



KHANIJ SAMACHAR

Vol. 8, No-14

(As appeared in National/Local Newspapers Received in Central Library, IBM, Nagpur)

The Central Library, IBM, Nagpur is providing the Classified Mineral News Service since many years on monthly basis in print form. To expand this service to the IBM Offices all over India i.e. H.Q., Zonal & Regional Offices and to take a call of time, the Controller General, IBM desired to make this service online on fortnightly basis. The library officials made sincere efforts to make it successful. This is the 14th issue of Volume 8 for the service named Khanij Samachar for the period from 16th – 31st July , 2024. The previous issue of Khanij Samachar Vol. 8, No. 13, 1st – 15th July 2024 were already uploaded on IBM Website www.ibm.gov.in .

In continuation of this it is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email library@ibm.gov.in (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information on Pan India basis.

All are requested to give wide publicity to it and it will be highly appreciated if the valuable feedback is reciprocated to above email.

Mrs. R. S. Wakode
Assistant Library & Information Officer
Central Library
library@ibm.gov.in
0712-2562847
Ext. 1210 , 1206



खनिज समाचार

KHANIJ SAMACHAR



A FORTNIGHTLY NEWS CLIPPING SERVICE
FROM
CENTRAL LIBRARY
INDIAN BUREAU OF MINES
VOL. 8, NO – 14 , 16th–31th JULY 2024

Go long in zinc futures, stop loss at ₹276

Gurumurthy K

bl. research bureau

Zinc prices have been stuck in a sideways range over the last couple of weeks. The Zinc Futures contract on the MCX has been oscillating in a range of ₹259-₹286 for more than two weeks now. Within this range, the contract is now trading at ₹273 per kg.

COMMODITY CALL.

The ₹259-₹286 sideways range remains intact. Within this broad range, ₹270-279 seems to be the narrow range of trade for some time now. So, a breakout on either side of ₹270-279 will now decide where the MCX Zinc contract can go within the broad range. A break above ₹279 can take the contract up to ₹286-288 — the upper end of the range. On the other hand, a break below ₹270 can take



the contract down to ₹260-259 — the lower end. As such the chances are high for the MCX-Zinc Futures contract to break the ₹286-288 resistance zone eventually going forward. Such a break will be bullish to take the MCX Zinc price above ₹300 in the coming months.

Traders can wait and go long on a break above ₹279. Keep the stop-loss at ₹276. Trail the stop-loss up to ₹281 as soon as the contract moves up to ₹283. Move the stop-loss further up to ₹283 when the price touches ₹295. Exit the long positions at ₹286.

NLC India plans ₹12,000-cr investment in Odisha coal mine

M Ramesh
Chennai

Monday was a golden day for NLC India, as it formally bagged a large coal mine in Odisha — one that has the potential to double the company's lignite-cum-coal production.

The company signed a Coal Mine Development and Production Agreement with its parent ministry, the Ministry of Coal, formally taking over the Machhakata coal mine in the Angul district of Odisha.

NLC India expects to spend around ₹12,000 crore in developing the mine. It was won on a 'revenue sharing' model. Production is likely to commence in 2030.

NLC India won the mine in the eighth round of auc-

tions held by the ministry recently.

Bagging the coal mine is a big deal for NLC India as the mine could yield 30 million tonnes (mt) of coal annually. Last year, the company's total coal and lignite production was 36.32 mt.

NLC SHARES SOAR

The stock market took note of the development. NLC India's share touched ₹302.60 before closing at an all-time high of ₹297.75 (21 times its earnings and 2.42 times its book).

NLC India, which started as a thermal power generator with captive lignite mines, has become more of a coal and lignite producer than electricity.

In 2023-24, the company earned revenues of ₹8,363 crore from power sales and

NLC India



₹7,902 crore from mining, but the latter yielded more profits — ₹1,550 crore (56 per cent of total net profit), compared with ₹907 crore from power.

Net profit from mining is 19.61 per cent of sales from mining operations; for electricity, it is 10.8 per cent.

