



खनिज समाचार

KHANIJ SAMACHAR

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KHANIJ SAMACHAR



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Trend turning favourable

BULLION CUES. Silver appears more bullish now

Akhil Nallamuthu
bl. research bureau

The fall in US inflation triggered a sell-off in the dollar leading to a rally in precious metals. While gold rallied nearly 1.6 per cent, silver surged 7.8 per cent to end at \$1,955 and \$24.9 per ounce respectively.

Similarly, on MCX, gold futures was up 1 per cent as it ended the week at ₹59,316 per 10 gram. Silver futures gained 6.5 per cent to close at ₹75,968 per kg on Friday.

MCX-GOLD (₹59,316)

Gold futures (August series) looks up but faces resistance between ₹59,400 and ₹59,600.

A breach of ₹59,600 can lead to a rally to ₹62,000. Supports are at ₹58,600 and ₹57,750.

Trade strategy: The trend is turning bullish. However, there is a resistance nearby and the stop-loss for the short position (initiated at ₹58,600) is at ₹59,600. The stop-loss is not far from the current level. So, retain the short position.

When the contract slips below ₹58,600, tighten the stop-loss to ₹59,200. On a fall to ₹56,800, exit half of the short positions and tighten the stop-loss to ₹57,600. Liquidate the leftover at ₹55,800.

But in case the stop-loss of



GETTY IMAGES/ISTOCKPHOTO

shorts at ₹59,600 is hit, and the contract decisively breaches ₹59,600, go long on gold futures with stop-loss at ₹58,600.

When the contract rallies past ₹60,500, modify the stop-loss to ₹59,800. Tighten the stop-loss to ₹61,000 when the price touches ₹61,500. Exit at ₹61,800.

MCX-SILVER (₹75,968)

Silver futures (September contract) rallied sharply and closed above ₹75,000. But ₹76,000 is a resistance against which it might see some moderation in prices.

In such a case, the contract could retest ₹73,700, a support. Subsequent support is at ₹72,500. On the other hand, notable resistances can be spotted at ₹77,500 and ₹79,000.

Trade strategy: The stop-loss of shorts at ₹73,000 was hit last week. Risk-reward is unfavourable for fresh trades at this juncture. So, stay out for now.

THE ECONOMIC TIMES | NAGPUR | SUNDAY | 16 JULY 2023 | WWW.ECONOMICTIMES.COM

**Lijee Phillip &
Shantanu Nandan Sharma**

Lithium is the new gold. This soft, silvery white metal is essential for a range of products—from batteries of electric vehicles, mobile phones and laptops to hydrogen fuel storage, air conditioning systems and pharmaceuticals. Even though a vast array of industries hinges on this single metal, India does not produce even a kilogram of it. Recently, India announced the discovery of 5.9 million tonnes of lithium reserves in Jammu and Kashmir and the government is contemplating amending laws to pave the way for private miners to dig it up. But that may take a while.

For now, India imports lithium, and it relies mainly on China and Hong Kong. China accounted for 73% of India's imports of lithium-ion—which is used in batteries—in 2020-21. Add Hong Kong and India's import reliance on them shot up to a staggering 96%.

Besides lithium, there are several critical minerals such as cobalt, nickel, vanadium, niobium, germanium, rhenium, tantalum and strontium, which India imports entirely. Then there are others such as copper, gallium, graphite, phosphorus, potash, tin, titanium and tungsten, which carry high economic significance as well as supply risks.

All these metals have figured on the Government of India's recent list of 30 critical minerals, which are instrumental to the country's economic growth and national security. India Inc has applauded the move but wants a definitive policy that lays down guidelines for private engagement and which incentivises it to mine and process them.

Demand for some of these metals is set to zoom and even a small disruption in their supply chains will cripple industries such as high-tech electronics, telecommunications, transport and defence. According to industry estimates, the demand for lithium and cobalt, for example, may grow by 42 and 25 times respectively between 2020 and 2040.

Tarun Mehta, CEO of Ather Energy, says the government has taken the first step towards de-risking supply chains and it should incentivise industries to mine and refine the metals. "Bringing parts of the value chain to the country will make EV batteries cheaper and help develop EV adoption across the country," says Mehta. Ather Energy is an electric two-wheeler manufacturer with production facilities in Bengaluru and Hosur.

Vivek Srivastava, CEO of solar module manufacturer Waaree Energies, says "it is alarming" how the processing of many such metals is concentrated in certain geographies, with China having a significant presence across the board. "The current supply and investment plans are inadequate to service the transformation of India's energy sector, which could possibly lead to delays in transition," he says. The world is still relying on fossil fuels as three-fourths of energy supply come from oil, coal and natural gas, but once it shifts gears towards low-carbon technologies such as solar and wind, many critical minerals will play a crucial role.

While more and more nations are enthusiastic about a low-carbon regime, there is also a realisation

WHO WANTS THE PRECIOUS MINE?

India Inc is seeking incentives for mining and processing the 30 critical minerals that the Centre has identified as crucial for economic growth and national security

According to estimates, demand for lithium and cobalt may grow by 42 and 25 times respectively, between 2020 and 2040

tion that the landscape of new energy minerals is tilted in favour of a handful of countries. Bolivia houses the world's largest deposits of lithium, although it has not mined the metal yet. Nearly half the world's lithium is mined in Australia. A report titled "Addressing Vulnerabilities in the Supply Chain of Critical Minerals" published in April and authored by multiple agencies, including the Council on Energy, Environment and Water (CEEW), says China accounts for the production of 79% natural graphite, a mineral used in batteries, lubricants, fuel cells, et al. India houses about 9 million tonnes of graphite of which only a small portion has been mined so far.

Globally, the CEEW report says, only 15 countries are home to at least 55% (up to 90% in certain cases) of seven minerals—cobalt, copper, graphite, lithium, manganese, nickel and rare earth element (REE). These countries are Australia, Brazil, Chile, China, Congo, Gabon, Indonesia, Madagascar, Mozambique, New Caledonia, Peru, Philippines, Russia, South Africa and the US. Each of these minerals is of immense value to new-age industries. Cobalt is used for battery electrodes, turbine engine components and automobile airbags, while nickel is an im-

por-

aerospace and defence applications and EVs. India imports both these items. Clearly, an energy transition could be turbulent for countries like India which don't figure on the critical minerals map. India has to either explore new deposits or ensure a guaranteed supply from foreign locations despite turbulent and changing geopolitics.

Economist Pronab Sen argues that, meanwhile, India should consider stockpiling some critical materials. "If we do that, we have to figure out how much we should stockpile and over what period of time. After all, such a move will require a whole lot of investments," he says, insisting that the research community must play a big role in finding alternative metals and processes.

MORE ONE

Rishabh Jain, senior programme lead of CEEW, says India must chart a path on how to use these minerals, right from mining to end-use value chains, which will create jobs and help the economy grow further. He says the government should also periodically calibrate the list of 30 minerals on the basis of priorities and geo-political dynamics.

This means the government has to institutionalise a mechanism. According to Srivastava of W a r e e Energy, the government should set up a task force to look into the entire chain, from identifying reserves to production and processing. Several countries are emphasising on the processing part. China, for example, dominates in processing rather than in producing many minerals. Srivastava adds. Europe is also fast learning the trick. Though Congo accounts for 70% of global cobalt production, Finland, Belgium and Norway are leading in the production of refined cobalt, a processed product.

At this juncture, a viability gap funding (VGF), a kind of government subsidy, is needed to localise the processing of minerals, says Randheer Singh, former director of electric mobility at NITI Aayog. "Industry also needs targeted R&D and testing facilities for critical minerals for managing clean energy and EV applications," he adds.

The government and the industry have been upping renewable energy targets. India's EV market is likely to cross 10 million units a year by 2030, up from 1 million in 2022. But that can be possible only if there's no major disruption in the supply of its inputs.

"With the government announcing its target of installing 37 gigawatt (GW) of offshore wind projects by 2030, and onshore wind targets of about 10 GW

Easier and cheaper availability of lithium will reduce the cost of manufacturing battery energy storage systems

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CRITICAL MINERALS WHICH INDIA IMPORTS ENTIRELY

(Data Pertains to 2020)

LITHIUM

Used In: Rechargeable batteries (of phones, computers and EVs), hydrogen fuel storage, military ballistic armour, aircraft, train components
Import Source: Hong Kong, China, Indonesia, Singapore, South Korea

COBALT

Used In: Battery electrodes, turbine engine components, automobile airbags, drying agents for paints
Import Source: China, Belgium, Netherlands, US, Japan

NICKEL

Used In: Jet and combustion engine components, rechargeable batteries (phones, computers, EVs), industrial manufacturing machines
Import Source: Sweden, China, Indonesia, Japan, Philippines

VANADIUM

Used In: Military armour plating, vehicle axles, nuclear reactor components
Import Source: Kuwait, Germany, South Africa, Brazil, Thailand

NIObIUM

Used In: Jet engines, rockets, MRI scanners, oil rigs and pipelines
Import Source: Brazil, Australia, Canada, South Africa, Indonesia

GERMANIUM

Used In: Fibre-optic communication networks, camera and microscope lenses, infrared night vision systems
Import Source: China, South Africa, Australia, France, US

RHENIUM

Used In: Aerospace products, refined petroleum products
Import Source: Russia, UK, Netherlands, South Africa, China

BERYLLIUM

Used In: Computer, electronic and optical products
Import Source: Russia, UK, Netherlands, South Africa, China

TANTALUM

Used In: Capacitors, gas turbine components, missiles and radio communication systems
Import Sources: Australia, Indonesia, South Africa, Malaysia, US

STRONTIUM

Used In: Casting of non-ferrous metals, bike accessories
Import Source: China, US, Russia, Estonia, Slovenia

THE REMAINING 20 CRITICAL MINERALS

ARE antimony, bismuth, copper, gallium, graphite, hafnium, indium, molybdenum, platinum-group elements, phosphorus, potash, rare earth elements, silicon, tellurium, tin, titanium, tungsten, zirconium, selenium and cadmium.

Source: PIB, Ministry of Mines' report, June 2023.

additions per annum till 2028, India will need to boost its wind turbine manufacturing capabilities," says Sumant Sinha, founder and chairman of ReNew, a leading clean energy company. Turbines require rare earth elements.

Lithium is a major input for battery energy storage systems, which can store energy from various sources such as solar and wind. Easier and cheaper availability of lithium will

reduce the cost of manufacturing storage batteries, Sinha adds. Rahul Lamba, CEO of The Energy Company, says more and more of these metals have to be processed in India itself to reduce the final product cost. Lamba, who runs the Bengaluru-based startup that manufactures batteries for EVs, adds that localising the refining process of copper and nickel may reduce the cost of a vehicle by ₹15,000-20,000.

While most of the 30 critical minerals are related to renewable energy and defence industries, two are agri items—phosphorus and potash. "I am not surprised by their inclusion as energy security and food security are the two most critical components for any nation's progress," says former Union agriculture

Copper prices likely to be volatile but may rise in H2

Subramani Ra Mancombu
Chennai

Copper prices will likely be volatile on weak global demand and the US dollar's movement, though they are expected to improve in the second half of 2023.

Hope stems for the red metal — used in construction, power and electric vehicles — from China planning a stimulus package and a drop in production in top producer Chile by 14 per cent year-on-year (YoY) in May.

