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KHANIJ SAMACHAR

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BUSINESS LINE DATE:16/6/2024 P.NO5

Penna Cements buy: Value-accretive deal for Ambuja

Sai Prabhakar Yadavalli
bl. research bureau

Consolidation in the cement industry continues, with Adani-owned Ambuja Cements announcing a 100 per cent acquisition of Hyderabad-based Penna Cements Industries Limited (PCIL) for an Enterprise value of ₹10,422 crore. With an operational and to be commercialised capacity of 14 million tonnes per annum (mtpa), the PCIL deal is valued at $89 per tonne, which is marginally below the replacement cost of $90-100 per tonne for similar capacities. Ambuja can increase its Southern market share with the deal, which can be value-accretive if the expansion pans out.

AMBUJA CAPACITY TARGETS

Ambuja aims for a consolidated capacity of 140 mtpa by FY28, from the current 77 mtpa. The current deal can add 10 mtpa which is operational and another 4 mtpa is under construction expected to be commercialised in next one year. This will take Adani Cement operational capacity to 89 mtpa, including the 2 mtpa acquisition in April 2024. Ambuja has lowest presence in South India, with North and Eastern regions accounting for 27 per cent of FY24 sales and Western, Central and Southern regions accounting for 24, 14 and 9 per cent.

In terms of market, its pan-India market share improves by 2 per cent with the deal. South India market share will reach 15 per cent versus 8 per cent earlier. Over and above the 14 mtpa capacity, PCIL also has a 3 mtpa cement grinding capacity in North India, which can be leveraged for further capacity expansion.

Along with cement facilities, PCIL acquisition can also add sea transportation logistics with five bulk cement terminals at Kolkata, Gopalpur, Karaikal, Kochi and Colombo, to serve peninsular India and exports to Sri Lanka for the group.

PCIL operations, on the other hand, are facing a strong decline and can benefit from a strategic overhaul that Ambuja group can provide. The revenues have declined at 37 per cent CAGR in last two years to ₹1,241 crore in FY24 compared to Ambuja's revenue growing at 2.5 per cent CAGR in the period. This could explain the deal at value lower than the replacement cost.

BUSINESS LINE
DATE:16/6/2024 P.NO1

INVESTMENT. FOCUS

JSW Steel: Accumulate

Sai Prabhakar Yadavalli
bl research bureau

India's steel demand is expected to be powered by the rising government capex and JSW Steel will be a beneficiary.

The company is the largest steel manufacturer in India and is gearing up to meet the demand with its capacity expansion plan.

We recommend investors accumulate JSW Steel, given the upcoming spurt in output, its execution ability and its strong domestic presence.

The stock usually trades at a premium to peers and is currently at 10.7 times trailing EV/EBITDA.

Though the valuation is also at a 25 per cent premium to the historical range, investors can accumulate the stock on dips for accommodating a margin of safety in valuations.

The company is expected to commercialise two brownfield expansions taking the total capacity to 37 mt in FY25 and later increasing to 51 mt by FY31-32 at 10 per cent CAGR in capacity growth.

JSW Steel has acquired a coal mine in Mozambique with access to more than 800 tonnes' of premium hard-coking coal reserves.

The additional iron ores in Karnataka, Odisha and Goa are expected to supplement its backward integration.

Steel prices are expected to have bottomed out in the last two quarters and raw material costs have declined significantly in FY24.

BUSINESS LINE DATE:18/6/2024 P.NO3

Coal imports rise to 6-month high in May

Rishi Ranjan Kala
New Delhi

SURGING DEMAND

- Imports of thermal coal rose almost 6% month-on-month to 16.99 million tonnes in May
- However, the cargoes were down by almost 4 per cent on an annual basis
- Thermal power plants stocked up on the critical commodity anticipating a rise in power demand due to high summer temperatures

India's thermal coal imports continued to rise for the sixth consecutive month in May 2024 with cargoes hitting a six-month high as thermal power plants (TPPs) stocked up on the critical commodity anticipating a rise in power demand due to high summer temperatures.

According to data from energy intelligence firm Kpler, the country's imports of thermal coal, largely consumed by the power sector, rose almost 6 per cent month-on-month (m-o-m) to 16.99 million tonnes (mt) last month. However, the cargoes were down by almost 4 per cent on an annual basis.

"Indian thermal coal imports climbed to a six-month high of 16.99 mt in May, although still down slightly y-o-y. This brought a run of eight consecutive months of annual growth to an end," Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender told *businessline*.

SUMMER DEMAND

The country's power demand has been growing at almost 10 per cent on an annual basis, the uptick in consumption led by growing industrial and commercial base as well as increasing household consumption.

Rising temperatures are also fuelling the demand for more electricity. For instance, the country's peak power demand met during the day rose to a record 250 GW on May 30 as intense heat waves parched lands across north, northwestern and central India resulting in a higher requirement for cooling. On May 29, the demand had hit 246 GW.

Thermal power plants reported a plant load factor (PLF), or capacity utilisation of 77.84 per cent in May 2024 against 73.64 per cent in May 2023.

Power generation was higher by 12 per cent to 43,332.91 gigawatt hour (GWh).

"Hot, dry weather has been supporting thermal coal demand. However, near-record thermal coal stockpiles, strong domestic production growth, and the early arrival of monsoon rains are now expected to slow the pace of imports," Ellender said. The 'above normal' monsoon rains forecast by the India Meteorological Department (IMD) is expected to replenish reservoirs and lift hydro power output to the detriment of thermal generation. "There has also been a rise in gas-fired power generation, although it remains a very small part of India's overall power mix," he added.

"We expect India's thermal coal imports to ease lower m-o-m in June, although they are likely to still be higher y-o-y as domestic coal shipments slow due to the rains. Imports in the July-September quarter are expected to be down on April-June, but still higher y-o-y as India's underlying power demand increases," Ellender added.

BUSINESS LINE DATE:18/6/2024 P.NO8

Steel rates may fall further on weak Chinese demand

Subramani Ra Mancombu
Chennai

Steel prices have been declining since the beginning of the year across all markets and will likely be under pressure given the weak Chinese demand, analysts have said.

Currently, steel prices have dropped to a two-month low with October steel hot-rolled coil (HRC) futures ruling at $519.50 a tonne free-on-board on the Shanghai Futures Exchange (ShFE). September steel rebar futures on ShFe ended at $501.24 a tonne. "We have revised our 2024 global average steel price forecast downward to $700/tonne from $740/tonne previously, with Chinese demand weakness having the potential to place a cap on prices," said research agency BMI, a unit of Fitch Solutions.

It said the global average for longs and flats has averaged $673/tonne in the year-to-date as of May 2024, while the current average stands at $650.

The World Bank, in its Commodity Outlook, said steel prices were forecast to decline by 9 per cent in 2024 (year-on-year), and a further 5 per cent in 2025.

The *Trading Economics* website said per private data home sales from China's 100 largest real estate companies plunged 34 per cent annually in May after a 45 per cent fall in April. This underscored the weakness of the Chinese property market.

DEMAND SUBDUED

"The excessive inventory in Chinese housing drove the market to show scepticism over the impact of the government's house-buying programme, as the 300 billion Chinese yuan allocated for home buying by the People Bank of China is a small fraction of inventory estimated to

The World Bank, in its Commodity Outlook, said steel prices were forecast to decline by 9% in 2024 y-o-y

balance out oversupply," it said. The World Bank said steel demand will likely remain subdued in 2024, given the continuing weakness in residential construction activity in China following a 20 per cent (year-on-year) decline in new home starts in 2023.

"In addition, given expectations of only gradual monetary easing in advanced economies, elevated real interest rates are set to continue curbing the growth of industrial activity this year," it said.

However, the Australian Office of the Chief Economist (AOCE) was a little optimistic about steel's prospects. "An expected stabilisation and then gradual pick-up in global industrial output, combined with further stimulus-related infrastructure projects, should see annual growth of nearly 2 per cent in steel production in 2024 and 2025," it said.

BMI said on the supply side, it forecasts a modest 1.2 per cent year-on-year increase in steel production in 2024 against the backdrop of a slowing global economy. "We also note that downside risks persist as the deteriorated global industrial and economic outlook will weigh on steel production," it said. The AOCE said world steel production is projected to reach 2.1 billion tonnes by the end of its outlook period to 2029.

THE HITAVADA(CITYLINE) DATE:18/6/2024 P.NO6

India's coal import rises 13% to 26 MT in April: Mjunction

Business Reporter

INDIA'S coal import rose by 13.2 per cent to 26.10 million tonne (MT) in April 2024 as buyers took fresh positions amid early onset of summer.

The country had imported 23.05 MT of coal in the year-ago period, according to data compiled by B2B e-commerce company Mjunction Services Ltd.

This comes amid coal and mines minister G Kishan Reddy stating that India should increase domestic production of the fossil fuel and reduce coal imports.

"India's coal and coke imports in April 2024 through the major and non-major ports increased by 13.2 per cent over April 2023," the data showed. Of the total import in April, non-coking coal import stood at 17.40 MT against 15.15 MT in the year-ago month. Coking coal import was 4.97 MT against 4.77 MT.

"There was an increase in volumes...Going ahead, there may be continued demand from both the power and non-regulated sectors due to pre-monsoon restocking," mjunction MD and CEO Vinaya Varma said.

Coal imports in April were up by 8.93 per cent as against March when imports stood at 23.96 MT.

India's coal import rose by 7.7 per cent to 268.24 MT in FY24 driven by softness in seaborne prices and likelihood of increase in power demand during summer. The country's coal import was 249.06 MT in FY23.

THE HITAVADA DATE:18/6/2024 P.NO9

Gold, silver import SURGES 210 pc in 2023-24 from UAE; need duty revision in FTA: GTRI

NEW DELHI, June 17 (PTI)

INDIA'S gold and silver imports from its free trade agreement (FTA) partner UAE have skyrocketed 210 per cent to USD 10.7 billion in 2023-24 and there is a need to potentially revise the concessional customs duty rates under the pact to mitigate the arbitrage driving this surge, a report said on Monday.

Economic think tank Global Trade Research Initiative (GTRI) said this sharp rise in gold and silver imports is primarily driven by import duty concessions granted by India to the UAE under the India-UAE Comprehensive Economic Partnership Agreement (CEPA).

India allows 7 per cent tariffs or customs duty concessions on import of unlimited quantities of silver and a 1 per cent concession on 160 metric tonnes of gold. CEPA was signed in February 2022 and implemented in May 2022.

Additionally, India facilitates gold and silver imports by allowing private firms to import from the UAE through the India International Bullion Exchange (IIBX) in Gift City. Previously, only authorised agencies could handle such imports, the report said. "While India's total imports from the UAE fell 9.8 per cent from USD 53.2 billion in FY23 to USD 48 billion in FY24, imports of gold and silver skyrocketed 210 per cent, from USD 3.5 billion to USD 10.7 billion," it said.

"Import of all remaining products fell 25 per cent, from USD 49.7 billion in FY23 to USD 37.3 billion in FY24," it said. GTRI Founder Ajay Srivastava said the current import of gold and silver from the UAE is unsustainable as the UAE does not mine gold or silver or add sufficient value to imports.

"High import duties in India on gold, silver, and jewellery at 15 per cent are at the root of the problem. Consider lowering tariffs to 5 per cent," Srivastava said.

NAVBHARAT DATE:18/6/2024 P.NO4

सरकार के समक्ष रखेंगे उद्योग की समस्याएं

स्टील उद्यमी हों एकजुट

■ नागपुर, व्यापार संवाददाता. 'आइफा' सस्टेनेबल स्टील मैन्युफैक्चरर एसोसिएशन की ओर से जालना स्टील क्लस्टर और महाराष्ट्र के स्टील उद्यमियों के लिए जालना में एक बैठक आयोजित की गई. बैठक में स्टील उद्योग की विभिन्न समस्याओं पर चर्चा की गयी. साथ ही संबंधित विभिन्न मांगों को केंद्र सरकार के समक्ष रखा जाएगा. इस बैठक में उद्यमियों को आगामी 'स्टील एक्स 2024' प्रदर्शनी में हिस्सा लेने के लिए भी आमंत्रित किया गया. इस अवसर पर आइफा के अध्यक्ष योगेश मानधनी, सचिव कमल अग्रवाल, एमिरिट्स के अध्यक्ष गोपाल गुप्ता, उपाध्यक्ष अनिल गोयल, पश्चिम विभाग के अध्यक्ष दिनेश अग्रवाल आदि प्रमुख रूप से उपस्थित थे. मानधनी ने कहा कि अब समय आ गया है कि हम नई एनडीए सरकार के सामने अपनी आवाज उठाएं. सभी स्टील उद्यमियों को

'आइफा' सस्टेनेबल स्टील मैन्युफैक्चरर एसो. की बैठक

मुंबई में होगी 'स्टील एक्स 2024' प्रदर्शनी

बैठक में स्टील एक्स प्रदर्शनी पर भी चर्चा हुई. प्रदर्शनी में स्टील क्षेत्र के अग्रणी ब्रांडों, सर्वोत्तम प्रौद्योगिकियों का सबसे बड़ा और सबसे व्यापक जमावड़ा होगा. प्रदर्शनी के व्यवस्थापक सुखजिंदर सिंह ने स्टील इंडस्ट्री और उससे जुड़े उद्योगों से 18 और 19 सितंबर को मुंबई में होने वाली 'स्टील एक्स 2024' में हिस्सा लेने की अपील की.