FUTURE PERFECT

Revenues from coal sales are only set to increase. In a recent chat with *businessline*,

Bagging the coal mine is a big deal for NLC India, as the mine, in which production is likely to commence in 2030, could yield 30 mt of coal annually

NLC India's Chairman and Managing Director, Prasanna Kumar Motupalli, said that coal production from its Talabira mines would increase to 16 mt in the current year, compared with 12.64 mt in 2023-24. The company bagged the North Dhadu coal mine last year, which can yield 4-5 mt of coal a year. Motupalli said that the company would sell

the entire production from the mine in the open market, as opposed to entering into a long-term supply agreement with an offtaker.

NUPPL, the company's joint venture with Uttar Pradesh Rajya Vidyut Utpadan Nigam — in which NLC India has 51 per cent stake — has been allotted the Pachwara South coal block in Jharkhand.

The mine can produce 9-10 mt of coal annually, but the NUPPL's 1,980-MW Ghatampur thermal power plant, set to go on stream in a fortnight, will need only about 5 mt of coal.

The rest of the production can (shall) be sold in the market.

In its corporate plan for 2030, the company has targeted coal and lignite production of 100 mt.

Gem, jewellery exports dip 15% on weak demand

Our Bureau
Mumbai

Gem and jewellery exports dipped 15 per cent last month to \$1.91 billion (₹15,940 crore) from \$2.24 billion in the same period last year, largely due to weak global demand amid geopolitical tensions.

According to data released by the Gems and Jewellery Export Promotion Council, imports of gems and jewellery declined 17 per cent to \$1.55 billion (₹12,927 crore) from \$1.85 billion (₹15,248 crore) logged last year.

WEAK CHINESE DEMAND

Cut and polished diamond exports dipped 26 per cent to \$1.02 billion (\$1.39 billion) due to weak demand, especially in China, which accounts for about a third of India's cut and polished diamond exports. Rough diamond imports were down 15 per

cent at \$3.39 billion (\$4 billion). Cut and polished diamond imports also dropped 36 per cent to \$77 million (\$120 million).

Polished lab-grown diamond exports declined 9 per cent to \$89 million (\$98 million) due to volatile prices in global markets.

Gold jewellery exports increased to \$608 million (\$572 million) as demand revived after the fall in gold prices. Coloured gemstone exports were down 29 per cent to \$91 million (\$128 million) due to a fall in demand in the international markets.

Colin Shah, Managing Director of Kama Jewelry, said the gems and jewellery industry has been going through a tough time due to geopolitical tensions and elections in over 60 countries.

He said the industry expects the Finance Minister to take some measures for the gems and jewellery industry to navigate through this challenging time.

बिहारमध्ये सोन्याच्या उत्खननासाठी राज्य सरकार परवानगी मागणार डोंगर फोडून सोने काढले, गावकरी रातोरात श्रीमंत!

एस. पी. सिन्हा

लोकमत न्यूज नेटवर्क
पाटणा : बिहारच्या जमुई जिल्ह्यात चक्क मोठ्या प्रमाणात सोने असल्याचे समोर आले आहे. अशा परिस्थितीत हे सोने बाहेर काढले तर बिहारची भरभराट येईल, असे तज्ज्ञांचे म्हणणे आहे. अहवालानुसार, जमुई जिल्हा मुख्यालयापासून ४८ किलोमीटर अंतरावर असलेल्या करमतियामध्ये संपूर्ण देशाच्या एकूण सोन्याच्या साठ्यापैकी ४४ टक्के सोन्याचा साठा आहे. भारतीय भूवैज्ञानिक सर्वेक्षणाने याला दुजोरा दिला आहे. त्यामुळे सोने काढण्यास केव्हा सुरुवात होणार याची उत्सुकता नागरिकांमध्ये आहे.

१९८९

मध्ये प्रथमच समोर येथे सोने असल्याचे आले समोर.

२२

कोटी टन सोने असल्याचा अंदाज.

४४%

सोन्याचा साठा एकट्या बिहारच्या जमुई जिल्ह्यात आहे.