On the other hand, the Office of the Chief Economist, Australia, has an interesting reference to India, saying its consumption is expected to be strong this year.

CHINESE GROWTH PANGS

"A slower-than-expected rebound in Chinese economic growth, combined with weak construction activity in Western countries, is putting downward pressure on copper prices. Growing demand from the power and EV sectors are key drivers of copper consumption over the outlook period," it said in its "Resources and energy quarterly".

According to the International Copper Study Group (ICSG), the world refined copper balance, based on Chinese apparent usage (excluding changes in bonded/unreported stocks), indicated a preliminary surplus of about 384,000 tonnes in the first four months of 2023.

"The world refined copper balance adjusted for estimated changes in Chinese bonded



Copper demand-supply outlook

	2022	2023 (forecast)	2024 (forecast)
Mine output	21,528	22,205	23,005
Refined metal production	25,270	26,064	26,611
Consumption	25,967	25,790	27,182
Closing stocks	942	1,348	1,595

Source: Office of the Chief Economist, Australia

stocks indicated a market surplus of about 514,000 tonnes," it said.

PRICE FORECAST DOWN

However, the *Trading Economics* website said the combined copper stockpiles across the London Metal Exchange (LME), Shanghai Futures Exchange and COMEX, and Chinese bonded warehouses are down 55 per cent since March at 225,018 tonnes. This level of stockpiles represents a mere three days of global copper consumption in 2022.

Research analysts have lowered their price forecast for copper in 2023 with BMI, a unit of Fitch Solutions, projecting the average annual price at \$8,800 a tonne (against \$9,000 forecast earlier) "on the back

of weak global demand, a consequence of the slowing global economy and Mainland China's service-led recovery".

"Prices have averaged \$8,750.30 in the year to date as of June 19 2023, lower than the average of \$8,788/tonne seen in full-year 2022," the research agency said.

Bank of America Global Research lowered its copper price forecast to \$8,788 (\$9,427).

But the Australian Office of Chief Economist said prices will likely rebound in the second half of 2023. "Chinese policymakers have signalled an intent to maintain growth targets and may stimulate activity to compensate for a weak start to the year. Further, the US dollar may face downward pressure if the US Federal Reserve

pauses its monetary tightening agenda," it said.

Across the whole year, the LME spot price is forecast to average \$8,600 a tonne. "Demand will be a stronger driver of price than supply over the year, with risks skewed to the downside if the Chinese recovery stalls, or major economies experience a hard landing," the Australian office said.

BMI supported this view saying, "Our forecast of \$8,800 for 2023 means we expect prices to see a slight jump in the short term, but remain under significant pressure as weak demand hammers prices." Nevertheless, prices will remain elevated relative to pre-pandemic levels, supported by tightening exchange inventories and a slightly weaker dollar, BMI said.

Currently, copper for cash is quoted at \$8,371 a tonne and the three-month contract at \$8,388 on the LME.

ING Think, the financial and economical analysis wing of Dutch multinational services firm ING, said in May that copper has been weighed down by a strengthening dollar, which makes copper more expensive for Chinese buyers.

RISE IN CONSUMPTION

"... speculators have been decreasing their bullish LME copper bets — the net-long position is now the least bullish in more than 19 weeks at 38,416, as weekly exchange data on futures and options show," it said. Hope for higher demand from China has now faded with recent disappointing data showing a mixed picture for the world's biggest consumer

of copper, ING said. Chinese SMM News said copper prices are ruling high and demand is weak on the consumption front. Copper prices are expected to be highly volatile before "the rate hike resolution is executed", it said.

BMI forecast global copper consumption growth to rise in 2023 by 2.4 per cent to 27 million tonnes (mt), amid an uneven economic recovery in Mainland China and a drag from other economies. "We note that the green energy transition will partially offset this downside pressure," it said.

UNLIKELY TO SEE 2022 HIGHS

The Australian Office of the Chief Economist said global refined copper consumption is forecast to grow to 26 mt in 2023 — an increase of 1.5 per cent year-on-year. "Copper consumption is expected to increase throughout the year, though downside risks associated with softening global growth are apparent," it said.

ICSG said refined copper usage increased three per cent in the first four months with refined copper production increasing by 8 per cent.

BMI said though prices will likely improve from current levels in the second half of 2023, it does not expect a return to the highs seen in 2022 as China's real estate sector remains in doldrums.

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ग्राउंड रिपोर्ट • मानसून में रेत खनन से उत्तरखंड की नदियों के मार्ग बदलने की आशंका 130 करोड़ के राजस्व के लिए 4 नदियों में खनन, 12 लाख लोगों के लिए खतरा



गौला नदी में खनन।

मनमीत | देहरादून

मानसूनी गाढ़ से नदी तल रिचार्जिंग... खनन पर रोक जरूरी

उत्तराखंड में भारी बारिश के कारण कई नदियों पर बने पुल टूटने से अब तक 10 से ज्यादा लोगों की मौत हो चुकी है। इस सब के बीच राज्य सरकार ने मानसून के तीन महीनों में कुमाऊँ क्षेत्र की चार नदियों- गौला, शारदा, दापका और कोशी में रेत खनन को मंजूरी दे दी है। जबकि राज्य में साल के नौ महीनों में ही रेत खनन होता है। इस बार सरकार ने लगभग 130 करोड़ रुपए का राजस्व वसूलने के लिए रेत खनन की मंजूरी दी है।

मानसून के दौरान रेत खनन से नदियों के मार्ग बदलने से नुकसान की आशंका रहती है। इन चारों नदियों के किनारे बसे हल्द्वानी और अल्मोड़ा जैसे प्रमुख शहरों सहित लगभग 12 लाख की आबादी पर बाढ़ का खतरा पैदा हो गया है। दरअसल, इन नदियों में मानसून के मौसम में रेत खनन की मंजूरी पाने में जल्दबाजी में कार्रवाई की गई। मुख्यमंत्री पुष्कर सिंह धामी ने हाल में केंद्रीय पर्यावरण मंत्री भूपेंद्र यादव से खनन की मंजूरी को अगले दस

पर्यावरणविद रवि चोपड़ा का कहना है कि मानसूनी गाढ़ (मिट्टी-पत्थर) से नदी तल रिचार्ज होता है। नदी तल से निकाली गई रेत को गाढ़ भर कर रिचार्ज कर देती है। इसलिए मानसून में रेत खनन पर रोक जरूरी होती है।

साल के लिए बढ़वा लिया। इसके बाद मुख्यमंत्री कार्यालय की ओर से जारी बयान के अनुसार रेत खनन की मंजूरी इसलिए मांगी गई क्योंकि राज्य में कई निर्माण कार्य चल रहे हैं। इसके लिए रेत की आवश्यकता है। साथ ही इन नदियों में खनन के काम से लगभग 50 हजार स्थानीय लोग जुड़े हुए हैं। मानसून में खनन को रोकने से ये काम प्रभावित हो जाते। जबकि इन चारों नदियों में इस साल के रेत खनन का कोटा पूरा हो चुका है। इसके बाद भी राजस्व के लिए इसे खोल दिया गया। राज्य में हर नदी में 9 महीने खनन करने से सरकार 100 करोड़ से ज्यादा का राजस्व हासिल करती है।

DAINIK BHASKAR DATE:18/7/2023 P.NO1

कोल ब्लॉक आवंटन मामला

विजय दर्डा समेत छह दोषियों की सजा पर ऐलान 26 को

भास्कर ब्यूरो | नई दिल्ली.

छत्तीसगढ़ में कोल ब्लॉक आवंटन में हुई अनियमितताओं से जुड़े मामले में दिल्ली की राऊज एवेन्यू कोर्ट ने मंगलवार को कांग्रेस के पूर्व राज्यसभा सदस्य विजय दर्डा, उनके बेटे देवेन्द्र दर्डा और पूर्व कोयला सचिव एस सी गुप्ता समेत छह दोषियों को सजा देने के मामले में फैसला सुरक्षित रख लिया है। इस मामले में अब 26 जुलाई को फैसला सुनाया जाएगा।

केंद्रीय जांच ब्यूरो (सीबीआई) ने दोषियों के लिए अधिकतम सजा की मांग की है। सीबीआई ने तर्क

दिया कि दोषियों को स्वास्थ्य समस्याओं का हवाला देकर कम सजा की मांग करने की अनुमति नहीं दी जाना चाहिए, क्योंकि सभी के खिलाफ पर्याप्त सबूत हैं। दूसरी ओर दोषियों की पैरवी कर रहे वकीलों ने कम से कम सजा देने का अनुरोध किया। दोषियों के वकील ने दावा किया है कि मुकदमा पूरा होने में 9 साल लग गए और इस अवधि में आरोपियों को उत्पीड़न का सामना करना पड़ा। उन्होंने अदालत को यह भी बताया कि अधिकारी दिल्ली निवासी थे, जबकि अन्य को परीक्षण के लिए विभिन्न राज्यों से यात्रा करनी पड़ी।

बढ़ी चमक • सॉवरेन गोल्ड बॉन्ड ने तोड़े सारे रिकॉर्ड, सेंसेक्स ने भी बनाया नया लाइफटाइम हाई रिकॉर्ड 7.77 टन गोल्ड बॉन्ड में निवेश

रिकॉर्ड 5,926 रुपए/ग्राम दाम, फिर भी जून सीरीज में 4604 करोड़ का निवेश

बिजनेस संवाददाता | नई दिल्ली

सॉवरेन गोल्ड बॉन्ड की जून में जारी साल की पहली सीरीज ने पिछले सारे रिकॉर्ड तोड़ दिए हैं। अब तक की सबसे ऊंची कीमत 5,926 रुपए प्रति ग्राम के बावजूद रिकॉर्ड 77.69 लाख यूनिट (1 यूनिट में 1 ग्राम) गोल्ड बॉन्ड का सब्सक्रिप्शन हुआ। यानी वर्चुअल तरीके से लोगों ने 7.77 टन सोने में निवेश किया। कीमत के लिहाज से इस सीरीज में 4,604 करोड़ रुपए का गोल्ड बॉन्ड बिका। इससे पहले वित्त वर्ष 2020-21 की पांचवीं सीरीज में सबसे ज्यादा 63.5 लाख यूनिट गोल्ड बॉन्ड सब्सक्राइब हुए थे। दिलचस्प है कि सोमवार को शेयर बाजार भी नए लाइफटाइम हाई पर बंद हुआ।



अब तक गोल्ड बॉन्ड की 64 सीरीज में 110 टन से ज्यादा सोने में निवेश

सॉवरेन गोल्ड बॉन्ड स्कीम 2015-16 में लॉन्च हुई थी। तब से अब तक इसकी 64 सीरीज में कुल 11.04 करोड़ यूनिट सोना बिका है। यानी इस तरीके से सरकार 110 टन से ज्यादा सोना बेच चुकी है। 2015 में जारी पहली किस्त से अब तक सरकार को गोल्ड बॉन्ड की बिक्री से आय 18 गुना बढ़ी है।

बीते साल की पहली सीरीज के मुकाबले इस बार 3 गुना से भी ज्यादा बिका पेपर गोल्ड

सीरीज इश्यू तारीख इश्यू प्राइस सब्सक्रिप्शन

• वित्त वर्ष 2022-23

2022-23- सीरीज 1	28 जून-22	5,091	2.56
2022-23- सीरीज 2	30 जून-22	5,197	3.36
2022-23- सीरीज 3	27 जून-22	5,049	2.81
2022-23- सीरीज 4	14 मार्च-22	5,611	3.53