एकजुट होकर सरकार के समक्ष अपनी मांगें रखनी चाहिए ताकि सरकार इस पर कोई ठोस निर्णय ले सके. सचिव कमल अग्रवाल ने कहा कि स्टील उद्यमियों को जीएसटी को लेकर सरकार तक आवाज उठानी चाहिए. 'एक राष्ट्र एक बिजली टैरिफ', हरित इस्पात उत्पादों के लिए हरित ऊर्जा के उपयोग के लिए नियामक परिवर्तन, भारत में इस्पात की खपत में वृद्धि, इस्पात क्षेत्र में अनुसंधान के लिए सब्सिडी और प्रोत्साहन जैसी मांगों को सरकार के समक्ष उठाया जायेगा. इस्पात परियोजनाओं द्वारा जालना स्टील मैन्युफैक्चरर्स एसोसिएशन के अध्यक्ष घनश्यामदास गोयल, नितिन काबरा, अरुण अग्रवाल, नागपुर से संजय अग्रवाल, श्रवण अग्रवाल सहित अन्य उद्योजक उपस्थित थे.

BUSINESS LINE DATE:18/6/2024 P.NO8

Zinc futures: Go short on a break below ₹246

Gurumurthy K
bl. research bureau

Zinc prices have been falling over the last few weeks. The Zinc futures contract on the MCX had come down from a high around ₹280 per kg in mid-May to make a low of ₹247 per kg last week. From there the price has recovered slightly and has closed at ₹255.35 per kg last week.

COMMODITY CALL.

A very crucial support is around ₹246. This has held very well last week. Resistance is around ₹262. So, broadly, ₹246-262 will be the trading range for some time now. A breakout on either side of ₹246-262 will then decide the next direction of move.

A break below ₹246 will increase the selling pressure. Such a break can drag the MCX Zinc Futures contract down to

₹234 in the coming weeks. On the other hand, a decisive break above ₹262 will indicate a trend reversal. It will turn the outlook bullish. In that case, the contract can rise to ₹268-270. As seen from the daily chart, the bias is negative.

Traders have to wait for the Zinc contract to breakout on either side of ₹246-262 to take a trade. Since the bias is negative, go short on a break below ₹246. Keep a stop-loss at ₹249.

Trail the stop-loss down to ₹243 as soon as the contract falls to ₹241. Move the stop-loss further down to ₹241 when the price touches ₹239. Exit the shorts at ₹238.

BUSINESS LINE DATE:18/6/2024 P.NO3

India's import of gold, silver from UAE rose 210% to $10.7 b in 2023-24: GTRI

Amiti Sen
New Delhi

India's imports of gold and silver from the UAE – its Free Trade Agreement (FTA) partner – increased a whopping 210 per cent to $10.7 billion during 2023-24, while overall imports declined 9.8 per cent to $48 billion in the fiscal, per figures collated by research body GTRI.

The restrictions imposed by the Directorate General of Foreign Trade (DGFT) on imports of gold jewellery from all countries, except UAE, has also contributed to the spike in its imports from the UAE, the report noted.

There is a need to potentially revise the concessional customs duty rates under the pact to mitigate the arbitrage driving this surge and also check current account deficit by reducing imports, the report added.

"India's facilitation of gold and silver imports by allowing private firms to import from the UAE through the India International Bullion Exchange (IIBX) in Gift City has also added to the import surge. Previously, only authorised agencies could handle such imports," the report said.

Trade in gold, silver, and diamonds has been prone to misuse due to their low volume but high value and high import duties in India, said Ajay Srivastava, former Indian Trade Service officer and Founder, GTRI.

Under the India-UAE CEPA, which came into force in May 2022, India agreed to import 200 tonnes of gold annually from the UAE with a 1 per cent tariff concession, reducing the duty to 14 per cent under CEPA compared to a 15 per cent MFN tariff.

DAINIK BHASKAR DATE:18/6/2024 P.NO9

यूएई से 2023-24 में सोना, चांदी का आयात 210% बढ़ा : जीटीआरआई

एजेंसी | नई दिल्ली

भारत का अपने मुक्त व्यापार समझौता (एफटीए) साझेदार संयुक्त अरब अमीरात (यूएई) से सोने और चांदी का आयात 2023-24 में 210 प्रतिशत बढ़कर 10.7 अरब डॉलर हो गया है। इस उछाल को कम करने के लिए समझौते के तहत रियायती सीमा शुल्क दरों में संभावित रूप से संशोधन करने की आवश्यकता है। आर्थिक शोध संस्थान ग्लोबल ट्रेड रिसर्च इनिशिएटिव (जीटीआरआई) के अनुसार, सोने और चांदी के आयात में यह तीव्र वृद्धि मुख्य रूप से भारत-संयुक्त अरब अमीरात (यूएई) व्यापक आर्थिक भागीदारी समझौते (सीईपीए) के तहत भारत द्वारा यूएई को दी गई आयात शुल्क रियायतों से मुमकीन हो पाई है। जीटीआरआई की रिपोर्ट के अनुसार, भारत असीमित मात्रा में चांदी के आयात पर सात प्रतिशत शुल्क या सीमा शुल्क रियायतें और 160 मीट्रिक टन सोने पर एक प्रतिशत रियायत देता है। सीईपीए पर फरवरी 2022 में हस्ताक्षर किए गए और मई 2022 में इसे लागू किया गया। इसके अतिरिक्त भारत गिफ्ट सिटी में इंडिया इंटरनेशनल बुलियन एक्सचेंज (आईआईबीएक्स) के जरिए निजी कंपनियों को यूएई से आयात करने की अनुमति देकर सोने और चांदी के आयात की सुविधा देता है। पहले केवल अधिकृत एजेंसियां ही ऐसे आयातों को संभाल सकती थीं।

रिपोर्ट में कहा गया, 'भारत का यूएई से कुल आयात वित्त वर्ष 2022-23 में 53.2 अरब अमरीकी डॉलर से 9.8 प्रतिशत घटकर वित्त वर्ष 2023-24 में 48 अरब अमरीकी डॉलर हो गया, जबकि सोने तथा चांदी का आयात 210 प्रतिशत बढ़कर 3.5 अरब अमरीकी डॉलर से 10.7 अरब अमरीकी डॉलर हो गया। शेष सभी उत्पादों का आयात वित्त वर्ष 2022-23 में 49.7 अरब अमरीकी डॉलर से 25 प्रतिशत घटकर वित्त वर्ष 2023-24 में

37.3 अरब अमरीकी डॉलर हो गया।' जीटीआरआई के संस्थापक अजय श्रीवास्तव ने कहा कि यूएई से सोने और चांदी का मौजूदा आयात टिकाऊ नहीं है, क्योंकि यूएई सोने या चांदी का खनन नहीं करता है या आयात में पर्याप्त मूल्य नहीं जोड़ता है। श्रीवास्तव ने कहा, 'भारत में सोने, चांदी और आभूषणों पर 15 प्रतिशत का उच्च आयात शुल्क समस्या की जड़ है। शुल्क को घटाकर पांच प्रतिशत करने पर विचार करें। इससे बड़े पैमाने पर तस्करी और अन्य दुरुपयोग में कमी आएगी।' उन्होंने कहा कि भारत में सोने, चांदी और हीरे के व्यापार का दुरुपयोग होने की संभावना है, क्योंकि इनकी मात्रा कम है, लेकिन कीमत अधिक है और आयात शुल्क भी अधिक है। श्रीवास्तव ने कहा कि सोने, चांदी के कम शुल्क आयात से केवल कुछ आयातकों को ही लाभ होता है, जो 'टैरिफ आर्बिट्रिज' के जरिए होने वाले सभी मुनाफे को अपने पास रख लेते हैं और इसे कभी भी उपभोक्ताओं तक नहीं पहुंचाते।

Plans Afoot to Revamp SHAKTI Policy for Coal Linkage Process

Pvt power generation cos whose PPAs were signed before May 17, 2027 may have to participate in auctions to get a coal linkage at premium

Shilpa. Samant
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New Delhi: Private power generation projects, whose power purchase agreements (PPAs) were signed before May 17, 2017, may have to participate in auctions to get a coal linkage at premium. Such projects are currently getting coal linkage at a notified price for which they are required to give an additional discount on tariff.

The discussions are a part of plans to revamp and simplify the Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) policy.

Under the SHAKTI policy coal linkage is given in two ways – at notified price of coal or at a premium through auction.

State-owned generators get linkage at notified price of Coal India and Singareni Collieries Company (SCCL). Private companies having power purchase agreements before May 2017 also got linkage at notified price, but through bidding on discount they can offer against the tariff quoted under those agreements.

The premium under the auction route are over the notified price of Coal India and SCCL so it is cheaper than the market price.

Despite these projects shifting to the premium route, they may still stand to benefit as the discount on tariff, quoted by them to get the linkage on notified price, is already higher than the auction premium, according to two persons. The premium has hovered between 0-5% above the notified price on an average, according to one of the persons.

Companies may be provided a short term and a long-term window under the auction route, which can also be availed by plants whose power is to be sold on exchanges and ultra mega power projects.

The policy, being discussed, is also expected to change the duration of coal block auctions for short term linkage.

The government could allow only half yearly auctions for one-year use, instead of quarterly, as per the sources. The long-term linkage window may see annual auctions like earlier, but the end use period for coal is proposed to be two, five, seven and 10 years.

BUSINESS LINE DATE:19/6/2024 P.NO3

Central banks worldwide to add to gold reserves in 2024

ON A BUYING SPREE. Banks' confidence in dollar falls; high prices may hit demand in India

Suresh P Iyengar
Mumbai

Central banks around the world are planning to increase gold holdings in their reserves even as Indian retail consumers may shun the yellow metal due to high prices.

As per the World Gold Council's recent "Central Banks Gold Reserves" survey, nearly 30 per cent of world's central banks plan to add gold to their own reserves this year.

"While emerging market and developing economy central banks exhibit stronger optimism about gold's future share of global reserves (and corresponding stronger pessimism about the dollar's future share), there is a notable shift in advanced economy central banks towards the same perspective," the survey said.

WGC collected data from 70 central banks from emerging markets and advance economies across the world.

ROBUST DEMAND LIKELY

The future of the international monetary system continues to be in flux, with central banks expressing less confidence in the US dollar's sustained supremacy. In the face of these trends, the gold demand of central banks is likely to remain robust, the WGC survey pointed out.

On the macroeconomic front, while global inflation is starting to cool, economic recovery is proceeding at an uneven pace, and concerns loom on the underlying financial vulnerabilities. In 2023, central banks added 1,037 tonnes of gold — the second highest annual purchase on record following a record high purchase of 1,082 tonnes in 2022. Central banks added 290 tonnes of gold in the March quarter of this year with India buying 19 tonnes.

Accordingly, "interest rate levels", "inflation concerns" and "geopolitical instability" continue to be the leading factors in central bankers' reserve management decisions as they were last year, the WGC survey said.

OFFTAKE TO MODERATE

As regards India, rating agency ICRA expects the domestic jewellery consumption growth (in value terms) to moderate to about 8 per cent in FY25 against an increase of 18 per cent in FY24.

This is amidst the sharp rise in gold prices in recent months and the consequent impact on consumer sentiments of postponing non-essential purchases. Gold prices at ₹71,597 per 10 grams are currently higher by 19 per cent over the FY24 average.

