कमी



इन डेथ स्टोरी

कोळशाचा वर्षनिहाय वापर

योगेश पांडे

लोकमत न्यूज नेटवर्क
नागपूर : कोळसा उत्पादन व वापर करणाऱ्या आघाडीच्या देशांमध्ये भारताचादेखील समावेश होतो. वीजनिर्मितीसह विविध उद्योगांमध्ये २०१०-११ सालापासून सातत्याने कोळशाचा वापर वाढलेला दिसून येत होता. परंतु २०२०-२१ मध्ये देशभरातील बहुतांश उद्योगांमध्ये कोळशाच्या वापरात पाच टक्क्यांहून अधिक घट झाली. मागील दहा वर्षांतील ही सर्वात मोठी घट असल्याचे आकडेवारीवरून स्पष्ट झाले आहे. केंद्र सरकारच्या ऊर्जा सांख्यिकी-२०२२ या अहवालातून ही बाब समोर आली आहे.

२०१०-११ मध्ये विविध उद्योगांमध्ये ६३८.७३ दशलक्ष टन कोळशाचा वापर झाला होता. त्यानंतर सातत्याने हा आकडा वाढत गेला व २०१९-२० मध्ये कोळशाचा वापर ९५५.९२ दशलक्ष टन इतका होता.

याच कालावधीत कोरोनामुळे लॉकडाऊन लावण्यात आले आणि याचा फटका उद्योग क्षेत्राला बसला. परिणामी कोळशाचा वापरदेखील कमी झाला. २०२०-२१ मध्ये ९०६.०८ दशलक्ष टन कोळसा वापरण्यात आला. वर्षभरातच ५.२१ टक्क्यांची घट दिसून आली.

वर्ष कोळशाचा वापर (दशलक्ष टनमध्ये)

वर्ष	कोळशाचा वापर (दशलक्ष टनमध्ये)
२०११-१२	६३८.७३
२०१२-१३	७१३.३९
२०१३-१४	७३९.३४
२०१४-१५	८२२.१३
२०१५-१६	८३६.१३
२०१६-१७	८३७.२२
२०१७-१८	८९८.४९
२०१८-१९	९६८.३८
२०१९-२०	९५५.९२
२०२०-२१	९०६.०८

वीजनिर्मितीत सव्वासात टक्क्यांनी वापर घटला

■ एकूण उद्योगांपैकी कोळशाचा सर्वात जास्त वापर वीजनिर्मितीसाठी झाला. हे प्रमाण ६४.०७ टक्के इतके होते. मात्र २०१९-२० च्या तुलनेत वीजनिर्मिती क्षेत्रात कोळशाचा वापर ७.२८ टक्क्यांनी घटला.

■ स्टील उद्योग व वॉशरीमधला वापर ५.५० टक्क्यांनी तर सिमेंट उद्योगांमधील वापर २१.२२ टक्क्यांनी घटला. पेपर व टेक्सटाईल उद्योगांत कोळशाच्या वापरात अनुक्रमे २१.१९ टक्के व १६.८३ टक्के घट झाली.

कोळशाचा एकूण वापर

उद्योग	वापराची टक्केवारी	वापरात झालेली घट (२०२०-२१)
वीज	६४.०७ %	७.२८ %
स्टील आणि वॉशरी	६.६५ %	५.५० %
सिमेंट	०.७५ %	२१.२२ %
पेपर	०.१२ %	२१.१९ %
टेक्सटाईल	०.०१ %	१६.८३ %
स्पाॅन्ज आयरन	१.०६ %	९.०९ %
खते व रसायने	०.१९ %	२.२७ %
इतर व आयात	२७.१६ %	०.९७ % (वाढ)

Vedanta Q3 Net Rises 27% YoY to ₹4,189 cr

Strong commodity prices, higher zinc sales volume help

Our Bureau

Mumbai: Anil Agarwal-led Vedanta has reported a consolidated net profit of ₹4,189 crore during the December quarter of FY22, up 27% year-on-year, the net profit reported in Q3 of FY22 on the back of strong commodity prices and high zinc sales volume. The company reported a net profit of ₹4,644 crore in the previous quarter.

"We delivered another strong quarter, with record quarterly and nine monthly Revenue and EBITDA... Our commitment remains unchanged towards shareholders return and capital allocation," said the company's CEO Sunil Duggal in a media statement on Friday.

Vedanta's revenue from operations rose around 50% YoY to ₹33,697 crore. The company's total expenses rose 47.4% to ₹26,845 crore.

Vedanta reported highest-ever quarterly operating earnings (Ebitda) during the quarter under review at ₹10,938 crore, up 42% year-on-year.

"We had a robust EBITDA margin of 37% during the quarter compared to 39% in Q3 FY2021 and 40% in Q2 FY2022," the company said in a statement.

Vedanta's Gross debt was at ₹52,783 crore on 31st December 2021, deleveraged by ₹9,629 crore Y-o-Y. This was mainly due to deleveraging at Zinc India and Aluminium business. Net debt was at ₹27,576 crore on 31st December 2021, a reduction of ₹7,781 crore Y-o-Y, the company said.