• वित्त वर्ष 2023-24

2023-24- सीरीज 1	27 जून-23	5,926	7.77
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(इश्यू प्राइस रुपए में, सब्सक्रिप्शन टन में, स्रोत: आरबीआई)

इस साल, 45 लाख निवेशकों को मिल सकता है 125-150% रिटर्न

पहली तीन सीरीज में गोल्ड बॉन्ड के भाव 2,600-2,900 रुपए प्रति ग्राम थे। केडिया एडवाइजरी के डायरेक्टर अजय केडिया के मुताबिक, इस साल सोना 6,5000 रुपए प्रति 10 ग्राम तक जा सकता है। ऐसे में करीब 45 लाख निवेशकों को 125-150% रिटर्न मिल सकता है। सालाना 2.5% ब्याज भी मिला है।

पहली बार 66,500 से ऊपर निकला सेंसेक्स

भास्कर संवाददाता | मुंबई

घरेलू शेयर बाजार में सोमवार को लगातार तीसरे दिन तेजी रही। बैंक और फाइनेंशियल शेयरों में तगड़ी खरीदारी की बदौलत सेंसेक्स 529 अंकों की छलांग लगाकर एक बार फिर 66,590 के नए लाइफटाइम लेवल पर बंद हुआ। निफ्टी भी 147 अंक चढ़कर 19,711 के नए रिकॉर्ड स्तर पर बंद हुआ। ट्रेडिंग के दौरान, सेंसेक्स 595 अंकों की उछाल के साथ 66,656 तक और निफ्टी ने 168 अंकों की तेजी के साथ 19,732 तक गया। एक्सपर्ट्स के मुताबिक, एशियाई बाजारों में मिलेजुले रुख के बीच घरेलू बाजार ने मजबूती दिखाई। पहली तिमाही के लिए कंपनियों के नतीजे बेहतर रहने की उम्मीद इसकी सबसे बड़ी वजह है।

Copper drifts on demand fears after soft Chinese data

Reuters
London

Copper prices retreated on Monday after feeble economic data from top metals consumer China kept a lid on demand expectations.

Three-month copper on the London Metal Exchange (LME) dropped 2.5 per cent to \$8,460 a tonne by 1000 GMT.

Base metals slumped despite a weaker dollar, which hovered around 15-month lows after its biggest weekly drop of the year.

Among other metals, LME aluminium dropped 1.8 per cent to \$2,236.50 a tonne, zinc shed 2.5 per cent to \$2,378, lead retreated 1 per cent to \$2,100.50. Nickel tumbled 3.1 per cent to \$20,955, while tin was down 1.4 per cent at \$28,150.

Copper: Add longs when the price dips to ₹720

Akhil Nallamuthu
bl. research bureau

Copper futures on the Multi Commodity Exchange (MCX) have rallied over the past two weeks. It found support at ₹700 and rebounded in early July. The contract is currently trading around ₹732.

COMMODITY CALL.

The price action appears positive and as it stands, the likelihood of a rally is high.

Potentially, the contract can touch ₹765 in the next few weeks.

However, from the current level of ₹732, there is resistance at ₹742. The contract has dipped on Monday on the back of this hurdle. But this is a corrective fall and may not last long as there are supports at ₹728 and ₹720.

Both 20- and 50-day moving



averages coincide at ₹720, making it a strong support. So, a fall below this level is not likely. Going ahead, we expect the contract to resume the uptrend between the supports at ₹720 and ₹728.

TRADE STRATEGY

Go long when copper futures fall to ₹728. Add more longs if the price softens to ₹720. Place initial stop-loss at ₹710.

When the contract breaks out of ₹742, alter the stop-loss to ₹728. If the contract touches ₹755, tighten the stop-loss further to ₹742. Book profits at ₹765.

Uncertainty looms over iron ore outlook

REBOUNDING, BUT... Prices have recovered from the May slump, but research houses lower rate forecast

Subramani Ra Mancombu
Chennai

Iron ore prices have recovered from the five-month low witnessed in May to top \$110 a tonne for cargoes with a 63.5 per cent iron content for delivery in Tianjin, China, but uncertainty looms over its outlook. This is because of zig-zagging performance of China's steel industry from the start of 2023.

However, most research houses have lowered their forecast for iron ore prices for the remainder of the year. But the market is keeping its fingers crossed over a Chinese stimulus package to support the industry, in general. Currently, iron ore is trading at \$112.48 a tonne.

Recently, China rolled out a monetary policy with the People's Bank of China offering loans and discounts again to support agriculture and small businesses totalling 200 billion yuan (₹28,985 crore).

Trading Economics website said surveyors had reported that China's hot metal pro-

Global iron ore forecast

	2022*	2023**	2024**
AOCE price	103.00	98.00#	82.00#
BMI price	115.00	110.00	90.00
Mine output*	3,127.80	3,213.20	3,281.10

Source: Office of Chief Economist, Australia (AOCE), BMI
*BMI forecast in million tonnes *Estimate **Forecast #Nominal

duction averaged 2.5 million tonnes per day in late June, the highest since October 2020. This suggests that steel mills in the world's top iron ore consumer are returning to full capacity. Similarly, new trade data showed that Beijing's iron ore imports jumped by 7.4 per cent annually in June.

The Australian Office of the Chief Economist said iron ore prices moderated in the June quarter due to slowing global economic growth and an easing in the rate of recovery in Chinese steel production.

"Following a strong rebound in iron ore prices to a peak of over \$120 a tonne in March, the benchmark iron ore spot price (basis 62% Fe fines CFR Qingdao) has since fallen to around \$105-110 a tonne in June 2023," it said.

Research agency, BMI, a unit of Fitch Solutions, said a lacklustre industrial outlook in China has weighed on prices ever since market optimism died down.

H2 STEEL OUTLOOK

"The slowdown has even led to China requesting steel mills to reduce steel production and implementing curbs to 2022 levels, severely restricting iron ore demand in the market," it said.

Analysts at Citi Bank said expectations of policy stimulus could support iron ore in the near-term, especially if potential measures appear to support steel demand.

But it said the uncertainty of China's steel outlook in the second half of 2023 may put pressure on iron ore prices. It maintained its iron ore price forecast at \$100/ tonne for

three months. BMI said it was lowering its price forecast for iron ore to \$110 from \$125. This is in view of a weak rebound in Mainland China's industrial sector putting pressure on sentiments and demand for ferrous metals.

SUPPORTING POLICIES

But the AOCE said the Chinese economy is expected to recover in the second half. "New infrastructure investment — allocated in 2022 — as well as new government policies intended to alleviate weakness in its property sector, are expected to support construction activity. This should lift steel and iron ore demand in China in H2 2023," it said.

Goldman Sachs downgraded its iron ore price forecast to \$90 from \$110 for the current half-year, while Morgan Stanley said the commodity's prices are expected to slide, "just as it did in 2022 when it reached a low of \$80/ tonne in October".

BMI said China's industries face a weaker recovery compared to services and its property sector still

struggles with growth, pressuring iron ore prices. "Manufacturing PMI returned to contractionary territory and signals a bleak outlook for iron ore," it said.

"On the supply side, we expect a steady production level across major producers. Many have posted stronger productions quarter-on-quarter, while production guidance is expected to grow marginally. We expect greenfield mines to grow production over the rest of 2023," the research agency said.

IMPORTS UP 4%

AOCE said China's iron ore imports from Australia increased by 4.0 per cent year-on-year in May 2023 — the 13th consecutive increase since the large fall early last year. "This reflects a pickup in steel demand, which is boosting broader iron ore imports to China in H1 2023," it said.

AOCE seconded BMI's views that greenfield supply from established and emerging producers are expected to come online over the next few years.

Overall coal stock position in India grows 34 pc to 103 MT: Coal Ministry

■ Business Bureau

THE overall coal stock position in the country rose 34 per cent to 103 million tonnes (MT) on July 16, an official statement said on Tuesday.

As on July 16, 2023, thermal power plant coal stock stands at 33.46 MT, which is 28 per cent higher compared to the corresponding period of last financial year, the coal ministry said in a statement.

"Coal availability at all locations including pithead coal stock at mine end, stock in transit and TPPs is 103 MT as against 76.85 MT last year, which is 34 per cent higher year-on-year. The ministry is also closely coordinating with all central gencos (generation companies) and state gencos and there is absolutely no shortage of coal for the power sector," it said.



The ministry further said that coal companies have undertaken construction of cemented roads for uninterrupted evacuation from larger mines. Transportation from nine coal mines to railway sidings has been started through mechanised coal handling plants.

Coal production from April 1 to July 16, 2023 stood at 258.57

MT as against 236.69 MT in the same period last year.

Coal despatches to power sector stood at 233 MT as against 224 MT last year.

"The ministries of coal, railways and power are working in close coordination to ensure adequate availability of coal for all the thermal power plants," the statement said.

HIGHER ALUMINIUM prices also expected to boost cos' earnings from this quarter, but analysts warn muted demand from China could weigh

Aluminium Cos Gain as Fall in Coal Price Seen to Boost Profit

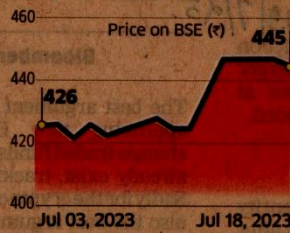
Nikita.Perlwal@timesgroup.com

Mumbai: Shares of aluminum producers have seen sharp gains in the past few sessions as the benefits of a decline in coal costs and an uptick in aluminum prices are seen aiding earnings from the current quarter onwards. National Aluminium Co (Nalco) shares have gained more than 14% in July alone to test its 52-week high earlier this week, while shares of Hindalco have risen more than 8% and are at their highest level in more than six months. Both the shares, though, ended lower on Tuesday. National Aluminium fell 0.3% and Hindalco by 0.5% on Tuesday.

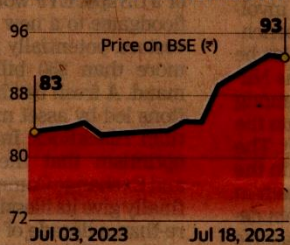
Power costs are about 25-30% of the total expenses for aluminum companies, and the recent reduction in coal prices is expected to boost operating profit. From an all-time high of more than \$450 per tonne last year after Russia's invasion of Ukraine and higher usage by Europe, thermal coal prices are now at their lowest level in more than two years.

"With coal prices where they are now, aluminum companies should do well for a couple of quarters now," said Tushar Chaudhari, research analyst at Prabhudas Lilladher.

Hindalco Industries



National Aluminium



Aluminum companies typically maintain about 45-60 days of inventory for coal, which means that most of their high-cost inventory would be used before the end of the quarter, with some benefits from lower-priced inventory coming in towards the

end of the quarter.

"With fears of recession in developed economies and weak Chinese demand, prices declined below \$100 a tonne. Expectation is that both prices and demand will remain muted in near to medium term due to sluggish China and rising share of renewables across the globe," Chaudhari said.

The prices of aluminum on the London Metal Exchange, which is used as a benchmark, have seen a spike last week, but analysts said that gains were unlikely to sustain given the weak demand outlook, particularly from China.

Experts, though, said that the current valuations of aluminum companies are attractive, and that one can consider accumulating shares at current levels. They prefer Hindalco over Nalco given that Hindalco has a higher presence of value-added products through its subsidiaries and is less prone to volatilities linked to LME prices.