Sujoy Saha, Vice-President, ICRA, said the revenue growth of top 15 jewellers — which accounts for 75 per cent of the organised market — is likely to moderate to mid-to-high single digit in this fiscal against 16 per cent registered in FY24, due to subdued consumer sentiments and high gold prices.

Suvankar Sen, MD and CEO, Senco Gold and Diamonds, said the gold purchase spree of the central banks across the globe is set to push prices. "We expect retail demand to be affected in volume and in value terms it may be marginal rise if prices continue to rise very fast," he said.

Ajay Kedia, Director, Kedia Commodities, said investment demand in gold has increased in last few months as investors look to diversify on concern of high equity market valuation. With the expectations of a normal south-west monsoon, he added the rural demand for physical gold should rebound.

Given the elevated gold prices, ICRA expects the share of recycled gold in the overall supply to continue to increase and rise by 6 per cent in FY25.

NEWFOUND SHINE. In 2023, central banks added 1,037 tonnes of gold — the second highest annual purchase on record

BUSINESS LINE DATE:19/6/2024 P.NO3

CIL may join hands with US firm for lithium blocks in Argentina

Reuters
New Delhi

State-run Coal India Ltd is exploring lithium blocks in Argentina along with a US company to secure supplies of the battery material, a source with direct knowledge said on Tuesday.

The efforts are part of India's membership under the US-led Minerals Security Partnership (MSP), which New Delhi joined last year to ensure adequate supplies of minerals to meet zero-carbon goals.

CO-INVESTMENT PLAN

India and the US said on Monday they were co-investing in a lithium resource project in South America and a rare earths deposit in Africa to diversify critical minerals supply chains.

India has been in talks with several countries, including the US, to collaborate in lithium processing and avoid relying on China, *Reuters* had reported.

"Coal India has come forward for the Kachi block in Argentina in which a US company and two other countries are interested to explore under the MSP," the source said. Preliminary studies are being conducted, the source added.

In February, US Secretary of State Antony Blinken said on a trip to Argentina that the US was exploring investment opportunities in critical minerals, especially lithium.

Under the minerals partnership, India was invited to participate in 20-25 critical minerals projects, of which four have been identified by the government, with two of these are in collaboration with the US, the source said.

The second project is in the Kangankunde block in Malawi, the source said, which is being explored by State-owned IREL (India) Ltd for rare earths.

DAINIK BHASKAR DATE:20/6/2024 P.NO12

चार वर्ष में कोल वॉशरीज ने खरीदा लाखों टन बैड मटेरियल

आपसी मिलीभगत से चल रहा कोयले में मिलावट का गोरखधंधा

- अग्रवाल की आईटीसी, गिरीराज जैसी अनेक कंपनियों से हो रही बैड मटेरियल की आपूर्ति

भास्कर न्यूज | चंद्रपुर

सोमवार शाम ताडाली एमआईडीसी स्थित सनविजय कंपनी से हिंद महामिनरल्स बेनीफिशरी (गुप्ता कोल वॉशरी) ले जाया जा रहा बैड मटेरियल से भरा ट्रक शेनगांव के पास एसडीपीओ ने पकड़ लिया था, जिसके बाद कोल वॉशरीज में अच्छे कोयले में बैड मटेरियल की मिक्सिंग का गोरखधंधा फिर से सुर्खियों में आ गया है। सूत्रों के मुताबिक वर्ष 2021 से अब तक तीन कोल वॉशरीज लाखों टन बैड मटेरियल खरीद चुकी हैं। बैड मटेरियल (कोल डस्ट) को महाजेनको को भेजे जानेवाले कोयले में मिलाकर पॉवर प्लान्ट्स में भिजवाया जा रहा है। इससे महाजेनको को लाखों, करोड़ों की चपत लगने के साथ अप्रत्यक्ष रूप से उसका बोझ जनता की जेब पर भी पड़ा है। चर्चा है कि नीचे से लेकर ऊपर तक आपसी साठगांठ से यह गड़बड़ी की जा रही है। चंद्रपुर के ट्रान्सपोर्टर पी. अग्रवाल की आईटीसी, गिरीराज जैसी अनेक परिवहन कंपनियों के माध्यम से बैड मटेरियल की विविध स्पंज आयरन कंपनियों से कोल वॉशरीज में आपूर्ति की गई है। सूत्रों के अनुसार अलग-अलग फर्म के नाम की बिल्टी अग्रवाल द्वारा ट्रक चालकों को दी जाती है, जिनमें डस्ट लिखा हुआ होता है। यह गोरखधंधा पिछले 4 वर्ष से खुलेआम चल रहा है। कंपनियों को एडवान्स में करोड़ों रुपए देकर लाखों टन बैड मटेरियल का स्टॉक खरीदकर रखा जाता है। ज्ञात रहे कि, सोमवार को ट्रक पकड़ने के बाद मंगलवार को एसडीपीओ कार्यालय पहुंचे पी. अग्रवाल के सुपरवाइजर ने बताया था कि बैड मटेरियल से भरा ट्रक गुप्ता कोल वॉशरीज में जा रहा था। चंद्रपुर और यवतमाल जिले में वेकोलि से महाजेनको को कोयले की खेप पहुंचाने की जिम्मेदारी हिंद महामिनरल्स बिनफेशरी बिलासपुर की कंपनी को दी गई है, जिसकी घुग्घुस, वणी और रामटेक में कोल वॉशरी है। कोयले को वॉश करके ताडाली, वणी रेलवे साइडिंग से महाजेनको के अलग-अलग पॉवर प्लान्ट में पहुंचाया जाता है। लेकिन पिछले 4 वर्ष से वॉशरीज में कोयले में मिलावट का धंधा जोर-शोर से चल रहा है।

प्रभात	130-4	125-8
प्रभात नाईट	569-0	460-0
श्रीदेवी	256-3	138-2
श्रीदेवी नाईट	568-9	257-4
राजधानी मॉर्निंग	260-8	170-8
राजधानी-डे	690-5	140-5
राजधानी नाइट	479-0	227-1

महाजेनको, एमएसएम व कोल वॉशरीज की साठगांठ

कोल वॉशरीज का संपूर्ण कार्य महाराष्ट्र स्टेट माइनिंग कार्पोरेशन की निगरानी में होता है। चर्चा है कि एमएसएम व महाजेनको के आला अधिकारियों को मिलावट की सारी जानकारी होते हुए भी वे केवल दिखावे के लिए जुर्माना वसूलने की कार्रवाई कर अपनी जिम्मेदारी से पल्ला झाड़ लेते हैं। कोल वॉशरीज के संचालकों के साथ महाजेनको व एमएसएम के अधिकारियों की साठगांठ होती है, ऐसा भी सूत्रों से पता चला है। इसी कारण ऐसे मामलों में कोई ठोस कार्रवाई नहीं की जा रही है।

रेलवे साइडिंग पर ही होता है सारा खेल

राजुर, वणी और ताडाली रेलवे साइडिंग पर कोल वॉशरीज से कोयला आता है। इन्हीं रेलवे साइडिंग पर कोयले में बैड मटेरियल की मिलावट की जाती है। उसके बाद रेलवे रैक में मिलावट किया हुआ कोयला राज्य के पॉवर प्लान्ट्स में पहुंचाया जाता है। ऐसे में घटिया कोयले की आपूर्ति के कारण बिजली उत्पादन पर भी असर पड़ रहा है।

एमपीसीबी ने कोल वॉशरीज को भेजे नोटिस

जानकारी के मुताबिक महाराष्ट्र प्रदूषण नियंत्रण बोर्ड ने एक लाख टन तक रिजेक्ट कोल (वेस्ट मटेरियल) स्टॉक में पाया था। इसे लेकर वॉशरी को नोटिस भी भिजवाया गया था। लेकिन वॉशरीज पर इसका कोई असर नहीं पड़ा। एमपीसीबी ने इन वॉशरीज से टैक्स इनवाइस बिल की कॉपी और रिजेक्ट कोल, जो कि बेचा गया है की टैक्स इनवाइस की कॉपी मांगी थी। जैसे कि पिछले 12 महीनों में बेचा गया डोलाचार, ईएसपी डस्ट, बैग फिल्टर डस्ट आदि को लेकर जानकारी एमपीसीबी ने मांगी थी।

हेराफेरी में अनेक कंपनियां शामिल

करोड़ों के कोयले की हेराफेरी में अनेक कंपनियां लिप्त हैं, जिन्हें एमपीसीबी द्वारा शो-कॉज नोटिस भेजा जा चुका है। इन कंपनियों में गोपानी स्पंज आयरन, लॉयड्स मेटल, सनविजय अलॉय एन्ड पॉवर लिमि., वायुनंदना गडचिरोली, ए.एनर्जी वडसा, जीआर क्रिष्णा फेरो अलॉय प्रा.लि.मुल आदि कंपनियों का समावेश है। इन कंपनियों ने अपने प्लान्ट से निकलनेवाला वेस्ट मटेरियल कोल वॉशरीज को बेचा है।

नियमानुसार कार्रवाई करेंगे

- हमारे पास अब तक कोई जानकारी नहीं आई है। ऐसा कुछ है तो नियमानुसार कार्रवाई की जाएगी। कुछ माह पहले ही कुछ गड़बड़ियों को लेकर टर्मिनेशन की नोटिस वॉशरीज को दिए गए थे।

\- राजेश पाटील, संचालक, महाजेनको मुंबई

वह अलग विषय है

- एसडीपीओ कार्यालय में हिंद महामिनरल्स के अधिकारी दूसरे काम के सिलसिले में गए थे। सुपरवाइजर कुछ भी बोलते हैं, उनकी बातों पर यकीन न करें।

\- पियूष मरोडिया, संचालक, हिंद महामिनरल्स (गुप्ता वॉशरी), नागपुर

BUSINESS LINE DATE:20/6/2024 P.NO3

CIL awards 23 closed mines to private players

Mithun Dasgupta

Kolkata

In a bid to tap the latent coal reserves of some of its closed and discontinued underground mines, Coal India has awarded 23 such mines on a revenue sharing model to successful bidders of the private sector.

The cumulative peak rated capacity of these mines is of 34.14 million tonnes per year, while the total extractable reserves are estimated at 635 mt, CIL said in a stock exchange filing on Wednesday. Earlier, Coal India had identified a total of 34 discontinued mines where good quality coal reserves are lying dormant but may not be financially viable for CIL to mine them. Thus, the coal major has decided to tender and offer these mines to willing private sector players who are prepared to operate and produce the dry fuel and share part of the revenue with CIL.

"Successful bidder is the one who offers the maximum revenue to the authority, which is the coal company. The minimum revenue to be shared is 4 per cent . The contract period is for a maximum of 25 years," the company said.

The advantages are conservation of resource, effective substitution of imported coal for non-regulated sector with good quality coal locked up in these mines and provision of livelihood to the local communities where these mines are revived. CIL said from the environmental point of view, there would be no land degradation as the mining infrastructure is already in place.

"CIL is also identifying a few more mines for the purpose to attract wider participation with bid norms relaxed. On the total quantity of coal sold exclusively for coal gasification or coal liquefaction purpose in a year, a 50 per cent on contracted percentage of revenue share of the authority will be provided to the operator.

The successful bidder to whom the mine shall be handed over on "as is where is" basis, can also utilise the existing infrastructure and project facilities without any additional payment to the authority," according to the filing.

BUSINESS LINE DATE:20/6/2024 P.NO8

Aluminium futures: Go short; stop-loss at ₹240

Akhil Nallamuthu
bl. research bureau

Aluminium futures on the MCX, over the past three weeks, has been on a decline. It started falling on the back of the barrier at ₹250.

COMMODITY CALL.

In the last three weeks, aluminium futures has slipped below key support points. The contract is now below both the 20- and 50-day moving average, and early this week it dropped below a key support at ₹232. These factors point to a possible downward movement from the current level. But there could be a minor rally from here, which can be capped at ₹235.

As per the chart, the nearest support for aluminium futures from the current level is at ₹225. But given the momentum, the contract will most likely fall below this and touch ₹210 in the short-term.

Aluminium futures can turn the trend bullish only if it can recover above ₹240, which at the moment appears unlikely. So, traders can consider short positions.

Short aluminium futures now at ₹230 and add shorts if the price rises to ₹235. Place stop-loss at ₹240. When the contract drops below ₹225, revise the stop-loss to ₹232. Bring the stop-loss further down to ₹222 when the price touches ₹215. Book profits at ₹210.