पायाभूत सुविधांचाही विकास होणार

■ या सोन्याच्या उत्खननामुळे जमुई जागतिक स्तरावर प्रसिद्ध तर होईलच शिवाय यामुळे स्थानिक लोकांना रोजगारही मिळेल. याशिवाय पायाभूत सुविधांचाही विकासही होईल.

■ २०२२ मध्ये केंद्रीय खाण मंत्री प्रल्हाद जोशी यांनी लोकसभेत भारतीय भूवैज्ञानिक सर्वेक्षण पथकाच्या तपासणी अहवालानंतर सरकारी पातळीवर ही माहिती सार्वजनिक केली होती. यानंतर बिहार सरकारच्या तत्कालीन खाण मंत्र्यांनीही बिहार विधानसभा आणि परिषदेत ही माहिती दिली होती.

आदेशाची प्रतीक्षा...

१ सोन्याच्या साठ्याच्या उत्खननासाठी बिहार सरकारने परवानगी घेण्याचा विचार केला आहे. भूगर्भीय सर्वेक्षण विभागाचे संचालक रुपेश कुमार यांनी सांगितले की, येथील सोन्याच्या साठ्याच्या शोधाशी संबंधित अहवाल सादर केले आहेत.

२ आता या दिशेने पुढील कार्यवाहीसाठी शासनाच्या आदेशाची प्रतीक्षा आहे.

३ येथे मोठ्या प्रमाणात सोने असल्याचे १९८९ मध्ये प्रथम समोर आले. त्यानंतर येथील गावकरी रातोरात श्रीमंत झाले. हे लोक डोंगर खोदून सोने काढायचे आणि विकायचे, असे सांगितले जात होते. त्यामुळे भारत सरकारने १९८२ मध्ये येथे उत्खननावर बंदी घातली.

पूरे देश में एक ही होंगे Gold के रेट

■ दिल्ली, नवभारत न्यूज नेटवर्क, देश के अलग-अलग शहरों में सोने और चांदी की कीमत भी अलग होती है. सोने और चांदी के रेट पर हर राज्य के अलग-अलग टैक्स के अलावा भी कई तरह की चीजें जोड़ी जाती हैं. इसके चलते राज्यों ने इन कीमती धातुओं के दाम भी अलग-अलग हो जाते हैं. हालांकि अब देश में बड़ा बदलाव आने जा रहा है, जल्द पूरे देश में 'वन नेशन, वन



होने जा रहा बदलाव

रेट' पॉलिसी लागू होने जा रही है. इसके बाद आप देश में कहीं भी सोना खरीदें आपको रेट एक ही मिलेगा. ऐसा होने पर सोने के कारोबारियों और ज्वेलर्स को भी आसानी हो जाएगी. इसे लागू करने के लिए देशभर के तमाम बड़े ज्वेलर्स भी सहमत हो गए हैं.

जेम एंड ज्वेलरी काउंसिल भी आया सपोर्ट में : सोने की कीमतों को कंट्रोल करने के लिए लाई जा रही 'वन नेशन, वन रेट' पॉलिसी को जेम एंड ज्वेलरी काउंसिल ने भी समर्थन दिया है. इसका मकसद पूरे देश में सोने की एक समान कीमतें करना है. रिपोर्ट्स के मुताबिक सितंबर 2024 में होने वाली बैठक में इस पर ऑफिशियल एलान हो सकता है.

proceeds to be used to reduce debt, certain capital expenditure obligations

Vedanta Launches QIP to Raise Up to ₹8K Cr

Our Bureau

Mumbai: Vedanta launched its fundraising programme, a qualified institutional placement (QIP), on Monday. In an exchange filing, the metals-to-oils conglomerate announced that its fundraising committee had approved the QIP's launch at a floor price of Rs 461.26 per share. Shares of Vedanta gained 2.2%, closing at Rs 459.40 on Monday.

The company also added that it may offer a discount of not more than 5% on the floor price for the Issue.