These companies are yet to announce earnings for the June quarter, and ICICI Securities sees a thermal coal inventory impacting Hindalco, while Nalco is seen benefitting from the commencement of operations at Utkal-D coal block.

NLC India plans entry into critical mineral exploration, coal gasification

Rishi Ranjan Kala
New Delhi

Lignite miner NLC India is mulling to enter into exploration of critical minerals such as lithium as well as eyeing to foray into coal gasification and further expand its battery energy storage systems (BESS) offerings as the state-run company aims to expand its revenue streams.

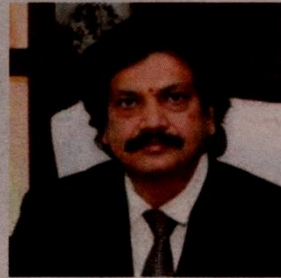
"As of now, it is coal and lignite, but seeing the scenario in the mines and minerals space, with the mining experience that we have, we can diversify and go to mining of other precious minerals also. In the coming days, these minerals will play an important role in a country's economy," NLC India CMD M Prasanna Kumar told *businessline* about the PSU's expansion plans.

Talking about his visit to Australia for the World Mining Congress 2023 in Brisbane last month, Kumar said this time focus on the elements required for battery storage such as Lithium, Cobalt, Palladium, Nickel, etc. The focus of the World Mining Congress was on the exploration of these minerals.

"My visit to the congress was mainly to learn about the latest technologies in the coal and lignite sector. For instance, we explored the possibility of briquetting of lignite. But, during the process we came to know that the focus is on exploration of minerals. So, we have been thinking that we can diversify in that direction," he added.

REVENUE STREAMS

One is the exploration of minerals, Kumar added that the other avenue is coal gasification, which India is also trying



Prasanna Kumar, CMD, NLC India

to expand. "We have a target of 100 million tonnes production by 2030. That is also an area where we can have technology collaboration with Australia," the NLC India Chief said.

The PSU miner is also upbeat out BESS and pumped storage systems (PSPs).

"NLC India is the first PSU that installed BSS at Andaman and Nicobar, about four or five years back. Before that they were getting diesel generated

power that was disturbing the environment and ecology to a great extent. With the set up of our 20 MW plant along with 8 MW BSS capacity, the utilisation of RE, the environment in Andaman Nicobar improved a lot," he noted.

Now they are requesting NLC India to add another 20 MW hour of battery storage system. Currently, the company is in discussions with them to install this capacity.

"The only thing to consider here is the cost, which is on the higher side. So, we are watching the market and whenever the battery storage tenders come, we will certainly participate in that. Now, we are also initiating PSPs on pilot scale in our mine voids of small scale capacity to prove the technology and to ensure that we are into the storage business also," Kumar explained.

Coal Ministry extends last date for registration under Star Rating policy

NEW DELHI, July 19 (PTI)

THE last date for registration of coal and lignite mines under Star Rating programme has been extended until July 25, an official statement said.

The Government's Star Rating policy aims to evaluate mines based on various factors across seven key parameters namely, mining operations, environment-related parameters, adoption of technologies, best mining practices, economic performance, rehabilitation & resettlement, worker-related compliance and safety & security.

ty & security.

"Extended the last date for registration and self-evaluation for Star Rating of coal and lignite mines from 15th July to 25th July 2023. In an effort to facilitate greater participation and ensure accurate self-evaluation," the Ministry of Coal said in a statement.

On May 30, 2023, a notification was issued for the registration of all coal and lignite mines for the Star Rating of the financial year 2022-23. Following this, the Star Rating portal became accessible for registration from June 1, 2023.

BUSINESS LINE DATE:21/7/2023 P.NO8

Zinc futures: Buy around ₹214, stop loss at ₹208

Akhil Nallamuthu
bl. research bureau

In a decline over the past week, zinc futures on the Multi Commodity Exchange (MCX) have now found support at ₹212. A rising trend-line support coincides at this level, making it a strong one.

Immediately below ₹212 is another support at ₹210. Therefore, the price band of ₹210-212 is a good base, which the bulls can bank on to turn the tide in their favour.

COMMODITY CALL.

We expect zinc futures to bounce off this level in the upcoming sessions. Currently trading at around ₹214, the contract has its immediate notable resistance at ₹222. Subsequent resistance is at ₹230.

On the other hand, if the



support at ₹210 fails to stop the bears and the price falls below ₹210, it can open the door for a decline to ₹200.

Nevertheless, at the current juncture, the probability of a rally is high. Hence, traders can consider fresh long positions.

TRADE STRATEGY

Buy zinc futures now at around ₹214 and add longs if the price moderates to ₹212. Keep stop-loss initially at ₹208.

When the contract touches ₹220, tighten the stop-loss to ₹216. Book profits at ₹222.

Mining will destroy two sacred sites of adivasis: Activist

► Continued from P 1

Responding to the complaint, the MoEFCC on July 19, wrote to the principal secretary (forest), Maharashtra, requesting to stop granting of forest clearance to the manganese mine in the tiger corridor and sought action in the matter with an intimation to the MoEFCC. The forest clearance proposal is pending with the state government.

TOI has already reported that there are no chances of getting enough manganese ore

in Guguldoh near Ramtek.

Yet, the directorate of geology and mining (DGM) released the block for auction inviting a huge ecological disaster for people and tigers. The mining ministry is with chief minister Eknath Shinde.

An exploration report carried out by Geological Survey of India (GSI) in 1999-2001 in Guguldoh block to assess the manganese ore reserves reveals that chances of getting ore zone beyond the quarries are remote. It is suggested that no further exploration in this area is required as mining in the early 70s has already exploited huge quantities of ore.

"Ramtek is a tribal-dominated area. The proposed mining site

has two sacred temples 'Kejbaraja' and 'Bhajimokasya' revered by the Adivasis. Mining will destroy both these places of worship and will create a law and order problem. The proposal was also opposed tooth and nail by the local people in the public hearing held on July 10," said social worker Udaysingh aka Gajju Yadav.

Yadav said the company is spreading misinformation among the people that the mine will create large-scale employment but after going through their official documents submitted to the

NEVER MINE

MPCB, only 40 temporary jobs will be created. "These jobs will be in the form of skilled labor," he said.

"More than cost-benefit, the project will heap huge environmental loss by felling lakhs of trees and causing air and noise pollution. The mine will destroy homes for Schedule I animals residing in the proposed mining area," says Gaurav Agrawal, working to save green cover in Ramtek.

The Guguldoh mine, 60km from Nagpur, is situated in 105 hectares out of which nearly 100 hectares is a rich forest having presence of tigers, leopards, sloth bears, pangolins, and herbivores. Moreover, it is a tiger corridor between Pench-NNTR.

Hindustan Zinc Q1 net profit dips 36% on lower realisation

Our Bureau
Mumbai

Hindustan Zinc's net profit in the June quarter was down 36 per cent at ₹1,964 crore, against the ₹3,092 crore logged in the same period last year, largely due to lower realisation.

Revenue was down 23 per cent at ₹7,111 crore (₹9,236 crore) as income from zinc and lead fell to ₹5,674 crore (₹8,066 crore), while that of silver increased to ₹1,298 crore (₹1,109 crore). Wind energy revenue was down at ₹49 crore (₹61 crore).

Zinc production cost before royalty in the quarter was \$1,194 (₹98,103) a tonne, down over 6 per cent due to lower coal and input commodity prices and better domestic coal (linkage) availability, further supported by better grades and operational efficiencies, said the company.

EBITDA in the quarter at ₹3,359 crore was down 36 per cent y-o-y on account of lower zinc and lead LME prices,



which was partly offset by lower costs and better silver prices.

As on June-end, the company has reserves of ₹9,709 crore, against ₹10,061 crore in the March quarter. Total borrowings outstanding as of June quarter was ₹9,330 crore.

In this fiscal, the company expects mined metal production of 1,075-1,100 kt, and refined metal production in the range of 1,050 kt to 1,075 kt.

Saleable silver production is projected to be between 725 tonnes and 750 tonnes, it said. Zinc cost of production in FY24 is expected to be between \$1,125 and \$1,175 a tonne.

CEO Sunil Duggal's tenure ends on Jul 31; HZL CEO named additional director **Vedanta Q1 Net Falls Over 40% on Lower Income**

Press Trust of India

New Delhi: Vedanta on Friday reported a 40.84% fall in its consolidated net profit to ₹3,308 crore in the April-June quarter, dragged by lower income.

Its "profit after tax before share in profit/ (loss) of jointly controlled entities and associates" was at ₹5,592 crore in the same period of 2022-23, Vedanta said in a BSE filing.

However, on a quarter-on-quarter basis, the company's net profit was 5.61% higher over ₹3,132 crore in the January-March quarter. The company's total income also fell to ₹34,279 crore from ₹39,355 crore in the year-ago period. Its expenses were at ₹31,973 crore as against ₹32,095 crore a year ago.

The company further said Sunil Duggal completes his tenure as the whole-time director and CEO of the company effective close of business hours on July

31, 2023.

On the recommendation of the Nomination and Remuneration Committee, the company has considered and approved the appointment of Arun Misra as an additional director designated as an executive director effective August 1, 2023, to May 31, 2025 subject to the approval of the shareholders, Vedanta said.

Misra is the CEO of Vedanta subsidiary Hindustan Zinc.

In a separate statement, Sunil Duggal, CEO Vedanta, said, "We have delivered ₹6,975 crore in Ebitda this quarter, with an operating margin of 24% and PAT of ₹3,308 crore, marking a 6% increase sequentially. "As we continue to move forward, we remain committed to achieving operational excellence and enhancing our competitiveness. We are determined to lead the charge towards a more sustainable and responsible tomorrow."

In the first quarter the finance cost was at ₹2,110 crore, as compared to ₹1,206 crore in Q1 FY23 and ₹1,805 crore in Q4 FY23, mainly due to increase in blended cost of borrowings.

On a sequential basis, the net profit rose by 5.61%

INDIAN EXPRESS DATE:23/7/2023 P.NO9

'India's coal production grows 8.55% in Apr-Jun'

Import prices for coal have plummeted by over 60% in the first quarter of FY24, the Ministry of Coal said



IMPORT PRICES for coal have plummeted by over 60% in the first quarter of FY24, the Ministry of Coal said

16.76%

Coal imports increase in April-May 2023

1,012 mn tonnes

India's coal production target for FY2023-24

APRIL-JUNE OUTPUT:

FY24	223.36 mn tonnes
FY23	205.76 mn tonnes

Coal India Limited registered 175.48 MT production between April and June 2023

"India's achievement in coal production reflects the concerted efforts of the coal industry and its commitment to meeting the growing energy needs of the nation"

THE COAL MINISTRY SAID

Source: PTI

२,९८७ ब्रास मुरमाची चोरी; २.४९ कोटींचा दंड कोंढाळी परिसरात अवैध मुरुम खोदकाम : काटोलच्या तहसीलदारांचा दणका

लोकमत न्यूज नेटवर्क
कोंढाळी : नागपूर-अमरावती राष्ट्रीय महामार्गावर कोंढाळी (ता. काटोल) लगतच्या हरदोली शिवारातील एका शेतातील अवैधरीत्या मुरुमाचे खोदकाम करण्यात आल्याचे तसेच येथून किमान २,९८७ ब्रास मुरुमाची चोरी करण्यात आल्याचे चौकशीत स्पष्ट झाले.