TG urges Centre to allot mining blocks in coal belt area to SCCL

Govt. may lead an all-party delegation to meet PM in this regard, says Deputy Chief Minister

The Hindu Bureau
HYDERABAD

The Telangana Government has urged the Central Government to allot all the mining blocks in the coal belt area of the State to Singareni Collieries Company Limited (SCCL).

Deputy Chief Minister and Minister for Finance and Energy Mallu Bhatti Vikramarka said that the State Government has decided to represent the matter to the Centre through Union Coal and Mines Minister G. Kishan Reddy.

A delegation led by Mr. Vikramarka has decided to meet Mr. Kishan Reddy on Friday and request him to take steps to allot new blocks to SCCL, which is essential for the functioning of the public sector mining company.

Nomination only

The State would seek allotment of new mines through nomination, not auction, as SCCL is a public sector company. Mr. Kishan Reddy should take the initiative in allotting mining blocks to SCCL and cooperate with the State Government in arranging a meeting with Prime Minister Narendra Modi in the event an all-party delegation was taken to New Delhi, he said.

"We are not averse to leading an all party delegation to meet the Prime Minister. We will not stand on prestige to seek allotment of mines in coal belt area to SCCL," he said. He recalled that works were yet to commence on the Koyagudem coal block of Sattupalli that was auctioned recently and said the block should be allotted to the SCCL. He said the Bharat Rashtra Samithi (BRS, then TRS) had supported the Union Government during the amendment made to Mines and Minerals Act 2015. "In sharp contrast, the party is now opposing auction of mines," he said.

Congress leaders recalled how SCCL suffered losses during BRS rule with closure of old blocks and non-allocation of the new ones

He recalled how the SCCL suffered losses during the BRS rule with closure of old blocks and non allocation of new blocks resulting in steep decline in the workforce. The BRS leaders should stop false propaganda against the Congress Government.

He asserted that government was committed to protect the assets of SCCLand had already represented the matter to Coal Ministry.

SCCL needs new blocks for its sustenance, says Bhatti

The Hindu Bureau
KHAMMAM

It is imperative to acquire new coal blocks for Singareni Collieries Company Limited (SCCL) to sustain production, as nearly 22 out of the total 40 mines of the PSU will be closed due to depletion of reserves by 2032-33, Deputy Chief Minister Mallu Bhatti Vikramarka said.

Bhatti Vikramarka

Mr. Vikramarka renewed his appeal to the Central government to allocate the coal blocks in the Godavari valley coalfields directly to the SCCL, without auction.

Speaking to the media in Khammam on Thursday, he said that coal production is likely to come down from the existing 70 million tonnes per annum to 15.28 million tonnes by 2060, if new blocks are not acquired. The situation warrants acquisition of new coal blocks to sustain production 2031-32 to meet the burgeoning demand, he noted.

He alleged BRS jeopardised the interests of SCCL by supporting the BJP-led NDA government's Mines and Minerals Amendment Bill 2015, paving the way for commercial coal block auction. BRS is responsible for blocking direct allocation of coal blocks to SCCL.

'BJP, Cong. trying to privatise SCCL'

The Hindu Bureau
HYDERABAD

Accusing both BJP and Congress governments at the Centre and State of attempting to privatise the SCCL by conducting an open auction for four coal mines in Telangana, instead of allocating them directly to it, BRS working president K.T. Rama Rao demanded that the Centre stall the auction on June 21.

He cautioned bidders against participating in the auction saying that BRS would cancel the leases once they come to power. Addressing a press meet at Telangana Bhavan here on Thursday, KTR reminded that the BRS government had vehemently opposed earlier attempts made by the Centre during its rule.

K.T. Rama Rao at a press meet on Thursday. NAGARA GOPAL

"Is this a return gift from BJP to the State that gave eight MP seats?" he asked alleging that it was a conspiracy to weaken SCCL and privatise it. "Former CM K. Chandrasekhar Rao wrote to the Centre on December 8, 2021, asking it not to go for open auction. Then TPCC chief and now CM Revanth Reddy tweeted the same. Now, why is the government supporting the Centre?" he asked.

ECONOMICS TIMES DATE:21/6/2024 P.NO5

Make India Key Node to Verify Origin of Diamonds, Indian Officials tell EU

Highlight logistics, cost issues in screening of roughs in Belgium; urge EU to push sanctions deadline to mid-2025

Sugata.Ghosh@timesofindia.com

Mumbai: If it's Belgium, why not India? New Delhi, along with the Indian diamond lobby, have sent across the message to the G7 club as the countdown begins to a sterner sanctions regime on Russian stones, beginning September 1.

At a meeting in Brussels last month, the Indian trade body, senior government officials and Indian customs officials have told the European Union authorities that India, which imports about 90% of rough stones mined in the world, should be a key nodal checkpoint to verify whether diamonds mined in Russia are sneaking into the affluent markets whose governments are backing the sanctions.

VIJAY P

SCAN & TEST IN INDIA

On December 6, 2023, G7 leaders announced import restrictions on non-industrial diamonds mined, processed, or produced in Russia. Between March 1, 2024 and August 31, 2024, the sanctions were confined to rough stones of one carat and above which were processed in a third country such as India. The weight threshold would be lowered to 0.5 and above carats from September 1, 2024 — at which point the regime would begin to hurt India.

"The team from India has also urged that this deadline should be pushed back (from September this year) to mid-2025. It has also pointed out the inconvenience, involving logistics, time and cost, that the industry would face if Belgium is node for routing diamond imports," a person familiar with the discussion told **ET**. "We believe the EU is examining the proposal," he said.

Since eight out of 10 stones are cut and polished here, India, it's argued, already has a ready infrastructure for 3D scanning and profiling of rough diamonds which should be used. In the natural diamond industry, before the roughs are sold to diamantaires, the assorting and mixing of the stones sourced from mines across the world — an exercise that was once done in London — now happens in Botswana.

AVOID DISRUPTION

"DeBeers has mines in different countries. Does it make sense for a stone to move from a mine in Namibia to Belgium for certification before travelling back to Botswana? This can impact the global industry alignment. Instead, the entire process, in a different way, can happen in an alternative node like India which has hundreds of scanners and expert manpower. It can be a less disruptive solution," said a trader.

The Indian industry is spearheaded by the Gem & Jewellery Export Promotion Council (GJEPC) which has formulated the counter-proposal to the idea of making Belgium as the single node.

Indeed, according to a GJEPC release, De Beers has advocated a 12-month extension to push back the full implementation of forthcoming sanctions to September 2025.

"Make no mistake. India is not against the sanctions. What it is suggesting is a logistically simpler and less troublesome process to screen roughs coming from Russia," said another person.

According to the G7 and EU scheme of things, Belgium (besides Canada which would certify stones mined there) would be the main node for issuance of a traceability based G7 certification for diamonds of 0.5 carat (and above) flowing into European, and probably other, markets. This would be backed by a blockchain-based G7 ledger that customs departments would be able to access to figure out where a rough originated. India feels it's eminently possible to put in place a different mechanism, where the scanned rough stone data is stored on cloud for reference and testing.

INDIANS IN ANTWERP BODY

Indians, predominantly the Palanpuri jains from Gujarat, may have further consolidated their position in the trade. According to the trade magazine 'Diamond World', the recent elections at the key coordinating body Antwerp World Diamond Centre (AWDC), saw five out of six newly elected board members hail from India. "In a competitive process, the board positions were divided into three distinct categories based on sales volumes. In the category representing companies with sales exceeding 100 million Euros, Ravi Bhansali, MD of Rosy Blue NV, and Isi Mörsel from Dali Diamonds emerged victorious. Meanwhile, in the category encompassing companies with sales below 30 million Euros, Chirag Shah of Yashvi Diamonds and Samit Mehta of Snehdiam were elected. In the category ranging between 30 to 100 million Euros, Prakash Patel of Veediam and Hitesh Kakadiya of Sheetal Europe secured their seats," said the report.

THE HINDU DATE:22/6/2024 P.NO4

SCCL may close sans new mines: Bhatti

The Hindu Bureau
HYDERABAD

Deputy Chief Minister and Energy Minister Mallu Bhatti Vikramarka, on Friday, urged Union Coal Minister G. Kishan Reddy to support Singareni Collieries Company Ltd (SCCL) by allocating coal blocks.

"Your taking charge as Union Minister of Coal has revived hopes for a bright future for Singareni. Request you to ensure allocation of coal blocks...," he said, pointing out that as a 'Telangana Bidda' Mr. Reddy is familiar with local conditions and contribution of the company for the State's development.

Mr. Vikramarka, who was speaking at the launch of the 10th round of commercial coal mines auction by Mr. Reddy, said there is a provision in the amended MMDR Act, under Section 17A(2), to allocate coal blocks to public sector units. "Ignoring this and providing opportunities to private entities through auction [of coal blocks] undermines the government sector," he said.

Deputy CM Bhatti Vikramarka submitting a memorandum to Union Coal Minister Kishan Reddy in Hyderabad on Friday. NAGARA GOPAL

The company had 44 mining leases covering 600 square kms in the Godavari-Pranahita area, with permission to extract 3,008 million tonnes of coal from 388 square kms. However, only half of this has been extracted so far, leaving 1,422 million tonnes yet to be mined. While SCCL was ready to extract this coal, due to the amendments to the Act in 2015, it lost lease rights over the Godavari-Pranahita region and had to acquire blocks through auctions.

Singareni had requested the Coal Ministry to allocate four blocks - Sattupalli Block-3, Koyagudem Block-3, Shravanapalli Block and PK OC dip side.

"Unfortunately, a decision was made to auction the four," he said. Mr. Vikramarka, who also submitted a representation to Mr. Reddy, cautioned that without new mine allocations, SCCL's very existence would be at stake.

Kishan: Will take care of SCCL interests

The Hindu Bureau
HYDERABAD

Union Coal Minister Kishan Reddy assured that interests of SCCL and its workers will be protected.

"Though both private and public sector firms were required to bid for coal blocks, Centre would explore the possibility of allocating blocks to SCCL on nomination basis."

BUSINESS LINE DATE:22/6/2024 P.NO3

10th tranche of commercial coal mine auctions launched

Our Bureau
Hyderabad

The Coal Ministry has launched the 10th tranche of commercial coal mine auctions offering 67 mines spread across Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, West Bengal and Telangana. The mines include both fully explored and partially explored and 3 coking coal mines.

G Kishan Reddy, Union Minister of Coal and Mines, launched the 10th tranche of commercial coal mine auctions at Hyderabad.

AUCTION PROCESS

The commencement of sale of tender document shall started from today.

The auction shall be held online through a transparent two stage process, based on percentage revenue share.

The auction includes 67 coal mines across eight States

According to the Minister, for 10th tranche also, mines falling under protected areas, wildlife sanctuaries, critical habitats, having forest cover greater than 40 per cent heavily built-up area, etc. have been excluded. The block boundaries of some of the coal mines where there was presence of dense habitation, high green cover or critical infrastructure, etc. have been revised to improve the attractiveness of the coal mines.

Announcing the auctions at an event here on Friday, the Minister emphasised the critical role of coal as the lifeline for all industries and its pivotal contribution in achieving a $5-trillioneconomy. He reiterated the importance of enhancing domestic coal production for India's economic growth.

SAFETY MEASURES

Amrit Lal Meena, Secretary, Ministry of Coal, emphasised the importance of enhancing coal production to meet the rising energy demands. He underscored that the increase in production must not compromise the safety of workers, stressing the adoption of global best practices to ensure secure working environment.

Global headwinds may dampen steel exports

TOUGH PHASE. Demand remains sluggish on increase in price quotations

Abhishek Law
New Delhi

The country's steel exports continue to see sluggish demand in June across key markets that include the Europe Union, Middle East and the South East Asian region.

While higher-than-expected price quotations are said to be a key reason for subdued demand, sources said hot rolled coil (HRC) exports to South East Asia and the Middle East continue to face Chinese competitive price resistance, thereby impacting demand.

Offers to the Middle East are apparently in the $600 per tonne range as against expectations (primarily Chinese offers) being in the $550-580 per tonne range.

EUROPEAN DEMAND

In case of Europe, sluggish economic conditions – after a brief period of improvement in early-June – persist.

In case of Europe, there was slight increase in price quotations early June, rising to $560-610 per tonne (lower and higher end) after settling in the $560-600 range, by mid-June.

In contrast, European HRC prices experienced a marginal uptick despite lacklustre demand.