47.4%

RISE IN CO'S TOTAL EXPENSES

Global steel production up marginally in 2021; India retains No. 2 position

SUBRAMANI RA MANCOMBU

Chennai, January 28

Global crude steel production, based on the output in 64 countries that report to the World Steel Association (worldsteel), increased 3.6 per cent in 2021 to 1,919.9 million tonnes (mt) compared with a 0.9 per cent output drop in 2020.

In 2020, global crude steel production declined to 1,864.0 mt from 1,880.92 mt in 2019.

The increase in global production is despite a drop in Chinese production last year, while India continued to hold on to its position as the second-largest crude steel producer.

In its latest data, worldsteel said crude steel production dropped three per cent in December compared with the same month a year ago to 157.8 mt, with China, Turkey and Brazil being the main drags.

Signs of recovery

China has been a major spoilsport in keeping crude steel output on leash in 2021.

Top 10 steel producers

Country	2021 output	% rise drop vs 2020
China	1,032.80	-3.0
India	118.10	17.8
Japan	96.30	14.9
US	86.00	18.3
Russia	76.00	Jun 1
South Korea	70.60	5.2
Turkey	40.40	12.7
Germany	40.10	12.3
Brazil	36.00	14.7
Iran	28.50	-1.8

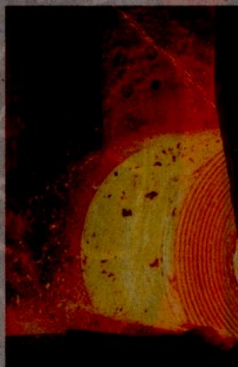
Source: World Steel Association; Figures in million tonnes

Beijing saw its production drop for the sixth consecutive month, though the 6.8 output decline was a sign of things returning near normalcy compared with the 22 per cent dip seen in November and 23.8 in October.

Chinese steel production recovery is reflected in the steel prices that have gained nearly three per cent since the beginning of this year. On Thursday, a steel rebar was quoted at 4,731

Chinese yuan (\$725.27) a tonne.

Other commodities related to the steel sector, such as iron ore and coking coal, have also gained handsomely since the beginning of 2021. Iron ore for March delivery on Dalian Commodity Exchange was quoted at 780 yuan (\$122.8) a tonne, up 14 per cent year-to-date, while coking coal, which has gained about 30 per cent, on the same exchange for delivery in March was ruling at 2,349 yuan



(\$370.5) a tonne. Overall, China produced 1,032.8 mt of crude steel in 2021, which was three per cent lower than 2020. In December 2021, its output shrunk to 86.2 mt.

India output up

India emerged as the second-largest producer in 2021, with its output rising by 17.8 per cent to 118.1 mt. In December, India's crude steel production increased 0.9 per cent to 10.4 mt.

Japan was the third-largest producer, with its output rising nearly 15 per cent in 2021 to 96.3 mt. In December, its production increased 5.4 per cent to 7.9 mt. The US was the next largest producer. Its crude steel output was up 18.3 per cent at 86 mt. In December, its production increased 11.9 per cent to 7.2 mt.

Last month, Turkey's crude steel production slipped 2.3 per cent to 3.3 mt, while Brazil's output declined by 11.4 per cent to 2.6 per cent.

THE ECONOMIC TIMES DATE : 31/1/2022 P.N.8

India's Coal Imports Decline by 22.5% to 15.8 MT in November

PTI

New Delhi: The country's coal imports declined by 22.5% to 15.78 million tonnes (MT) in November 2021 compared to 20.35 MT in the same month of last year. "India's coal and coke imports during November 2021 through the major and non-major ports are estimated to have decreased by 22.5% over November 2020," Mjunction services said.

Mjunction — a joint venture between Tata Steel and SAIL —

is a B2B e-commerce company and also publishes research reports on coal and steel verticals.

On a month-on-month basis, coal imports in November 2021 increased marginally by 0.21% as against 15.75 MT imported in October 2021, it said.

Of the total imports, non-coking coal import was at 8.93 MT against 13.77 MT in November last year. Coking coal imports were at 4.90 MT, up against 4.28 MT imported in November 2020.

During April-November period of the current fiscal, total



coal and coke import stood at 138.87 MT, about 1.25% higher than 137.16 MT imported during April-November 2020.

During April-November period of FY22, non-coking coal import was at 88.47 MT as compared to 91.44 MT imported during April-November period of the last fiscal. Coking coal import was recorded at 35.40 MT, higher than 28.18 MT imported during April-November period of the last fiscal.

Commenting on the coal import trend, Vinaya Varma, MD and CEO, Mjunction, said, "As per expectation, India's import demand was subdued as the festive season was over and domestic supplies improved. Hence, there was not much impact of the softening of seaborne prices on volumes imported. This trend is likely to continue in the coming month as well."