याप्रकरणी तहसीलदार राजू रणवीर यांनी दोषींवर तब्बल २ कोटी ४९ लाख ९४ हजार ७०० रुपये दंड ठोठावला



आहे. गौण खनिज चोरी प्रमाणात एवढ्या मोठ्या प्रमाणात दंड ठोठावण्याची काटोल तालुक्यातील ही पहिलीच वेळ होय.

हे खोदकाम सप्टेंबर ते नोव्हेंबर

२०२२ च्या दरम्यान करण्यात आले होते. काटोल तालुक्यातील हरदोली (पटवारी हलका क्रमांक-६७) शिवारातील सर्व्हे क्रमांक-०९ या ०३.०७ हेक्टर आर शेतातून पोकलेन मशीनद्वारे मुरुमाचे अवैध खोदकाम करून टिप्परद्वारे वाहून नेण्यात आले. विशेष म्हणजे, या मुरुमाच्या खोदकाम आणि वाहतुकीची संबंधितांना महसूल विभागाकडून पूर्वपरवानगी घेतली नव्हती.

खडे बुजवून केले सपाटीकरण -वृत्त/२

दोघांविरुद्ध दंडात्मक कारवाई

१ या मुरुमाचे अवैध खोदकाम तेजंदर बलबिल रेणू व नाशिक काशीनाथ शामकुंवर दोघेही (रा. नागपूर) यांनी केलेल्या उपअधीक्षक भूमिअभिलेख काटोल यांनी केलेल्या मोजणी अहवाल, मोका चौकशी अहवाल व दाखल दस्तावेज पडताळणीवरून स्पष्ट झाले आहे. या मुरुमाच्या विनारोयल्टी खोदकामासोबतच वाहतुकीसही याच दोघांना जबाबदार धरण्यात आले आहे.

२ त्यामुळे त्या दोघांवर महाराष्ट्र जमीन महसूल अधिनियम १९६६ चे कलम ४८(७) नुसार २,९८७ ब्रास मुरुमाचे अवैध उत्खनन केल्याप्रकरणी २ कोटी २४ लाख २ हजार ५०० रुपयांचा दंड आणि त्याचा १७ लाख ९२ हजार २०० रुपयांचा अधिकार शुल्क असा एकूण २ कोटी ४९ लाख ९४ हजार ७०० रुपयांचा दंड ठोठावून हा दंड सरकारी तिजोरीत जमा करण्याचे आदेश देण्यात आले आहे.

DEBT REPAYMENT a worry with weak Q1 at Vedanta Ltd; parent eyes brand fees to pay off creditors

Vedanta Resources' Bonds Decline on Profit Drop at India-listed Arm

Shilpy.Sinha@timesgroup.com

Mumbai: Vedanta Resources' bonds fell a couple of points as its India-listed operating company Vedanta Limited reported a 35% drop in operating profit (Ebitda) during the first quarter of FY24.

Vedanta Resources (VRL), which is staring at a rating action by S&P Global in the absence of a credible refinancing plan by July-end for its \$1 billion bonds, on Friday informed investors that the brand fee, which is at 3% of the annual revenue of Vedanta Limited (VDL) fixed for six years and can be reviewed periodically and can be increased to 5% without shareholder approval.

VRL's 6.125% \$1 billion bond due August 2024, was at 64/66 cents on the dollar down from 67/68 cents while the \$1 billion 13.875% bond due January 2024 was trading at 87 cents down from 88/89, according to a bond trader.

After the earnings announcement, Nomura in its report suggested a "liability management exercise" to extend debt maturity across

dollar bond tranches due to the current weak commodity prices, as handling approximately \$3 billion in external debt maturing in FY25 would be challenging.

While the recent rise in brand fees to 3% from 2% levels has strengthened VRL's financial position, the brand fees of 2% from Hindustan Zinc (HZL) to VDL, with 1.7% passed through as a sub-licensing fee to VRL, could mean VRL has collected attributable brand fees of around \$400 million through VDL and HZL, Nomura said in its report.

The report said that while VRL's medium-term dividend upstreaming ability has been affected by weak commodity prices, its near-term repayment ability on addressing the \$1 billion 13.875% bond due January 2024 relies on additional loan raising efforts from commodities trading companies like Glencore/Trafigura and bank lenders before the debt maturity.



The company might also consider potential monetisation on brand fee securitisation. However, Nomura said that any potential asset sale of its iron and steel business is unlikely to address the near-term liquidity as it takes 3-6 months to complete the whole evaluation process before the sale.

Some existing lenders including Standard Chartered Bank and JP Morgan have reached out to VRL to lend \$1 billion against the future brand fee receivables and retire near-term debt. Over the period of six years, the company can earn a brand fee of \$2.4 billion in all and

this can enable it to meet its debt obligations in advance.

The spokespersons of Standard Chartered Bank and JP Morgan did not immediately respond to a request for comment.

Separately, the group is also awaiting the Rajasthan High Court's decision on the conversion of the general reserve to retained earnings in the balance sheet of HZL. This can potentially help it to upstream over \$650 million to VRL. Further, VRL is exploring raising funds by pledging shares of VDL. Also, as reported earlier, it is also looking to divest ESL Steel, which can help in meeting debt repayments.

The company's chief financial officer Sonal Shrivastava in a press statement on Monday said that record production levels helped deliver an Ebitda of \$4.4 billion (₹35,241 crore) and free cash flow (pre-capex) of \$3.5 billion (₹28,068 crore) in FY23. "As the global commodities market is recovering, we expect top line and margins to improve further and are confident of meeting all its upcoming maturities of \$2.7 billion (₹22,000 crore) in FY24," she said.

Start mining at Baranj in Chanda: Ahir to KPCL

■ National Commission for Backward Classes hold hearing at Divisional Commissionerate

■ Staff Reporter

KARNATAKA Power Corporation Limited (KPCL) should immediately implement the agreement signed between Maharashtra and Karnataka Governments regarding the start of a coal mining project at Baranj in Chandrapur district. At the same time, the management of KPCL should also provide relief to the project-affected persons. The said directions were issued on Monday by Hansraj Ahir, Chairman, National Commission for Backward Classes.

A hearing was held under the Chairmanship of Ahir at Divisional Commissionerate. Divisional Commissioner Vijayalakshmi Bidari scheduled a hearing on the issues relating to KPCL.

Chandrapur district is well-known for mineral resources, particularly coal, that is found in abundant quantity. The proj-



Hansraj Ahir issuing directions during the meeting held on issues relating to KPCL at Divisional Commissionerate on Monday.

ect is in limbo since quite a long period and hence Ahir -- who hails from Chandrapur -- organised the hearing.

Ahir explained that the Commission is conducting the hearing as the majority of Baranj project PAPs are from backward classes. On this occasion, the implementation to be done by KPCL for the project victims as per the 2008 agreement was reviewed. According to this, 50 per cent of the acquired land should be returned after seven years or one-time compensation is to be provided. Similarly, 804 of the 1393 project victims who lost their agricultural land, immediate employment or one-time compensation is to be provided.

On the issue of giving minimum wage to the workers, the

workers and the company administration should hold a meeting with the Assistant Labour Commissioner and accept his decision. The company will establish a ITI to provide skill training to the project beneficiaries. An amount of Rs 50 lakhs with interest or as an alternative to provide funds for training the families of the project affected in Central Government's newly started SIPET (Central Institute of Plastic Engineering and Technology) Institute or Government Industrial Training Institute at Chandrapur should be chosen by the company. Instructions were given on this occasion to take immediate decision regarding compassionate appointment, payment of arrears of contractors, purchase

of remaining land by the company as per contract in Chichodi village. It was decided to take a decision at the ministerial level on the matter of returning the land after the completion of the entire mining operation.

The matter relating to mining industry of Reliance Cement Company (RCCPL) in Chandrapur district was also discussed on this occasion. Ahir said that in accordance with the Land Acquisition Act-2013, fair compensation should be paid to the farmers and also to ensure that the PESA Act is not violated.

Rajeev Ranjan, Secretary, National Commission for Backward Classes; Rajesh Kumar, Advisor; Vinay Gowda, Collector, Chandrapur; Pankaj Kumar, Managing Director, KPCL, attended the meet. Apart from them,

Additional Collector Shrikant Deshpande, Deputy Commissioner Pradeep Kulkarni, Deputy Collector (Rehabilitation) Atul Jatale, District Mining Officer Suresh Naitam and other related officials, project affected farmers, workers and contractors of KPCL were also present.

लिथियम की नीलामी में भाग लेगा हिंदुस्तान जिंक

■ दिल्ली, एजेंसियां. हिंदुस्तान जिंक लिमिटेड (एचजेडएल) लिथियम की नीलामी में भाग लेने की इच्छुक है. कंपनी के मुख्य कार्यालय अधिकारी (सीईओ) अरुण मिश्रा ने यह जानकारी दी है. भारत में पहली बार जम्मू-कश्मीर (जेएंडके) के रियासी जिले के सलाल-हैमना क्षेत्रों में लगभग 59 लाख टन लिथियम भंडार की पहचान की गई है. इस भंडार की नीलामी दिसंबर में होने की संभावना है. इस संबंध में जम्मू-कश्मीर प्रशासन एक लेन-देन सलाहकार नियुक्त करने वाला है. मिश्रा ने लिथियम भंडार हासिल करने की योजना के बारे में कहा कि बिल्कुल, क्यों नहीं? हिंदुस्तान जिंक पहले से ही मूल धातु क्षेत्र में है. जो भी लिथियम संपत्ति मिलेगी वह रणनीतिक हित में होगी. सीईओ ने आगे कहा कि चूंकि मूल धातुएं हमारी (कंपनी की) रुचि का क्षेत्र हैं और लिथियम उनमें से एक है, इसलिए हम नये अवसरों की खोज करने के लिए तैयार हैं, क्योंकि ऐसी धातुओं का भविष्य है. उन्होंने कहा कि इसलिए एचजेडएल लिथियम भंडार के लिए नीलामी में भाग लेने के लिए तैयार है.

लिथियम एक अलौह धातु है और इलेक्ट्रिक वाहनों (ईवी) में उपयोग की जाने वाली बैटरी के प्रमुख घटकों में से एक है. इस धातु की मांग भारत में तेजी से बढ़ रही है.

Tata Steel Q1 net down 92% as headwinds dent demand

LOSING GRIP. Production, realisations drop with commodity prices on a downturn

Our Bureau
Mumbai

Tata Steel has reported that its net profit in the June quarter plunged to ₹525 crore against ₹7,714 crore logged in the same period last year on the back of lower production and drop in realisations.

Revenue was down 6 per cent at ₹59,490 crore (₹63,430 crore). Expenses increased to ₹58,553 crore (₹51,912 crore).

Consolidated EBITDA was down at ₹6,122 crore (₹15,047 crore), while per tonne EBITDA dipped to ₹8,503 crore (₹22,717 crore).

'GLOBAL HEADWINDS'

Steel production was down at 7.13 million tonne (7.74 mt), while sales volume increased to 7.20 mt (6.62 mt). TV Narendran, Managing

Director, Tata Steel, said global economic recovery continued to face headwinds affecting commodity prices, including steel.