This increase coincides with the European Union's extended safeguard measures, aimed at restricting imports from specific countries and potentially tightening supply within Europe.

India will be among the countries that could see a hit in its exports to Europe.

On the other hand, cold rolled coil offers to Europe saw a 6-7 per cent decline to $700 per tonne, as against $750 in the previous week.

According to consultancy firm, BigMint, the Indian steel mills have maintained their HRC export offers to Europe "unchanged", focusing on the domestic market as a priority.

"Some sluggishness in domestic market is expected post June, as monsoon set in. Budget expectations will also weigh in on trade level prices while mills are also expecting counter-measures to safeguard duties of the EU," a steel mill official told *businessline*.

INTENSE COMPETITION. Hot-rolled coil exports to S-E Asia and the Middle East continue to face competitive price resistance from China

DOMESTIC MARKET

India's imports of bulk HRC and plates have begun to grow, out-pacing exports.

The onset of the monsoon season is anticipated to reduce demand across various regions of India too.

"...narrowing profit margins and reduced sales within the trading sector, is fostering a pessimistic market sentiment. Moreover, the increasing influx of imports is poised to exert additional downward pressure on prices," BigMint said in its report.

Some mill owners say the HRC market is showing "some sluggishness" and decline in sales are being witnessed. In parallel, coking coal prices are witnessing some uptick over the last couple of weeks.

"Market demand has weakened. And a mill price increase may push influx of imports," the mill-owner said, adding: "Prices should be range bound in the mid-term."

BUSINESS LINE DATE:22/6/2024 P.NO3

TN's gold, rare-earth elements exploration projects approved

Our Bureau
Chennai

The National Mineral Exploration Trust recently approved exploration projects submitted by Mineral Exploration and Consultancy Ltd (earlier called Mineral Exploration and Corporation Ltd) for gold and rare-earth elements (REE) in Krishnagiri and Tiruppur districts. It also approved an exploration project for graphite in the Arasanur East block submitted by Kudremukh Iron Ore Company Ltd.

MORE POTENTIAL. New mineral blocks, including gold and limestone, have been identified for auction in the near future

Tamil Nadu is a mineral-rich State, and has multiple mineral resources in many parts of the State. Revenue from mineral resources increased from ₹983 crore during 2020-21 to ₹1,836 crore in 2023-24, says the Tamil Nadu Natural Resources Department Policy Note for 2024-2025.

To enhance revenue, exploration of new minerals and deposits is regularly undertaken through agencies such as Geological Survey of India, Mineral Exploration and Consultancy, and Kudremukh Iron Ore Corporation Ltd. These agencies have submitted geological reports on limestone, dunite, iron ore, graphite, gold, the platinum group of elements and molybdenum. District survey reports have been prepared in all the districts and hosted on the district websites.

10 BLOCKS IDENTIFIED

Illicit mining and transportation of minerals pose a significant challenge, depriving the State of crucial revenue and degrading the environment. To combat this menace, the Government has taken a series of stern measures such as deployment of drone technology, mining surveillance system and online mineral management system, the policy note said.

Ten limestone blocks have been identified in Ariyalur and Cuddalore districts for auctioning of mining leases. The Department published NIT on March 4, 2024, in accordance with Mineral Auction Rules, 2015, and the tender is under process. It is expected that substantial revenue will be generated after the successful completion of the e-auction process. New mineral blocks of gold and limestone have been identified and geological reports have been submitted by the exploration agencies. Auction of these blocks will also be taken up by the Department shortly, the note said.

THE INDIAN EXPRESS DATE:24/6/2024 P.NO1

In Chhattisgarh's Korba district, first signs of progress in lithium mining after setbacks

AGGAM WALIA
NEW DELHI, JUNE 23

EXPLORATION OF LITHIUM, a critical mineral used to make lithium-ion batteries, in Chhattisgarh's Korba district has moved a step further with one block advancing to the second round of auctions and promising deposits now being found in the initial exploration of another block, according to latest information available with the Union Mines Ministry.

The reassuring signs from Korba come after a series of roadblocks in the Centre's endeavour to develop India's first lithium mine including the cancellation of auction of a lithium block in Jammu and Kashmir's (J&K's) Reasi district due to insufficient investor interest, shelving of exploration plans in Manipur's Kamjong district due to "local resistance", and "not encouraging" results from exploration in Ladakh and Assam.

In Korba, just south of the lithium block currently under auction, a private exploration company funded by the National Mineral Exploration Trust (NMET) has found hard rock lithium deposits ranging from 168 to 295 parts per million (ppm). Further exploration could pin down the reserves estimate to a large number. Lithium exploration in other

CONTINUED ON PAGE 2

In Chhattisgarh's Korba district, first signs of in lithium mining

states, however, has not been as fruitful, latest meeting minutes of a top NMET committee revealed.

In Manipur, the committee was told that efforts to explore lithium in Kamjong district were stalled due to resistance from locals in the area. "The committee decided to drop the item for the time being due to local issues," the minutes said. In Ladakh's Merak block, very close to the border between India and China, a lithium exploration funded by NMET yielded "results (that) are not encouraging". The NMET committee also recommended to "drop" an item dealing with the upgradation of a lithium exploration in Assam's Dhubri and Kokrajhar districts.

The primary end-use of lithium, a critical mineral, is in lithium-ion batteries, which are extensively used in electric vehicles (EVs) and consumer electronics. Lithium is also used in energy storage systems. With lithium demand having grown significantly over the past few years and set to rise further going forward, there is a global rush for mining the critical mineral. India, too, has been trying to scout for opportunities in lithium mining domestically as well as overseas.

Since November, the mines ministry has put 38 blocks of critical minerals up for auction, including two lithium blocks — one in J&K's Reasi district and another in Chhattisgarh's Korba district. Of the two lithium blocks, only the Korba block garnered enough investor interest for the auction process to continue, while the Reasi block had to be annulled and was reoffered in a fresh tranche of auction in March. The ministry is set to announce the preferred bidder for the Korba block on Monday, whereas the re-auction of the Reasi block is ongoing.

Preliminary surveys in Korba found lithium concentrations in bedrock samples ranging from 10 to 2,000 ppm, whereas exploration in Reasi showed lithium deposits exceeding 200 ppm. According to mining sector experts, the potentially lower concentration of lithium in the J&K block, coupled with the need for expensive mineral extraction infrastructure, could explain the weak investor interest.

Lithium concentration alone does not determine extraction viability. Lithium found in hard rock granites and pegmatites, like in India, is significantly harder to extract. Experts also highlighted that figures on mineral reserves reported for several blocks were inconclusive and not rigorous. The Indian Express had earlier reported how underdeveloped mineral reporting standards in India are hindering inflows of direct investment in the mining sector.

Notwithstanding mixed results in identifying and developing domestic critical mineral assets, India has been relatively more successful in securing assets overseas. For instance, Khanij Bidesh India Limited (KABIL), a joint venture of three public sector companies under the Mines Ministry, secured rights to explore, develop, and extract lithium across five blocks in Argentina's Catamarca province earlier this year. *The Indian Express* earlier reported that several Indian companies, urged by the ministry, are also looking at securing critical mineral assets in Sri Lanka and Australia.

BUSINESS LINE DATE:24/6/2024 P.NO1

PLI projects: Steel Min fast-tracks visa approvals for Chinese experts

GIVING IT A PUSH. Move may boost specialty steel sector that uses high-end equipment

Abhishek Law
New Delhi

The Steel Ministry is expediting visa processes, particularly for Chinese technicians and experts working on PLI projects involving specialty steel.

Sources familiar with the matter said tracking the progress of the speciality steel making schemes under PLI would be taken up soon.

Against a revised expected investment of ₹16,000 crore in the specialty steel segment in FY24, actual investments were 10 per cent lesser at ₹14,500 crore, according to a review. Previously, companies and scheme beneficiaries had committed to investing ₹21,000 crore in the last fiscal.

An official told *businessline* that the sectoral PLI scheme was a slow starter, and investments were further delayed because of visa issues. Most of the specialised steel-making equipment and their installation, maintenance and training for use are provided by Chinese technicians. Delays in visa approvals slowed down the implementation of the PLI, various scheme beneficiaries said during review meetings with Ministry officials.

SPECIAL ATTENTION

- The PLI scheme for specialty steel is expected to generate investment of ₹29,500 crore by FY28
- Measures taken to expedite project clearances
- Issue of SOPs for Indian visa for experts, especially Chinese, underway

"Now most of the recommendations being made by the Steel Ministry in case of visa approvals (only for the Chinese) are being cleared within seven days or so. Earlier, this was not the case. Till a few months ago, not all recommendations on visa facilitation were taken up or given a green signal," the official said.

Under the PLI scheme for specialty steel, 57 MoUs have been executed for generating an investment of ₹29,500 crore and an additional capacity of 25 million tonnes (mt) by FY28. The last official numbers released by the Ministry as of December show that selected companies have invested about ₹12,900 crore. In FY25, an additional ₹10,000 crore is expected to come in.

STEPS TAKEN

"Measures have been taken to expedite clearances for projects, issue standard operating procedures for Indian visa for experts, and to address the concerns of the participating companies by continuous engagement with the stakeholders," the official said.

Interestingly, precision equipment or capital goods required for making specialty steel are mostly not manufactured in India and are often imported.

It is said about 15-20 per cent of steel plant equipment is likely to be imported from foreign countries.

Given the current situation, where the import content and value rise as one moves up the value chain, about $18-20 billion worth of imported equipment is likely to be sourced from abroad besides spares worth $400-500 million, it was said at a recent meeting between the government and the industry.

At the meeting, senior Steel Ministry officials had pointed out to a dichotomy — push for self reliance in the sector and reducing imports would not be possible if import bill of the precision capital equipment/ goods kept rising. It would ultimately render Indian offerings uncompetitive globally.

Officials pitched for a consortium-based approach whereby Indian companies and PSUs come together and develop the "high-end capital goods and equipment in-house" with the "government support."

THE HINDU DATE:25/6/2024 P.NO11

Critical minerals: first six blocks awarded

The Hindu Bureau
NEW DELHI

Union Mines Minister G. Kishan Reddy on Monday introduced a fresh tranche of auctions for mining rights in 21 blocks of critical and strategic minerals, announced winners for six blocks that were part of the first such auction held last November and promised to kick off the auction process for offshore minerals in his first 100 days in office.

Mr. Reddy said the auction of mining rights in offshore areas will begin with 10 offshore blocks that have been identified. The first mining activity for critical minerals is likely to yield phosphorite, lithium, graphite and manganese, in the first six blocks awarded in Odisha, Tamil Nadu, Uttar Pradesh and Chhattisgarh.

"We will work to ensure the mines awarded today, will begin production at the earliest possible," Mines Secretary V.L. Kantha Rao said, adding the government is keen to attain self-sufficiency in the import-dependent sector.

THE HINDU DATE:25/6/2024 P.NO4

Centre's warning on limestone mine auction puts govt. in dilemma

R. Ravikanth Reddy
HYDERABAD

The State government is in a dilemma over the Centre's ultimatum to speed up the auctioning of 11 mines in Telangana before June 30 as notified by it, failing which it would go ahead with the auctioning of at least six of those mines as per Section 10B and 11 of the Mines and Minerals (Development and Regulation) Act, 2015.

The Central Mines Department wrote to the State government on May 20, asking it to expedite the auctioning process of 11 mines notified in Telangana. Government sources said that among the 11 mines are Saidulanama, Sultanpur, and Pusupulabodu in Suryapet district; Chintalathanda in Khammam district and Kampa Junapani limestone mines in Adilabad district. If these mines are not auctioned, the Centre will do so as the State government had agreed to auction them in 2018 itself, said sources.

Government sources claimed that the BRS government, in 2018, decided to auction the three limestone mines and on

September 16, 2020, the Chief Secretary wrote a letter to the Union Department of Mines and Minerals to permit the auctioning. In response, the Centre said it didn't have any objections since the State government had already agreed.

With the June 30 deadline fast approaching, the Telangana government led by A. Revanth Reddy is in a dilemma as auctioning them would mean that the State government would have to risk losing rights over valuable mineral wealth. The government now plans to appeal to the Centre to allocate these to public sector organisations instead of giving them to private companies. "The previous BRS government agreed to auction and had it not been done, the Congress government would not have faced this situation," an official explained.