The QIP aims to raise Rs 5,000 crore with an option to raise an additional Rs 3,000 crore in case of oversubscription, according to sources. The proceeds will be used to reduce debt and fulfil certain capital expenditure obligations, said sources.

Earlier in May, the board of the natural resources major had approved fund raising of up to Rs 8,500 crore, which then got shareholder approval in June.



Vedanta is currently in the midst of several growth projects and is looking at a long-term capital expenditure of around \$8 billion. Its capital expenditure target for the current fiscal is likely at \$1.9 billion, up by more than a third from the \$1.4 billion it spent last year.

Citibank, JM Financial and NuVama are the bankers for this deal.

While some of the proceeds of the fundraising will be used to fund the ongoing capital expenditure, some of it may also be used to retire high-cost debt that the company has taken in the past couple of years, a move which could potentially boost profits, said a person familiar with the development.

Vedanta had a net debt of Rs 56,338

crore at a consolidated level and a net-debt to operating profit ratio of 1.5 times as of March-end. Its gross debt was Rs 71,759 crore, of which 82% was in Indian rupees and the rest in foreign currency. The company has a term debt of Rs 69,062 crore, a working capital loan of Rs 1,159 crore and short-term borrowings of Rs 1,538 crore.

NO BIG DISCOUNT

The company has said that it may offer a discount of not more than 5% on the floor price for the Issue

Late last month, a promoter group entity, Finsider International Company - a subsidiary of Vedanta Resources - sold nearly 98 million shares of Vedanta to raise Rs 4,184 crore as a part of the company's efforts to cut debt. Vedanta, meanwhile, also announced its demerger into six verticals last year, with each of the independently listed companies expected to house a different business. The move is expected to unlock further value for the company, and earlier this week, chairman Anil Agarwal reiterated that the company is on track for the demerger.

कोल 'वॉशरी'चा गोलमाल



भाग ५

कोळशाच्या चौकशीतही भ्रष्टाचार

ऑडिटसाठी बनलेल्या थर्ड पार्टीत जवळचेच लोक

ऊर्जा विभागाच्या पत्रावरही खानापूती



सुपर एक्सप्लुझिव्ह

कमल शर्मा

लोकमत न्यूज नेटवर्क
नागपूर : कोल वॉशरीजच्या दलदलीत अधिकारी, नेते, व्यापारी व सारी यंत्रणा बुडालेली आहे. करदात्यांच्या पैशांची खुलेआम लूट करणारी ही यंत्रणा एवढी मजबूत आहे की, यांनी चौकशीसाठीही आपल्याच लोकांची त्रयस्थ समिती स्थापन केली आहे. या त्रयस्थ समितीचा हवाला देत महाजेनको ऊर्जा मंत्रालयाचीही दिशाभूल करत आहे.

कोल वॉशरीजच्या घोटाल्याबाबत आवाज उठत असल्याने ऊर्जा विभागाने

महाजेनकोला २२ एप्रिलला आणि पुन्हा १४ जूनला पत्र लिहून उत्तर सादर करण्याचे आदेश दिले आहेत. गुणवत्तेपासून निकृष्ट दर्जाच्या कोळशाच्या वापराबाबत चौकशी करून अहवाल सादर करण्याचे निर्देश दिले. यावर गुणवत्ता नियंत्रणासाठी नियुक्त केलेल्या थर्ड पार्टी एजन्सीच्या अहवालानंतर उत्तर देण्याचे आश्वासन महाजेनकोने ऊर्जा विभागाला दिले आहे. आता महाजेनकोचे वरिष्ठ अधिकारी त्रयस्थ संस्थेकडून सातत्याने तपास सुरू असल्याचा दावा करत आहेत व अहवालही सादर करतात. आता या सगळ्याचा अभ्यास करून सविस्तर उत्तर