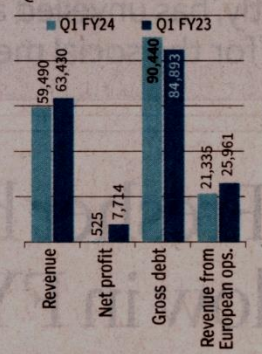
STEEL DEMAND

In India, domestic steel demand continued to grow and was up about 10 per cent on a year-on-year basis, but steel spot prices moderated in line with global cues, he added.

Neelachal Ispat Nigam's production has begun to stabilise and is operating close to rated capacity after 9 months of acquisition. The 5 MTPA expansion at Kalinga Nagar is underway, with facilities getting commissioned in a phased manner, he said.

In the Netherlands, the company is engaged in discussions with technology providers and the government about transitioning to greener steel, said Narendran. Volatility in steel mar-

Q1 scorecard (in ₹ cr)



kets has impacted working capital and cash flows, but the company spent ₹4,089 crore on capital expenditure during the quarter.

Gross debt increased to ₹90,440 crore (₹84,893 crore), while net debt was at ₹71,397 crore.

The group's liquidity position remains strong at ₹30,569 crore, which in-

cludes ₹19,043 crore of cash and equivalents.

NET PROFIT DOWN

On a standalone basis, the company's net profit was down at ₹4,271 crore (₹6,114 crore), while revenue was up marginally at ₹32,342 crore (₹32,021 crore).

Production was down 2 per cent at 4.65 million tonne (4.73 mt), while sales increased to 4.62 mt (3.89 mt).

EBITDA was down at ₹7,514 crore (₹9,582 crore), while EBITDA per tonne dropped to ₹15,651 (₹23,557) in the quarter under review.

Revenue from European operations was down at ₹21,335 crore (₹25,961 crore), while it recorded an EBITDA loss of ₹1,569 crore against positive EBITDA of ₹6,037 crore. EBITDA loss per tonne was ₹7,890 against ₹28,220 logged last year.

Wait for copper futures to decline and go long

Gurumurthy K

bl. research bureau

Copper prices have been declining sharply since Friday last week. The copper futures contract traded on the Multi Commodity Exchange (MCX) rose to a high of ₹739.70 per kg on Thursday and then declined sharply from there. The contract is currently trading at ₹718.

OUTLOOK

The near-term outlook is negative. The 100-day moving average (MA) at ₹740 has been capping the upside for some time now. The contract can fall to ₹707 this week. Thereafter, the price action will need a close watch.

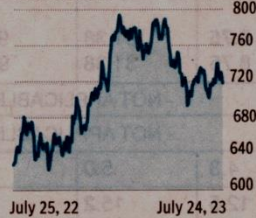
COMMODITY CALL

A bounce from around ₹707 can take the copper futures contract up to ₹730-735 again. But if the contract breaks below ₹707, the downside pressure can increase. In that case, an extended fall to

MCX Copper

Return 14.0%

₹ per kg



₹690-685 can be seen.

The region around ₹740 is a very crucial resistance. The copper futures contract has to rise past ₹740 to become bullish. That looks less probable at the moment. For now, we expect the contract to sustain above ₹707 and see a rise back to ₹730-735.

TRADE STRATEGY

Traders can wait for dips. Go long at ₹712 and ₹708. Keep the stop-loss at ₹702. Trail the stop-loss up to ₹715 as soon as the contract moves up to ₹720. Move the stop-loss further up to ₹722 when the contract rises to ₹726. Exit the long positions at ₹730.

Now, Centre plans to divest in Hind Zinc in small tranches

FOR RIGHT TIME. To wait out the volatility in markets, particularly in metal stocks

Shishir Sinha
Abhishek Law
New Delhi

The Centre is planning to divest shares of Hindustan Zinc in small tranches of 5-7 per cent, instead of larger blocks, and at a "suitable time", said sources aware of the discussions.

It continues to explore available options and has reportedly been advised to wait out the volatility in markets and, particularly, in metal stocks, said a person in the know. Officials aware of the discussions say that it is highly unlikely that large tranches or the entire stake will be let off at one go.

A senior Department of Investment and Public Asset Management (DIPAM) official told *businessline* that the RFP on divestment in Hindustan Zinc mentions that the Government of India intends



PROFIT PLUNGE. Hindustan Zinc's net profit fell 36% in Q1FY24 to ₹1,970 crore due to a 22% drop in y-o-y sales

to disinvest its entire residual shareholding of 29.535 per cent paid-up equity capital of HZL "through SEBI approved methods in the open market in tranches".

"Our position remains the same now too (sale through tranches)," the DIPAM official said.

While Anil Agarwal-owned Vedanta has the majority share-holding in Hindustan Zinc – the country's largest integrated zinc miner and pro-

ducer – of 64.92 per cent; the Centre is the minority shareholder at 29.54 per cent. The remaining is mostly public shareholding. Roadshows for divestment have already been held.

TIMING OF SALE

"The question is on the timing of the offer for sale and the size. In all likelihood, it will be in smaller tranches of 5-7 per cent and not larger chunks; since there is still some con-

cern on the ability of the market to absorb a large number of shares. Considering the market volatility and price movement in metal stocks, it would be ideal to wait for later this year when some recovery is expected," another official said.

Over the last six months, the Hindustan Zinc stock fell from ₹355.15 a piece, on January 24, at the BSE to ₹316.80 a piece on July 24 — down 11 per cent. Earlier this month, the Supreme Court dismissed a plea by Hindustan Zinc's parent company, Vedanta, that sought to direct the Centre to divest its residual stake in the company in the open market.

Hindustan Zinc reported a 36 per cent drop in net profit for Q1FY24 to ₹1,970 crore on account of 22 per cent drop in sales on a y-o-y basis (to ₹7,282 crore). Weak LME prices of zinc and lead were seen as the key reasons for the decline in EBITDA and fall in bottom-line.

लटका दी गई माइनिंग पॉलिसी

DCM को लगाना होगा जोर

■ नागपुर, व्यापार प्रतिनिधि. मिनकॉन का आयोजन अक्टूबर में किया गया था. तब डीसीएम देवेन्द्र फडणवीस ने खुले मंच से 26 जनवरी को माइनिंग पॉलिसी लाने की बात कही थी. जून खत्म हो गया और जुलाई आ गया लेकिन माइनिंग पॉलिसी का कोई अंता-पता नहीं है. डीसीएम ने तब भी काफी सोच-समझकर अधिकारियों को पॉलिसी तैयार करने के लिए टाइम दिया था. इसके बाद भी अधिकारी पॉलिसी तैयार नहीं कर पाए हैं. विदर्भ में खनिज संपदा का अकूत भंडार है. लाखों करोड़ों रुपये का खनिज जमीन के अंदर दबा हुआ है. माइनिंग पॉलिसी से विदर्भ ग्रोथ पथ पर आगे बढ़ सकेगा. विदर्भ को आगे बढ़ता हुआ अधिकारी देखना पसंद नहीं करते यही कारण है कि माइनिंग पॉलिसी की फाइलें भी अधिकारियों ने 'गायब' कर दी हैं. पॉलिसी को जानबूझकर नहीं लाने दिया जा रहा है. जानकारों का कहना है कि 'समय की बर्बादी' ही विदर्भ को पीछे धकेलने के लिए पर्याप्त है. 'न फाइलें देखो और न ही आगे बढ़ाओ' की तर्ज पर अधिकारी काम कर रहे हैं. विदर्भ को विकास पथ पर आगे बढ़ता देखने वाले माइनिंग पॉलिसी का इंतजार भी बेसब्री से कर रहे हैं ताकि बंद पड़ी माइंस को चालू किया जा सके या नई माइन खोल सकें. इससे निवेश और रोजगार दोनों सेक्टर में लाभ होता परंतु अधिकारियों को इसे लेकर कोई परवाह नहीं है.

26 जनवरी को आनी थी, कब लागू होगी किसी को पता नहीं

लाखों करोड़ के अन्य कई खनिज भी शामिल
38,844

करोड़ का मैंगनीज ओर

72,194

करोड़ रुपये का लौह अयस्क

57,183

करोड़ रुपये का लाइमस्टोन



लौह अयस्क के 14 लाइसेंस

14 लाइसेंस में से केवल 3 में काम चालू है और केवल 1 लाइसेंसी उत्पादन कर पा रहा है. 4 लाइसेंस लैप्स हो चुके हैं. असाधारण परिस्थिति के कारण 7 लोग काम को आगे नहीं बढ़ा पाए.



लाइमस्टोन का हो रहा उपयोग

मैंगनीज और लौह अयस्क को छोड़ दें तो लाइमस्टोन के कारण सीमेंट कंपनियां विदर्भ में आकर्षित हुई हैं. इन कंपनियों द्वारा खुद खदानों का सदुपयोग हो रहा है और युवाओं को रोजगार भी मिल रहा है. विदर्भ के चंद्रपुर, गड़चिरोली, यवतमाल, नागपुर में ही कम से कम 57,183 करोड़ रुपये के लाइमस्टोन होने का अनुमान राज्य सरकार ने लगाया है. सहज अंदाज लगाया जा सकता है कि इतने बड़े पैमाने पर कच्चा माल होने के बाद भी उद्योगों के आने की रफ्तार कितनी है.

195 लाइसेंस राज्य में

राज्य में कुल 195 लाइसेंस जारी किए गए हैं. इनमें से 49 विदर्भ से बाहर के हैं और विदर्भ में 146 लाइसेंस हैं जिनमें भी वेकोलि के पास

कोयले के लिए 33 लाइसेंस हैं. मॉयल को मैंगनीज और के लिए 20 लाइसेंस हैं. एमएसएमसी के पास 8 और सीमेंट कंपनियों को लाइमस्टोन के लिए 9 लाइसेंस दिए गए हैं.

मेजर मिनरल के लिए 76 लाइसेंस

उपरोक्त के अलावा 76 लाइसेंस और जारी किए गए हैं जिनमें मैंगनीज ओर के लिए 24 लाइसेंस हैं.

24 में से केवल 7 को आवश्यक मंजूरी मिली है. 7 में से केवल 1 में ही उत्पादन हो रहा है.

24 में से 17 लोग खदान चालू कराने में नाकाम रहे हैं.

धरती के गर्भ में बेकार पड़ा अकूत खजाना : राज्य सरकार ने 2014 में यह अनुमान लगाया था कि नागपुर, भंडारा में ही 20 लाख मीट्रिक टन मैंगनीज ओर का खजाना है जिसकी कीमत मोटे तौर पर 38,844 करोड़ रुपये आंकी गई है. इसी प्रकार गड़चिरोली, चंद्रपुर, भंडारा, सिंधुदुर्ग में 72,194 करोड़ रुपये मूल्य का लौह अयस्क का खजाना है लेकिन दोहन के अभाव में ये जमीन के अंदर ही पड़े हुए हैं. आंशिक रूप से इन खनिजों का उत्खनन हो

रहा है जो अपर्याप्त है. इतना ही नहीं, इससे संबंधित उद्योग भी क्षेत्र में नहीं पनप पा रहे हैं. प्रोसेसिंग उद्योग आने से इन खनिजों की कीमत कई गुना बढ़ जाती है वहीं युवाओं को रोजगार भी मिलता है. वर्तमान में इन खनिजों को कच्चे रूप में विदेश या देश के अन्य राज्यों में भेजा जाता है जहां प्रोसेस के बाद यह सोना बन जाता है. इसके साथ ही जिंक ओर की 8.30 लाख मीट्रिक टन संपत्ति भी विदर्भ में है और यह मुख्य रूप से नागपुर जिले में है.