The letter to Telangana government to expedite the process is based on the Centre's decision in 2015 to auction 354 major mineral blocks. Production started in 48 of these blocks and the Centre has also mentioned in the letter that it was bringing revenue to the respective States.

Congress government has alleged that the BRS government's policy to auction mines started eight years ago to benefit some private companies. "As a part of that, the Satthupalli and Koyagudem Kanyanikhani mines, which were supposed to be given to Singareni, were acquired by private companies in the auction in 2023," government sources said.

"The previous government led by K. Chandrasekhar Rao also leased the Tadicherla coal mine in Bhupalapally area to a private company for 30 years," sources said, adding that the Bharat Rashtra Samithi was trying to blame the current Congress government for the dilemma it was pushed into due to policies initiated during its regime.

THE HITAVADA(CITYLINE) DATE:25/6/2024 P.NO6

Steel prices fall Rs 4,500/tonne in less than 25 days

■ Business Reporter

Satish Raut

Prices on June 24	
8 mm	Rs 47,500 + 18% GST
10 mm	Rs 46,500 + 18% GST
12-25 mm	Rs 46,000 + 18% GST
Prices on June 1	
8 mm	Rs 52,000 + 18% GST
10 mm	Rs 51,000 + 18% GST
12-25 mm	Rs 50,500 + 18% GST

A SHARP decline in steel prices ahead of the monsoon season has become a cause of concern for many, especially the manufacturers. They termed the sharp fall 'abnormal' and said the markets may see further dip in the prices.

Normally the steel prices dilute during the monsoon season and it takes two to three months to see the considerable drop. However, in the current season the prices have slipped almost Rs 4,500 per tonne in less than 25 days. Steel TMT bars of 8mm, 10mm and 12-25mm were traded in the price range of Rs 52,000 to Rs 50,500 per tonne (plus 18 per cent GST) on June 1 and dropped to Rs 47,500 to Rs 46,000 per tonne (plus 18 per cent GST) on June 24.

Rajesh Sarda, President of Steel and Hardware Chamber of Vidarbha and Director of Ramsons Group, while speaking to *The Hitavada*, said the market was not expecting such a fall. "Ideally the steel prices come down during the monsoon season due to slowdown in construction activities. But the prices do not fall all of sudden before the arrival of monsoon. The price correction continues throughout the season," he explained.

Sarda further said that the demand for steel is weak in the domestic and international markets. "The overall market situation is not looking very optimistic and thus the prices are falling. And it is very difficult to predict the steel prices for the coming days," he said.

Another manufacturer said the prices may come down in the following months. "We do not see any possibility of demand picking up during the monsoon and the prices may slip further," he said.

The Nagpur-based manufacturer has already cut down production because of the uncertainty in the markets. "We are already bearing the brunt of the high cost of power. And now this price correction is further affecting our industry. It is not feasible for us to operate the unit to its capacity," he said.

The manufacturers believe that steel prices would consolidate only after the monsoon season.

EU Defers Ban on Russian Diamond Imports by 6 Mths

Move to help Indian diamond houses; now, sanctions to come into force from March 1, '25

Our Bureau

FILE PHOTO

Mumbai: Amid persistent lobbying by Indian diamond houses and trade biggies like DeBeers, the European Union (EU) has deferred the start of a harsher sanctions regime on Russian diamonds by six months to March 2025.

A few other relaxations, like ring-fencing old stocks, announced by the European Commission (EC), the executive arm of the EU, would give a further breather to the local diamantaires which constitute the world's largest importer of rough diamonds.

According to a statement issued by the Commission on Monday, the ban on import of Russian diamonds would not extend to either rough or polished stones which were there in the EU and other countries (like India) before the beginning of the sanctions in March 2024.

Under the original sanctions timeline, between March 1, 2024 and August 31, 2024, import of rough stones of one carat and above was prohibited. A sterner sanctions rule was announced from September 1, 2024 when the weight threshold was lowered to 0.5 carats — the point at which the regime would have begun to hurt India seriously.

Now, as per EU's latest decision, the sanctions regulations, which were supposed to kick in from September 1, would come into force from March 1, 2025.

Besides, temporary imports or exports of jewellery for trade fairs or repairs would not be affected by the sanctions.

SANCTION PACKAGE

Monday's announcement marked the 14th package of sanctions announced by the EU since Russia invaded Ukraine in Feb 2022

The Commission has also postponed the "ban on jewellery incorporating Russian diamonds processed in third countries other than Russia until the Council decides to activate the ban in the light of action taken within the G7 to pursue that measure."

However, from next March a "full-traceability scheme" for imports of rough and polished natural diamonds will become mandatory. This is aimed at tracking the origin of rough diamonds entering the world's affluent markets and counter moves to sell stones from Russian mines sneaking into EU and G7 markets. For this, the EU has proposed a central node in Belgium which would test the origin of imported roughs — a plan that has been opposed by Africa, India, and trade biggies like DeBeers on the grounds that it would complicate logistics and push up costs.

At a meeting with EU in May, New Delhi and the local industry body the Gem & Jewellery Export Promotion Council (GJEPC) had proposed a less-disruptive process where India can serve as another node for tracking the mined stones. India imports nine out of 10 stones mined in the world.

Monday's announcement marked the 14th package of sanctions announced by the EU since Russia invaded Ukraine in February 2022.

ECONOMICS TIMES DATE:25/6/2024 P.NO3

'FUNDS CAN BE UTILISED ONLY WITHIN RADIUS OF 40 KM FROM A MINE'

New Mineral Fund Rules Restrictive: Chh'garh Govt

Nidhi.Sharma
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New Delhi: The BJP government in Chhattisgarh has red-flagged the new guidelines of the District Mineral Foundation (DMF) pointing out that they could lead to misuse of funds meant for welfare of people affected by mining activity.

Terming the new guidelines, notified in January right before the imposition of the model code of conduct for the Lok Sabha elections, as "restrictive", Chhattisgarh has requested the Centre to examine the guidelines.

Speaking to ET, Chhattisgarh finance minister OP Choudhary said, "The new guidelines lay down that the District Mineral Foundation funds can be utilised only in a radius of about 40 km from a mine. These guidelines are restrictive and will make it difficult for states like Chhattisgarh to utilise the funds effectively. In fact, this could lead to misuse of funds." In 2015, the Centre had amended the Mines & Minerals (Development and Regulation) Act to establish the DMF in every district affected by mining operations. A certain percentage of royalty from mining of minerals is deposited in DMF for the welfare of people affected by mining activities.

In January this year, the guidelines were amended. Through the revised guidelines, the Centre has defined directly affected area and indirectly affected area by mining activity.

NAVBHARAT DATE:25/6/2024 P.NO4

सोना और चांदी की कीमतों में उछाल

■ नागपुर, व्यापार संवाददाता. अंतरराष्ट्रीय बाजारों में बहुमूल्य धातुओं की कीमतों में गिरावट के बावजूद स्थानीय सराफा बाजार में सोमवार को सोना 200 रुपये की तेजी के साथ 72,000 रुपये प्रति 10 ग्राम पर पहुंच गया. पिछले कारोबारी सत्र में सोना 71,800 रुपये प्रति 10 ग्राम पर चल रहा था. वहीं चांदी की कीमत भी पिछले बंद भाव के मुकाबले 300 रुपये की तेजी के साथ 89,300 रुपये प्रति किलोग्राम पर पहुंच गयी. पिछले कारोबारी सत्र में यह 89,000 रुपये प्रति किलोग्राम पर चल रही थी. अंतरराष्ट्रीय बाजार में सोना गिरावट के साथ 2,318 डॉलर प्रति औंस पर कारोबार कर रहा था, जबकि चांदी गिरावट के साथ 29.47 डॉलर प्रति औंस पर थी. अमेरिकी विनिर्माण और सेवा पीएमआई आंकड़ों के अपेक्षा से अधिक मजबूत होने के बाद अंतरराष्ट्रीय बाजारों में सोमवार को सोने की कीमतों में गिरावट आई, जिससे व्यापारियों को अमेरिकी फेडरल रिजर्व द्वारा ब्याज दरों में कटौती के समय पर पुनर्विचार करने के लिए मजबूर होना पड़ा.

THE INDIAN EXPRESS DATE:25/6/2024 P.NO13

4TH TRANCHE OF CRITICAL MINERALS AUCTION: 21 BLOCKS OFFERED

Govt offers 10 new critical mineral blocks, fresh incentives

AGGAM WALIA
NEW DELHI, JUNE 24

THE MINISTRY of Mines led by Mines Minister G Kishan Reddy launched the fourth tranche of critical minerals auction, offering a total of 21 blocks across fourteen states, including 11 blocks that are being reoffered from the second tranche after failing to secure the mandatory participation of at least three bidders. At the launch on Monday, the ministry also unveiled an incentive scheme for reimbursing up to Rs 20 crore in exploration expenses incurred by licence holders.

The preferred bidders for 6 blocks that were successfully auctioned off in the first tranche in November were also announced– notably, the licence to further explore the lithium block in Chhattisgarh's Katghora has been granted to Kolkata-based Maiki South Mining Pvt Ltd. Moreover, Cuttack-based Agrasen Sponge Pvt Ltd won the licence to mine two blocks in Odisha holding graphite resources of around 4.6 million tonnes (MT).

> **EXPLAINED**
>
> **What are critical minerals?**
>
> CRITICAL MINERALS are raw materials essential for economic and national security, often used in high-tech industries and renewable energy technologies. They are typically rare, difficult to mine and substitute, and often vulnerable to supply chain disruptions due to limited global production and geopolitical factors.

The ministry's fourth tranche brings the total critical mineral blocks offered to 48. The auction journey has been mixed: the first tranche offered 20 blocks, with 6 successful auctions and 13 annulments due to low bidder interest. The second tranche saw 18 blocks offered but 14 annulled. All 7 blocks in the third tranche were re-offers from the first tranche. Now, the fourth tranche presents 10 new blocks alongside 11 previously annulled from the second tranche. In total, 24 of the 48 blocks have been annulled once, but the ministry remains hopeful about successful re-auctions.

"We are hoping for good results from the third tranche. In the current tranche, there are 10 fresh blocks and 11 blocks are repeated. We will intensify our roadshows and we will try to convince [investors] that some of the blocks that have not been picked up are good blocks," the Mines Secretary VL Kantha Rao said during a media briefing. The newly announced exploration reimbursement incentive aims to boost investor interest in critical mineral blocks. Under this scheme, exploration licence (EL) holders can claim up to Rs 20 crore in reimbursements for key activities such as geophysical investigations, exploratory drilling, and chemical and petrological analysis.

If an EL holder successfully hands over a block for grant of mining lease within three years from the execution of the EL, they will be eligible for further reimbursements. Previously, some mining companies were hesitant to bid for exploration licences, knowing the block would be re-auctioned for mining after exploration. The latest financial incentive is expected to mitigate risks, encourage more thorough exploration efforts, and potentially lead to increased mineral discoveries.

"The law of the land is that whoever does exploration, the ultimate mining rights will be given only through a process of auction. Therefore, in an exploration licence regime, the person can never get the block unless they bid again. We have a provision where the same company that does exploration can also bid, but it will be a transparent bidding," Kantha Rao said. During the media briefing, the Mines Secretary said that almost 100 critical mineral blocks have been identified by the government and will be offered in tranches over time. He also added that 10 blocks have been identified for offshore mining and will be announced alongside an offshore minerals action plan in the next 100 days.

BUSINESS LINE DATE:25/6/2024 P.NO3

India's coal usage pipped that of Europe, North America combined in 2023

Rishi Ranjan Kala
New Delhi

In a first, India's coal consumption at 21.93 exajoules (EJ), or roughly 748 million tonnes of coal equivalent (mtce), in 2023, was higher than the combined usage in North America and Europe.

According to the Energy Institute's statistical review of world energy 2023, North America consumed 8.83 EJ (301 mtce) coal last year, while the utilisation in Europe hit 8.39 EJ (286 mtce).

The year 2023 was marked by record global energy consumption, with coal and crude oil pushing fossil fuels and their emissions to record levels.

COAL USAGE

"Whilst China is by far the largest consumer of coal (it beat its own record set in 2022 and now accounts for 56 per cent of the world's total consumption), in 2023 India exceeded the combined consumption of Europe and North America for the first time ever," the review said.

The review pointed out that global coal production reached its highest ever level of 179 EJ, beating the previous high set the year before. Asia Pacific accounted for nearly 80 per cent of global output with activity concentrated in just four countries — Australia, China, India, and Indonesia.

These four countries jointly account for 97 per cent of Asia Pacific's coal output. Global coal consumption continued to increase and breached 164 EJ for the first time ever. The increase of 1.6 per cent over 2022 was seven times higher than the previous ten-year average growth rate.

Coal consumption in Europe and North America each fell below 10 EJ, their lowest levels since 1965.

One EJ equals 34.12 million tonnes of coal equivalent (mtce), 23.88 million tonnes of oil equivalent (mtoe), 947.8 trillion British thermal units (tBtu) and 277.8 terawatt hours (TWh). One TWh equals 1,000,000 megawatt hours.

However, India's per capita energy consumption is way below that in these developed regions, or even the global average.

TABLE TOPPER

- India's coal consumption was at 748 million tonnes of coal equivalent in 2023
- North America consumed 301 mtce
- Utilisation in Europe hit 286 mtce

India's primary energy consumption per capita stood at 27.3 gigajoule per capita in 2023 (2022: 25.7), compared to 230 gigajoule per capita (2022: 233.8) in North America and Europe's 115.2 gigajoule per capita (2022: 117.7). The global per capita in 2023 was 77 gigajoule per capita (2022: 76.2). A decade back, India's primary energy consumption per capita was 20 gigajoule per capita, against North America's 244 gigajoule per capita and Europe's 103.2 gigajoules per capita.

RECORD DEMAND

Last week, Coal Ministry said that demand for the critical commodity rose by 7.30 per cent on an annual basis so far in the current financial year, which is an all time high record, as India faces its longest spell of heat wave in history driving up demand for electricity.

The consumption by domestic coal-based power plants stood at 183.61 million tonnes (mt) during April-June 15, 2024 from 171.15 mt a year-ago, while daily consumption rose to 2.42 mt from 2.25 mt.

The April-June 2024 period has been marked by sweltering temperatures coupled with intense heat waves across north India leading to a higher requirement for cooling, which is pushing up the demand for electricity.

BUSINESS LINE DATE:25/6/2024 P.NO3

Govt auctions 21 critical mineral blocks worth ₹83,000 cr

Abhishek Law
New Delhi

The government put on auction 21 critical mineral blocks across nine States valued at ₹83,000 crore while a Kolkata-registered mine development operator, Maiki South, won the country's first ever lithium block at Kathgora in Chhattisgarh.

Of the 21 mineral blocks put on auction on Monday, 11-odd are new ones and 10 of them are "second attempts" that is blocks from previous tranches which did not get any or less than the mandatory three bidders.

India has been auctioning critical mineral blocks since November as part of efforts towards a clean energy transition.

FRESH BLOCKS

The fresh mineral blocks span six States — Arunachal Pradesh, Chhattisgarh, Jharkhand, Karnataka, Rajasthan and Uttar Pradesh – and include minerals such as graphite, glauconite, phosphorite, potash, nickel, platinum group of elements, phosphate and rare earth elements (REE). The "second attempt" blocks — in Andhra, Arunachal, Chhattisgarh, Karnataka, Maharashtra and Tamil Nadu — cover minerals such as tungsten, vanadium, graphite, glauconite, cobalt and nickel.

According to GK Reddy, Union Minister for Mines, the plan would be ensure operationalisation of these blocks "at the earliest". It is expected that it will take 2 to 3 months for the auction process to be completed.

"These auctions are a key in India switching over to green energy and reducing its import bill across minerals like lithium, copper and others," Reddy said, adding that more critical mineral blocks are being identified and will be put of for auction, post determination of their commercial viability.

A CLEAN BREAK. India has been auctioning key mineral blocks since November as part of its move towards clean energy

CHHATTISGARH BLOCK

Licence for India's first-ever lithium block (in Chhattisgarh) was awarded to Maiki South Mining which quoted an auction premium of 76.05 per cent. The company obtained a composite licence; will start exploration activities to determine the quantity of reserves and other details before it starts commercial mining.

"Our initial reports show there is commercial viability in the block," a senior Mines Ministry official said.

Meanwhile, preferred bidders for five other critical mineral blocks – put up for auction in the first tranche – were also declared. These include four graphite and manganese ore blocks and one for phosporite.

Sagar Stone Industries, which won the Uttar Pradesh phosphorite block having a reserve of 19.09 million tonnes (mt), quoted an auction premium of 400 per cent.

A senior Ministry official said the block had substantial reserves for a mineral where India is import dependent. "Used primarily in the fertilizer industry, the bids made present a valid business-case," the official added.

Agrasen Sponge Private Ltd won two graphite and manganese ore blocks – both in Odisha – quoting premium of 70 per cent and 80 per cent-odd respectively. Reserves identified are at 0.91 mt and 3.66 mt, respectively.

The value of these three blocks with identified reserves is pegged at ₹3,200 crore.

In case of the graphite block in Tamil Nadu, Dalmia Bharat Refractories won the bid quoting around 45 per cent premium. Reserves are yet to be determined here.

Mineral auction winners

Mineral block name	State	Mineral name	Concession type	Resource (million tonnes)	Name of the preferred bidder
Babja Graphite and Manganese Block	Odisha	Graphite and manganese ore	ML	0.91	Agrasen Sponge Pvt Ltd
Biarpalli Graphite and Manganese Block	Odisha	Graphite and manganese	ML	3.66	Agrasen Sponge Pvt Ltd
Akharkata Graphite Block	Odisha	Graphite	CL	-	Kundan Gold Mines Pvt Ltd
Iluppakudi Graphite Block	Tamil Nadu	Graphite	CL	-	Dalmia Bharat Refractories Ltd
Pahadi Kalan-Gora Kalan Phosphorite Block	Uttar Pradesh	Phosphorite	CL	19.09	Sagar Stone Industries
Katghora Lithium and REE Block	Chhattisgarh	Lithium and REE	CL	-	Maiki South Mining Pvt Ltd

ML: Mining lease CL: Composite Licence

BUSINESS LINE DATE:25/6/2024 P.NO3

Mines Ministry annuls auction of 14 of 18 critical mineral blocks

LOW TURNOUT. Five did not receive any bids, nine got less than the mandatory numbers

Abhishek Law
New Delhi

The Mines Ministry has annulled auctions for 14 critical mineral blocks that were put up in the second tranche for want of requisite number of bidders.

Nearly 78 per cent of the blocks put up for auction in the second tranche stand annulled.

The blocks annulled cover minerals such as graphite, tungsten, cobalt & manganese (including poly metallic nodules) and potash.

A total of 18 blocks has been put on auction in round two that was announced earlier in February this year.

Of the 14 blocks cancelled, five did not receive any bidders and nine received less than the mandatory three minimum bidders.

The auction was a part of the Modi government's push towards cleaner alternatives and a step towards self-reliance in critical mineral supplies.

KEY OBJECTIVES. The auction was a part of the Narendra Modi-ruled government's push towards cleaner alternatives; and a step towards self-reliance in critical mineral supplies. REUTERS

FIVE BLOCKS

The five blocks that received no bidders include the vanadium and graphite block in Arunachal Pradesh and the REE (rare earth element) block including gold and copper also in Arunachal.

Two potash blocks located in Rajasthan did not receive any bids, while the platinum group of element, chromium and nickel block at Maharashtra also did not get any bids, senior officials aware of the developments told *businessline*.

"Since there were less than three (3) Technically Qualified Bidders for each of these nine mineral blocks which were put up for e-auction, thus pursuant to Clause 8.1 (A) (f) of the Tender Document and sub rule 10 of Rule 9 of Mineral (Auction) Rules, 2015 as amended, the auction process of the following Nine (9) mineral blocks stands annulled," the official said.

NINE BLOCKS

These nine blocks include two vanadium and graphite blocks in Arunachal Pradesh; one tungsten block each in Andhra Pradesh, Tamil Nadu and Chhattisgarh; one glauconite block in Chhattisgarh; and one phosphorus and limestone block also in Chhattisgarh.

This apart, a nickel, chromium and other associated mineral block in Maharashtra did not get the requisite number of bidders.

A cobalt, manganese, iron and other poly metallic nodule block in Karnataka has also not got three or more bidders.

Some of these blocks have been taken up in the fourth tranche of auctions that were announced on Monday, a senior ministry official said.

According to Anoop Gutgutia, Chairman, Committee on Ferrous Alloys, IFAPA, previously two molybdenum mines in Tamil Nadu received no bids, primarily because the ones identified did not have commercial viability and was low on content or they were not extractable.

"Considering the critical nature of molybdenum, there is a need for the government to focus on enhancing domestic manufacturing for downstream and mid-stream critical mineral products such as ferro molybdenum by removing the import duty on raw material," he said.

So far, three tranches of auctions have taken place, wherein 38 mineral blocks were put up, and a fourth tranche saw addition of 10 new mineral blocks.

In all, India has identified some 100-odd critical mineral blocks and post commercial viability will look to auction most of them.

India's first-ever list of 24 critical minerals was compiled and made public in 2023 and the list included minerals such as lithium, tungsten, copper,cobalt and graphite.

In the next 100-days, offshore mineral block auctions will also commence and 10 blocks covering poly-metallic nodules, lime mud, among others have already been identified in the eastern and western coast of India.

BUSINESS LINE DATE:26/6/2024 P.NO2

JSW Steel to invest $100 m in US facility

Our Bureau
Mumbai

JSW Steel USA, Inc plans to invest $110 million in sustainable technology and modern equipment at its steel plate manufacturing facilities in Baytown, Texas.

The investment will enable the production of high-quality monopile steel plates to support the US administration's efforts to expand offshore wind energy at 30 GW by 2030, enough to power 10 million homes with clean energy, the company said.

Steel products made through this investment are aligned with the Buy America requirements for niche grades and sophisticated applications such as hydrocarbon pipelines, offshore wind towers, offshore wind platforms, high-density pressure vessels, monopile steel slabs and platforms for offshore wind towers, the company added.

Parth Jindal, Director, JSW Steel USA, said the upgrades at the plate mill will support the company's long-term ESG initiative and the decarbonisation efforts in the US.

The new investments will enable the company to

Parth Jindal, Director, JSW Steel USA ES

deliver high-quality steel products through a Made in America speciality steel portfolio and has the potential to reduce US import reliance in the infrastructure and renewable energy sectors, he added.

'CLEAN STEEL'

Rob Simon, CEO, JSW Steel USA, said by supplying the critical high-grade steel products for US offshore wind deployment, JSW is committed to a cleaner, greener, and better tomorrow.

The new projects, expected to be commissioned by FY26, build upon JSW USA's recent $145-million investment in its Mingo Junction facility aimed at upgrading its 'clean steel' manufacturing processes, the company said.

ECONOMICS TIMES DATE:27/6/2024 P.NO7

BLOCK DEAL in line with Group's commitment to deleverage balance sheet, says co

Vedanta Resources Sells 2.63% Stake in Indian Arm, Raises ₹4,184 crore

Our Bureau

Mumbai: Vedanta Resources, the holding company of billionaire Anil Agarwal, sold a 2.63% stake in its India-listed firm Vedanta on Wednesday through block deals. According to the BSE bulk deal data, Finsider International Company, an entity belonging to the promoter group, sold 97.95 million shares to raise Rs 4,184 crore through the transactions.

Vedanta Group, in a statement, said that Finsider International Company, a subsidiary of Vedanta Resources, accepted a proposal from one of its banks Tuesday evening to sell 2.6% shares holding in Vedanta Limited to a group of reputed institutional investors.

"This is in line with Group's commitment to significantly deleverage its balance sheet at both the India and the VRL level and in line with broader initiatives to support its strategic growth plans," said the statement.

Last Friday, a Vedanta Resources spokesperson, in an email response to ET's queries, "strongly denied any plans to sell a stake in Vedanta."

Agarwal has been seeking to slash the group's debt burden. London-listed Vedanta Resources reduced its net debt to $6 billion in FY24 from $9.7 billion in FY22. The company aims to cut it to $3 billion over the next three years. Vedanta Resources has long-term debt maturities of $900 million in FY25 and another $900 in FY26.

ET reported on June 26 that promoter Vedanta Resources could sell a 2.5% stake in its India listed firm

Vedanta Resources held a 61.95% stake in India-listed Vedanta Ltd as of March 31 through six subsidiaries. In February, Finsider International sold more than 65.5 million Vedanta Ltd shares for Rs 1,700 crore.