Retain short positions in aluminium futures

Akhil Nallamuthu
bl. research bureau

Aluminium futures on the Multi Commodity Exchange (MCX), which faced a resistance at ₹204 on July 14, fell in the subsequent sessions.

COMMODITY CALL.

On Monday, the contract marked a low of ₹194.45 and has now rebounded to the current level of ₹198.

Thus, the support at ₹195 prevented a decline beyond that level.

However, the broader trend remains bearish and for the short-term, the price action suggests that aluminium futures could stay in the ₹195-202 range.

A breakout of ₹202 can potentially turn the trend bullish where the contract could rally to ₹208 or even to ₹215.



JSW Steel to source hydrogen power in 18-24 months

Suresh P. Iyengar
Mumbai

JSW Steel expects to use green power from the 3,800-tonne hydrogen plant being set up at its Vijayanagar plant and supply green steel at a premium in 18-24 months. The company has signed a contract with group company JSW Energy to source green hydrogen and green oxygen to produce green steel.

Jayant Acharya, Joint Managing Director, JSW Steel, said the company will get close to 25 megawatts

(MW) of round-the-clock renewable power and the demand for green steel is good both in the global and domestic markets. It will get carbon credits based on the quantum of thermal power being replaced with green energy. Currently, carbon credits are being traded at about \$100 each, said Acharya.

RE DEPLOYMENT

Sajjan Jindal, Chairman, JSW Steel, said the company has secured contracts for 1 GW of capacity and successfully operationalised 225-MW solar capacity at Vijayanagar plant last April, making it the first steel plant in India to embrace large-scale renewable energy deployment.

"As we aim to reach a capacity of 50 million tonnes, our aspiration is to power our entire set-up through 10 GW of renewable capacity, making us possibly the world's first major steel manufacturer to achieve this mile-



The company will get carbon credits based on the quantum of thermal power being replaced with green energy

stone," Jindal said in the annual report.

Setting up 1-GW (equal to 1,000 MW) power plants from renewable sources could cost anywhere between ₹4,500 crore and ₹6,500 crore depending on solar or wind. JSW Steel has domestic capacity of 27.7 mt and will reach 37 mt by FY25.

On JSW Steel's interest in acquiring a 20 per cent stake in Teck Coal unit in Canada for close to \$2 billion, Acharya said the company

continues to explore various coking coal assets both in India and abroad to fulfil raw material security.

JSW Steel has been increasing steel production capacity and it is very important to achieve backward integration. The company is exploring the Canadian coal opportunity and will firm up a plan soon, he said.

IRON ORE ASSETS

Meanwhile, the company has acquired 20 coal and iron ore mines in India, of which 13 are operational. Further, 45 per cent of the overall iron ore requirement is currently met through captive sourcing, while it is about 6 per cent in coking coal.

On interest in acquiring steel assets put on block by Vedanta, Acharya said JSW Steel already has a plant in the East but the company has iron ore assets in Karnataka and Goa. "It is early days and we have to study the assets being put on block," he said.

businessline.

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Lead: Stay off for now

Akhil Nallamuthu
bl. research Bureau

Lead futures (continuous contract) on the Multi Commodity Exchange (MCX) have been moving in a tight range of ₹181-183 over the past month. But on Monday, it closed above the upper band of the range at ₹183, giving it a positive bias. However, there was no follow-through rally, and the contract has now softened to ₹183 after marking a high of ₹184 on Monday.

COMMODITY CALL.

There is a potential for lead futures to touch ₹187 in the near term. However, we expect the contract to see a price correction, pos-

sibly to the ₹181-182 range, before scaling more heights.

On the other hand, a breach of the support at ₹181 can turn the trend bearish. In such case, lead futures might fall to ₹175. Nevertheless, this looks less likely given the prevailing price action.

TRADE STRATEGY

At the current level, the risk-reward is not favourable for long positions. Therefore, one can stay on the fence for now. For fresh positions, consider the August contract as the July series is nearing expiry.

Buy lead futures if the price falls to ₹182. Place the initial stop-loss at ₹180. When the contract touches ₹185, tighten the stop-loss to ₹183. Book profits at ₹187.

Govt to open mining of lithium, rare minerals to private sector

MAJOR REFORM. Mines and Mineral Amendment Bill, 2023 introduced in the Lok Sabha

Abhishek Law
New Delhi

Paving the way for the entry of private players into mining of lithium and other deep-seated minerals, the Centre has proposed amendments to the Mines and Mineral (Development and Regulation) Act, 1957.

The Mines and Mineral (Development and Regulation) Amendment Bill, 2023 was introduced in the Lok Sabha by Parliamentary Affairs Minister Pralhad Joshi on Wednesday.

ATOMIC MINERALS LIST

The Bill proposes to omit at least six previously mentioned atomic minerals from a list of 12 that cannot be commercially mined. The most important mineral proposed to be taken out of this list via the Bill is lithium—a key component for electric vehicles, batteries and other energy-storage solutions.

Listed under 'atomic minerals', mining and exploration were hitherto reserved for government entities.

The other five minerals are: beryl and other beryllium-



RELYING ON IMPORTS. In FY23, India's lithium import bill was around ₹23,171 crore against ₹13,673.15 crore in the previous fiscal year.

bearing minerals, niobium-bearing minerals, titanium-bearing minerals and ore, tantalum, and zirconium-bearing minerals and ores.

According to the Bill, these minerals are also critical for India's net-zero emission commitment. "Upon removal of these minerals from the said list, exploration and mining will be opened up for the private sector as well," Joshi said while introducing the Bill.

LITHIUM FIND

India has so far declared 5.9 million tonnes of lithium reserves in the Salal Hamima re-

gion, in Reasi district of Jammu and Kashmir. Further exploration is also on in the region, Mines Ministry officials had said. Auction of these declared reserves is likely around December, and the Ministry is also in the process of working out the reserve price of lithium.

The country has been import-dependent on some of these key critical minerals including lithium, nickel, copper, and cobalt.

In FY23, India's lithium import bill was around ₹23,171 crore, and covered electric accumulators, including separat-

ors. In FY22, lithium ion worth ₹13,673.15 crore was imported.

EXPLORATION LICENCE

The Bill notes the scarcity of critical minerals, their limited concentration, and the potential for supply chain vulnerabilities and disruptions. Accordingly, another major reform proposed is the introduction of exploration licence for deep-seated and critical minerals. The exploration licence would facilitate, encourage and incentivise private sector participation in all spheres of mineral exploration for critical and deep-seated minerals.

"The exploration licence (to be) granted through auction shall permit the licensee to undertake reconnaissance and prospecting operations for critical and deep-seated minerals," said the Bill. "The blocks explored by the licence holder would be auctioned for mining lease within the prescribed timeline, which will fetch better revenue to the State governments," the Bill said, adding that the exploration agency shall be entitled to a share in the auction premium payable by the mining lease holder.

AS FEDERAL RESERVE CUTS INTEREST RATES AND US RECESSION LOOMS

JPMorgan Sees Gold Charging to Records in 2024

Bloomberg

JPMorgan Chase sees an opportunity in gold ahead of a likely US recession, predicting prices will push past \$2,000 an ounce by year-end and hit fresh records in 2024 as interest rates start to fall.

Falling real yields in the US will be a "significant driver" for the precious metal when the Federal Reserve starts to deploy rate cuts, which should play out in the second quarter of next year, Greg Shearer, executive director of global commodities research, said in an online briefing on Wednesday.

Gold has rallied around 15% over the past 12 months, supported by signs the US rate-hiking cycle was nearing an end, buying by central banks, as well as bouts of haven demand. In early May, it approached its record high of \$2,075.47 an ounce, set in 2020.

The bank has an average price target of \$2,175 an ounce for bul-



lion in the final quarter of 2024, with risks skewed to the upside on a forecast for a mild US recession that's likely to hit sometime before the Fed starts easing.

"We're in a very prime place where we think gold ownership and long allocation to gold and silver is something that acts as both a late cycle diversifier and something that will perform as we

look to the next sort of 12, 18 months," Shearer said.

Gold and silver are "quite agnostic" to whether there's a soft landing or hard landing in the US, although a more pronounced recession would result in a more dramatic cut in interest rates, he said. That's in contrast to equities and cyclical commodities, such as aluminum and copper, where

Brent Oil Dips to \$82.71 Ahead of Fed Rate Decision



LONDON: Oil prices slipped on Wednesday, with investors cautious ahead of an expected Federal Reserve rate hike later in the day and a possible increase in U.S. crude supplies.

Brent crude futures were down 93 cents to \$82.71 a barrel by 1317 GMT, while U.S. West Texas Intermediate (WTI) crude was at \$78.68, down 95 cents. Both fell by more than \$1 earlier in the session, after hitting three-month highs on Tuesday. Oil prices have rallied for four weeks, buoyed by signs of tighter supplies, largely linked to output cuts by Saudi Arabia and Russia, as well as Chinese authorities' pledges to shore up the world's second-biggest economy. - Reuters

returns can vary considerably depending on the economic scenario, Shearer said.

Money managers' net-long positions in gold futures have increased this year, but the trade still isn't too crowded, he said. Other sources for physical demand have also come into effect, with central

bank purchases becoming an increasingly strong driver of prices.

"There's an eagerness here to really buy in and diversify allocation away from currencies," Shearer said, adding that geopolitical risks have made gold even more appealing to governments.

BUSINESS LINE DATE:28/7/2023 P.NO8

Zinc futures: Retain longs, raise stop-loss to ₹218

Gurumurthy K

bl. research bureau

Zinc prices have risen back sharply after a sharp but short-lived fall on Monday. The zinc futures contract on the MCX which fell to a low of ₹210.65 per kg on Monday had recovered very well from there. The contract is currently trading at ₹219 per kg.

COMMODITY CALL.

The sharp bounce from Monday's low of ₹210.65 indicates the presence of strong buyers at lower levels. The zinc contract has resistance ahead in the ₹221-222 region. The price can rise to test this hurdle in the coming days. The chances are looking high for the contract to breach ₹222. Such a break can take it up to ₹230 in the short-term.

If the contract reverses



lower from around ₹222, it can fall back to ₹215 and even ₹210 levels again.

Last week, we had suggested to go long at ₹214 and accumulate at ₹212. The average entry level is at ₹213. We suggest traders to hold this trade. The revised stop-loss is now at ₹216. It can be moved up to ₹218. Exit the longs at ₹222.

Govt to open up offshore mining of non-atomic minerals to private firms

Abhishek Law
New Delhi

India has proposed opening up of off-shore mining or deep-sea mining of non-atomic minerals or poly-metallic nodules to private companies. Production leases are to be granted only through competitive bidding.

The Offshore Areas Mineral (Development and Regulation) Amendment Bill, 2023, proposing these changes, was introduced in Parliament by Pralhad Joshi, Minister for Mines, Coal and Parliamentary Affairs. The government will continue to allocate off-

shore production leases for blocks containing higher-grade atomic minerals — uranium and zircon — and non-atomic minerals such as chromium only to state-controlled entities.

India's coastline touches nine States and four Union Territories and two million square kilometres of exclusive economic zone.