Consolidated net debt at the Vedanta Group (comprising Vedanta Resources, Vedanta Ltd, Hindustan Zinc) was $12.35 billion as of March 31. Of this, 49% was rupee-denominated and the balance was in foreign currency, the company informed its bondholders in a recent investor presentation.

Earlier this month, the Vedanta Group unveiled a strategic roadmap to achieve an operating profit of $10 billion, with timely execution of 50-plus projects across various business verticals.

BUSINESS LINE DATE:28/6/2024 P.NO5

Copper plays a key role in promoting green buildings

Mayur Karmarkar

India's real estate industry, the second-largest employer after agriculture, is projected to reach a market size of $1 trillion by 2030, contributing around 18-20 per cent to the GDP. Despite its economic significance, this sector poses a substantial environmental challenge, accounting for over 22 per cent of the nation's total emissions.

Green buildings aim to address this by incorporating sustainable practices across all aspects of construction and operation, from plumbing and electrical wiring to water usage and electric vehicle charging infrastructure.

Copper enhances sustainability, energy efficiency, and overall building performance. Its superior electrical conductivity ensures minimal energy loss, making it key in efficient electrical systems. Copper, boasting the highest electrical conductivity among non-precious metals, is the preferred material for wires, cables, and electrical equipment. Its high conductivity translates to increased energy efficiency and more compact designs.

Copper's superior electrical and thermal conductivity make it a central component in ventilation equipment and the automation, sensors, and controls that optimise ventilation system performance.

RENEWABLE ENERGY SYSTEMS

This metal is essential in solar energy systems due to its exceptional electrical and thermal conductivity and its high resistance to corrosion. It is used in wiring to connect photovoltaic (PV) modules and inverters, ensuring efficient electricity transmission generated by solar panels. In wind energy technologies, copper is crucial in electrical generators, connections, and protective grounding systems.

Copper is infinitely recyclable — it can be reused without losing any of its properties.

India, with its rapid urbanisation faces an urgent need for sustainable

COPPER. Environment-friendly

urban design. By 2036, 600 million people are projected to reside in urban areas, exponentially increasing current energy use and CO2 emissions, and accelerating the need for green buildings.

To combat this, the government promotes green building practices through certifications like IGBC (Indian Green Building Council) and GRIHA (Green Rating for Integrated Habitat Assessment), along with global certifications like LEED (Leadership in Energy and Environmental Design).

The policies must focus on developing the green building ecosystem. Firstly, the correct implementation of building codes and standards that mandate the use of high-efficiency materials like copper. The builders and developers who adopt copper-intensive green technologies should be incentivized.

Secondly, there is a need for expansion of investments in renewable energy projects, particularly those involving solar and wind power, ensuring these projects are equipped with copper-based technologies for maximum efficiency and lifespan.

Thirdly, a large-scale informative awareness campaign to drive demand for sustainable construction practices is also needed to educate the builders and consumers about the benefits of copper in green building.

Lastly, it is crucial to engage in global partnerships to adopt best practices and cutting-edge technologies in green building, accelerating India's journey towards Net Zero.

The writer is Managing Director, International Copper Association (ICA) India

BUSINESS LINE DATE:29/6/2024 P.NO7

Iron ore production rises 4% to 52 mt in April-May

Press Trust of India
New Delhi

The country's iron ore production increased by four per cent to 52 million tonnes (mt) in the April-May period of the ongoing fiscal.

The country's iron ore output was at 50 mt in the corresponding period of previous fiscal, according to provisional figures.

The production of limestone increased to 79 mt in the April-May period from 77 mt in the year-ago period, the mines ministry said in a statement.

"The production of manganese ore has jumped by 16.7 per cent over corresponding period previous year with a production of 0.7 mt in FY 2024-25 (April-May)," the statement said.

Iron ore and limestone together account for about 80 per cent of the total mineral production by value. The production of iron ore was at 275 mt and limestone was at 450 mt in 2023-24.

ALUMINIUM OUTPUT

In the non-ferrous metal sector, primary aluminium production grew by 1.2 per cent to 6.98 lakh tonnes (lt) in the latest April-May period from 6.90 lt a year ago.

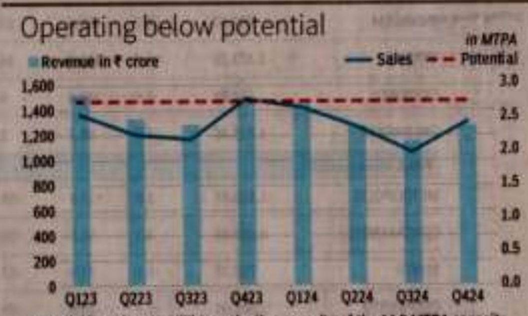
India is the second largest aluminium producer, third largest lime producer and fourth largest iron ore producer in the world. Continued growth in production of iron ore and limestone in the current financial year reflects the robust demand conditions in the user industries viz. steel and cement. Coupled with growth in aluminium, these growth trends point towards continued strong economic activity in user sectors such as energy, infrastructure, construction, automotive and machinery, the statement said.

BUSINESS LINE DATE:30/6/2024 P.NO5

Cementing a better path

CEMENT. India Cements is positioned interestingly on operational recovery and shareholding pattern

Sai Prabhakar Yadavalli
bl. research bureau



Potential based on 11 MTPA production capacity of the 14.5 MTPA capacity

India Cements is in the news recently as industry leader UltraTech Cement has made a financial investment in the company by acquiring 23 per cent of the stake. India Cements as a company has faced volatile operations last two years owing to liquidity constraints and has initiated a course correction plan for FY25-26.

At this juncture, a financial and non-controlling stake purchase by a larger and profitable operator has raised several questions. The stock has gained 30 per cent in the last week and is trading at a premium valuation of 15 times FY26 EV/EBITDA, which is comparable to large cement operators. We recommend that investors hold on to India Cements stake as financial, management and strategic outlook bears a positive bias despite a non-definitive out-

CONTINUED DOWN SIDE ….

look.

OPERATIONAL HEADWINDS

On a consolidated basis, India Cements reported a blended EBITDA per tonne of ₹105 in FY24, recovering from the loss of ₹146 per tonne in FY23. While this may seem positive, the company usually reported an EBITDA per tonne of ₹900-1000 per tonne as recently as FY20-21.

Lower utilisation, higher cost of production compared to realisations were cited as the main reasons for the decline.

The capacity utilisation recovered from 53 per cent in Q3FY24 to 61 per cent in Q4FY24, which is also lower than the 75 per cent India Cements operated earlier in FY20-21. Compared to 11 MTPA per annum potential production that can be expected, the company delivered only 9.5 MTPA in FY24. The loss of operating leverage in a commoditised sector has impacted the margin performance for India Cements.

The company has been constrained by limited working capital credit lines restricting it to lower volumes. Older plants with a higher power requirement, stretched creditors, loss of market share and high debt burden have impacted the company's ability to raise additional working capital.

PATH TO RECOVERY

The company is disposing non-core assets to shore up working capital. It recently sold a grinding unit with low margins for ₹315 crore and has done smaller land sales to fund working capital and also raise capital for upcoming capex.

It has earmarked ₹500 crore for efficiency-building capex. This includes a a waste heat recovery system at one plant, 1 MTPA fly ash extension at Sankari plant and plans for Raasi plant group. The company expects to generate cost savings of ₹150-175 per tonne with the plans by FY26 and additional sales volume.

On the commodity cost front, power and logistics costs have come off their highs in FY24 by 22 per cent and 9 per cent YoY. Even as realisations may face headwinds in southern markets from overcapacity, post-election and post-monsoon pricing may creep upwards. The company can look to a period of better realisations and lower cost of production in FY25, if coal and transportation costs hold at the current level.

Higher utilisation supported by higher working capital availability, efficiency programme and favourable commodity prices should point to improvement from the current low margin performance for India Cements.

> **HOLD**
>
> **India Cements**
> **₹293.40**
>
> **WHY**
>
> - Higher utilisation with improved liquidity
> - Favourable commodity prices
> - Investment from UltraTech

ULTRATECH INVESTMENT

The 23 per cent stake purchase will not trigger an open offer as per SEBI's acquisition rules. Even UltraTech Cement has called it a non-controlling financial investment. The acquisition price comes out to $90 per tonne for the 14.5 MTPA capacity, which is comparable to mid-size deals done in the recent past.

UltraTech acquired Kesoram Cements at $80 per tonne (10.8 MTPA capacity based in South and Western markets. Ambuja Cements most recently acquired a South based player, Penna Cements, with 14 MTPA capacity at $89 per tonne.

India Cements is largely focused on South India — 5 MTPA in Telangana, 6 MTPA in Tamil Nadu, 2.1 MTPA in AP, and 1.5 MTPA in Rajasthan. This should complement UltraTech Cement, which at present only has 15 per cent exposure to the southern region, if it can strike a deal with India Cements promoters.

Investor attention, which drove the outsized gains of 30 per cent this week, is also focussed on the shareholding pattern of India Cements.

India Cements has a significant public shareholding and is yet to post strong profits in the last two years. The promoters hold 28.42 per cent of which 46.2 per cent is pledged. Apart from UltraTech Cement, other public shareholders hold 48 per cent of shareholding.

Even with a financial investment which is non-controlling, Ultratech Cement's significant stake will drive speculative interest, which can support the stock price above its intrinsic value in the medium term. Given scope for strategic developments, investors can continue to hold the shares.

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'Steel imports from China need to be tackled as policy support'

RIGHT THING TO DO. ArcelorMittal Nippon Steel's Dhar also calls for restoring basic duty on imports to 12.5%

Abhishek Law
New Delhi

Indian authorities need to take "various measures" for controlling rising steel imports from China and other indirect sources like Vietnam, Ranjan Dhar, Director and Vice-President – Sales and Marketing, ArcelorMittal Nippon Steel India (AMNS India), said.

Dhar is also in favour of restoring basic customs duty (BCD) on imports of the metal to 12.5 per cent, at least 500 percentage points up from the existing 7.5 per cent.

There is a rising clamour amongst domestic steel makers over growing Chinese and Vietnamese imports.

India is already a net importer of steel for FY24 and two months into FY25, with exports continuing to be depressed in the face of rising Chinese imports (up 79 per cent in April and May of this year). "The world is not consuming more steel. The Chinese demand is not good. And the excess stocks there is causing an oversupply globally, not just in India. Wherever Chinese steel can go, it is going at low prices, sometimes even lower than the cost of production," he told *businessline* on the sidelines of an event organised by PHD Chamber of Commerce and Industry. "India has to be mindful that this import cannot continue at these (low) prices," Dhar added.

India, apart from Vietnam, continues to face the brunt of such cheap Chinese shipments. In 2022, China exported 65-68 million tonnes (mt) and in 2023, despite depressed domestic demand, it exported 85 mt (apprx). In 2024, exports are expected to be in 110 mt range, if not more, at the current run-rate.

"Imports (in India) are coming at a low price, probably lower than cost of production especially from China, or indirectly through Chinese-export-induced countries like Vietnam....Trade measures, investigations, all that can start. But immediately, we should go back to the 12.5 per cent duty regime (BCD). This was brought down to 7.5 per cent when steel prices were high. Now that the situation has reversed," Dhar said.

DUMPING GROUND. Imports are coming in at a price which is probably lower than the cost of production

AGGRESSIVELY PRICED

The price differential between domestic trade-level hot rolled coils (HRCs) and landed imported are quite stark. For instance, the domestic trade-level HRC, ex-Mumbai, averaged around ₹53,533 per tonne over the last few months whereas the landed price of material imported from FTA countries was at ₹51,100/tonne. In comparison, shipments coming in from China were priced at ₹48,900/tonne, as per market intelligence firm, BigMint.

In May, the landed price from FTA countries was at ₹51,500/tonne whereas domestic prices were at ₹54,100, a difference of around ₹2,600/tonne. Chinese prices were still hovering at the ₹50,000/tonne range. Chinese real estate demand continues to be depressed with no significant production cut there as of yet.

In fact, a survey by global market intelligence firm MySteel shows that production among Chinese blast furnace steel-makers continues to rise (with more steel mills bringing on-stream their idled furnaces).

According to him, Indian steel industry is already putting in substantial investments, which include capex towards capacity ramp-up, keeping in mind the rising domestic demand and government spending on infra. So, some policy support towards ensuring security of such investments and profitability of the sector needs to be considered. "This capex has a lifecycle of being repaid. So, if the profitability of the industry drops, it will be a stressful situation in the country," Dhar said.

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