"Previous efforts to allocate offshore blocks did not bear the desired results due to the lack of a legal framework for a fair and transparent mechanism to allocate operating rights in the Act and the stalemate caused due to pending litigation over the allocation of



DEEP IMPACT. Offshore mining is the process of retrieving deposits from the deep seabed at a depth of over 200 metres

blocks," said the Bill. Offshore mining is the process of retrieving mineral deposits from the deep seabed at a depth of

more than 200 metres. In the process, poly-metallic nodules, including precipitated iron oxy-hydroxides and man-

ganese oxides, onto which metals such as nickel, cobalt, copper, titanium and rare earth elements gather, are sorted, and unwanted sediments are flushed back into the sea.

AMENDMENTS

Apart from granting a production lease to the private sector "only through auction by competitive bidding", the Bill proposes to "provide grant of operating rights without competitive bidding" to a government or government company or corporation in the mineral bearing areas reserved by the Centre.

It has also proposed the introduction of composite li-

cences for both exploration and production.

"In order to remove the impasse in the sector, auction has been introduced as the only method of selection for grant of composite licence or production lease," the Bill proposes.

The amendment also seeks to remove the provision for renewal of production lease and provide a fixed period of 50 years.

Limits on the area a person can acquire in respect of any mineral or group of associated minerals, as may be specified by rules, under one or more operating rights all taken together, have been suggested.

Nagarnar Steel Plant Ready to Begin Ops

Process for disinvestment started while it was under construction

Twesh.Mishra
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New Delhi: Twenty years after the first foundation stone was laid, the Nagarnar Steel plant, built at an investment around ₹24,000 crore, is set to begin operations in the coming few weeks, a top government official told ET.

The plant is also in line for disinvestment, the process for which started while it was under construction. "There are no concerns about project viability and completion any more. This should help in fetching a better price for disinvestment, if the process goes through," the official said.

Post commissioning, the day-to-day operations of the steel plant will be managed by MECON Limited, another public sector undertaking. According to officials aware of the plan, iron-ore for this project will be sourced from NMDC's mines while the required coking coal will be imported.

ALL SET TO OPEN

Complete 2 decades after first foundation stone laid

Better disinvestment proceeds since project is ready



The first foundation stone for this 3 million tonnes per annum (mpta) steel plant was laid in 2003 by then deputy PM L K Advani. This project was aimed at integrating Naxal-hit Bastar (in Chhattisgarh) with economic progress of the rest of India. Land for this plant was acquired by the Chhattisgarh government in the early 90s.

It was initially planned that NMDC, Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) will implement this project.

But by 2008, it was decided that NMDC alone will complete the project. Another foundation stone for this project was laid in the same year by then Steel Minister Ram Vilas Paswan and Chhattisgarh Chief Minister Raman Singh.

Subsequently, a fresh push for completing the project was made in 2010 but hurdles such as cost overruns for it continued to plague execution. In 2012, Paswan and Singh once again laid the foundation stone for the plant. Each time the plan was to complete the steel plant within the coming four years.

The Centre, in October 2016, decided to disinvest the Nagarnar Steel Plant.

Later in October 2022, NMDC Steel Limited (NSL) the steel plant's holding company was demerged from the parent company.

LS Passes MMDR Amendment Bill

Our Bureau

New Delhi: The Lok Sabha Friday passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2023, which seeks to open up mineral exploration for critical and deep-seated minerals for the private sector and empower the Centre to exclusively auction mining leases.

Union minister for coal and mines Pralhad Joshi moved the bill for consideration and passage in the lower house

amid protests by Opposition over Manipur. Under the existing

The bill seeks to open up exploration for critical and deep-seated minerals for the private sector

framework, state governments auction mining blocks. "Even in case of conduct of auction by the central government, the mineral concession shall be granted to the selected bidders by the state government only and the auction premium

and other statutory payments shall accrue to the state government," Joshi had said while introducing the bill in LS.

As per the statement of objects and reasons for the bill, it would help hasten the pace of auction and early production of critical minerals such as lithium, cobalt, and graphite that are crucial for electric vehicles and batteries. Nickel, platinum, and tin-bearing minerals are also among the 26 that are proposed to be brought under the ambit of the Centre.

'Hindustan Zinc exploring overseas acquisitions'

Abhishek Law
New Delhi

While Hindustan Zinc Ltd's plans for Vedanta's overseas zinc mines are now in limbo, the company continues to explore other overseas acquisition options, particularly in Latin America and African nations.

The company is also looking to diversify into rare earth, critical mineral and lithium mining, both overseas and in India.

"We continue to explore overseas acquisition opportunities in zinc and some other minerals. Hindustan Zinc will place bids for such mine auctions as and when they open up. In India, we can look at the lithium auctions (in India) too," Arun Misra, CEO, told *businessline*. The Centre is already on course to remove lithium from



Arun Misra, CEO,
Hindustan Zinc

the list of atomic minerals and by proposing amendments to The Mines and Minerals (Development and Regulation) Act, it is looking to open up lithium mining to private players.

LITHIUM MINING

India has declared lithium reserves of 5.9 million tonnes in Jammu and Kashmir, and auc-

tion for these blocks are likely to happen in December.

Misra pointed out, the company's "core competence" lies in mining activities of around 1-2 km depth and base metal mining continues to be an "area of interest". "So if there is opportunity for mining copper or other critical minerals, including uranium, we can look into placing bids around them too," he said.

ACQUISITION PLANS

According to Misra, "there is no immediate update" on the proposed acquisition of parent company Vedanta's overseas zinc assets (mines). The near \$3 billion deal to acquire these assets "fell through" for want on consensus among various stakeholders, primarily following objections from the Centre.

The Centre — the largest minority shareholder — has a 29.5 stake in Hindustan Zinc. Being a related party transaction, HZL would have required approval from majority of the minority shareholders for the purchase of these overseas zinc mines to go through.

"The proposal to acquire the assets of Vedanta was floated last year and it lapsed following non-consensus among stakeholders. And we are now in a new fiscal. So the previous proposal lapses automatically. As of now, there is no new proposal on this," Misra said.

However, the company continues to explore overseas acquisition opportunities, especially in Latin American and African nations. "So we are in regular talks with our team there," he said.

Coal Ministry developing logistics policy for the sector, national coal evacuation plan

NEW DELHI, July 29 (PTI)

THE Coal Ministry is developing a logistics policy for the sector and a national coal evacuation plan with a view to reducing logistics costs, an official statement said on Saturday.

An inter-ministerial meeting on logistics was held to review the progress of implementation of the national logistics policy, the statement said adding that it was convened by the Department for Promotion of Industry and Internal Trade (DPIIT). During the meeting measures taken by different ministries to improve logistics efficiency in the country were also showcased, the Commerce and Industry Ministry said.

"A draft coal logistic policy and national coal evacuation plan has been developed by the Ministry of Coal. In addition, standardisation of phys-



ical assets (heavy earth moving machines for coal handling) and setting up benchmarks for quality management, is under progress," the statement said.

DPIIT Secretary Rajesh Kumar Singh talked about the critical role played by ports in making India a globally competitive export destination and suggested greater adoption of initiatives like the Logistics Data Bank to draw learnings for improving logistics performance across various metrics.

In the meeting, it was highlighted that for making India's domestically manufactured

goods globally competitive and for achieving the USD 2.5 trillion EXIM (export-import) target by 2030, it is imperative to have an efficient logistics ecosystem. To bring holistic focus on logistics in public policy at state level, States/UTs are developing State Logistics Plans (SLPs). So far, 21 states have notified their respective logistics policies. The DPIIT also said that it has initiated an endeavour to estimate logistics cost, since no official estimates are available and they vary from 8-14 per cent of GDP.

"Hence a need was felt for developing accurate estimates based on holistic data and relevant statistical models. For this, a survey-based logistics cost calculation framework is being developed and a short-term baseline estimate for logistics cost is soon to be unveiled," it added.

Jindal Stainless Seeks Govt Help to Check Surging Steel imports

Press Trust of India

New Delhi: Stainless steel maker Jindal Stainless Ltd (JSL) has sought the government's intervention to check increasing imports of steel products from a select group



of countries, including China. "Select few countries, including China are flooding the domestic market with their products," Jindal Stainless Ltd (JSL) Managing Director Abhyuday Jindal said.

"We urge the government to take some steps to check these imports. The government can put

anti-dumping duty (ADD) and countervailing duty (CVD) on the import of the items," he said.

According to official data, the Share of China, Japan, Vietnam, Saudi Arabia, Russia, Nepal and the USA increased in total steel imports of India in June 2023 as compared to June 2022. In-

dia's steel imports rose 7.6 % to 4.84 lakh metric tonne during June 2023, over the same month last year. In June 2022, the import from China was 26.1 % and Vietnam was 1 %. However, in June 2023, the import from China contributed 37.1 % and Vietnam's share was 4.8 % in India's steel import basket.

BUSINESS LINE DATE:31/7/2023 P.NO3

China replaces Korea as biggest steel exporter to India

Abhishek Law
New Delhi

India's steel imports from China are at a five-year high and the latter is now the largest exporter of steel to India in value terms, overtaking Korea.

Nearly 0.41 million tonnes (mt) of steel has come in from China in Q1FY24, indicating a 30 per cent jump since Q1FY20's 0.30 mt, and 60 per cent up y-o-y from 0.26 mt in Q1FY23, even as Indian traders continued buying deep-discounted Chinese offerings across categories like cold rolled coils, sheets and plates.

Cold rolled coils are the second most imported steel item in volume terms (after hot rolled coils/sheets), at



THE NEW ORDER. In Q1FY24, Chinese shipments were valued at \$512.4 million — the highest since Q1FY20 when they were at nearly \$333.1 million

0.38 mt and highest in value terms, at \$459 million, during the period under review.

According to TV Narendran, CEO and Managing Director, Tata Steel, Chinese exports (to India and other markets worldwide) were 8 mt a month, one of the highest since 2016, and "certainly a cause of concern".

"But we believe that it's

an outcome of Chinese steel producers producing more in the January-March quarter in anticipation of an economic recovery, which didn't happen," he said during an investor call.

INCREASED BUYING

In Q1FY24, Chinese shipments were valued at \$512.4 million — the highest since

Q1FY20 when they were at nearly \$333.1 million. As per a report of the Steel Ministry, accessed by *business-line*, in Q1FY23, imports were valued at \$391.7 million. During Q1FY22, imports were 0.21 mt and \$261.3 million in value. In Q1FY21, it was 0.27 mt in volume and \$164.1 million in value terms.

Stainless steel and alloyed steel imports maintained a more or less upward trajectory throughout this five-year period — rising from 0.122 mt in Q1FY20 to 0.193 mt in Q1FY21, then dropping to 0.14 mt in the first quarter of FY22 (because of Covid-led restrictions in China) and again shooting up to 0.19 mt last fiscal. In Q1FY24, it was 0.18 mt.

However, a sharp upward trajectory was reported in

the import of non-alloyed steel during this period. From 0.17 mt in Q1FY20, it has now gone up to 0.233 mt in Q1FY24 — a 34 per cent increase.

For the most part of this year's April - June period, Indian traders reportedly picked up, or entered into buying agreements with Chinese suppliers, at a \$30 - \$50 per tonne discount, said trade sources.

Narendran said due to higher steel exports from China, there was a moderation of global steel prices between May and June. But over the next few months, such exports could come down to 5 - 6 mt levels. "They also have carbon reduction targets. We expect the second half of the year to be more balanced," he said.

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