केवळ दाखविण्यासाठी थांबवले काम

कोराडी औष्णिक वीज केंद्राला बिलासपूर येथून एसईसीएलच्या धुतलेल्या कोळशाचा पुरवठा करण्यासाठी नियुक्त केलेल्या महावीर कोल वॉशरीबाबत धक्कादायक माहिती समोर आली आहे. एमएसएमसीने या कोल वॉशरीला २० टक्के काम दिले आहे. कोल वॉशरीच्या कामकाजाबाबत उपस्थित करण्यात आलेल्या प्रश्नावरून एमएसएमसीने पुरवठा बंद केला. महिनाभर काम थांबविल्यानंतर कोणत्या शक्तीने सर्व काही सुरळीत केले माहिती नाही. आताही कोल वॉशरीजमधून धुतलेल्या कोळशाचा पुरवठा पुन्हा सुरू झाला आहे.

दिले जाईल.

धुतलेल्या कोळशाची तपासणी पारदर्शक ठेवण्यासाठी, महाराष्ट्र राज्य खाण महामंडळाने (एमएसएमसी) केवळ औपचारिकतेसाठी दोन एजन्सींची त्रयस्थ पक्ष म्हणून नियुक्ती केली आहे. मात्र या

त्रयस्थ चौकशी समितीतही 'आपल्याच' लोकांची नियुक्ती केल्याचा दावा सूत्रांनी केला आहे.

त्यांच्या अहवालात खरी माहिती समोरच येत नाही. नाकारलेल्या कोळशाच्या नावाखाली चालणारा खेळही या एजन्सी उघड करत नाहीत.

BUSINESS LINE
DATE:18/7/2024 P.NO8

COMMODITY CALL.

Go short in aluminium futures

Akhil Nallamuthu
bl. research bureau



Aluminium futures on the Multi Commodity Exchange (MCX), which has been on a decline for about three weeks, broke below the support at ₹225. The contract also made a lower low on the daily chart.

Following the breach of the support at ₹225, the outlook has turned weak. The nearest support can be spotted at ₹215. Immediately below this level is another support at ₹210.

Therefore, the price region between ₹210 and ₹215 can offer support to aluminium futures.

But in case the contract recovers from here, it can face barriers at ₹230 and ₹235. So, for the trend to turn positive, aluminium futures ought to surpass the resistance at ₹235.

In such a case, the price can rise to ₹250.

Nevertheless, as it stands, the probability of a decline from the current market price is high. So, traders can consider going short on aluminium futures.

TRADE STRATEGY

Sell aluminium futures now at ₹224. Add shorts if the contract inches up to ₹230. Place stop-loss at ₹235.

Revise the stop-loss lower to ₹220 when the price falls to ₹215. Book profits at ₹210.

Vedanta Can Get Over ₹6,500 cr After HZL Reserve Transfer Nod

Shilpy Sinha

Mumbai: In what could lead to increased flexibility in paying higher dividends, Hindustan Zinc's scheme of arrangement with shareholders to transfer ₹10,383 crore of general reserve to retained earnings has been approved by the National Company Law Tribunal.

This will help Vedanta upstream dividend from its subsidiary Hindustan Zinc to repay debt at the holding company level. Post this approval, Vedanta Resources' \$894 million 13.875% bond saw an improvement of 50 basis points and was trading at 14.4% against 14.9% on Tuesday.

Vedanta Limited, which holds a 64.92% stake in Hindustan Zinc, could see an increase in dividend payout. Also, the government which holds 29.54%, with the remaining 6% owned by the public will benefit from the move. Of the ₹10,383 crore, more than ₹6,500 crore could be transferred to Vedanta Limited, which could be subsequently paid to its UK-based parent company, Vedanta Resources, if the entity decides to use it for dividends.

This move could help Vedanta Resources, which is looking to bring down debt by another \$3 billion by FY27 from net debt of \$6.2 billion as of March 2024.

"It is clarified that transfer of amounts standing to the credit of General Reserves to the Retained Earnings of the Company, should not entail or be deemed as any obligation on the Company for declaration or distribution of any dividend," the order said.

The Jaipur bench of NCLT, pronounced the order on July 16 by Technical Member Rajeev Mehrotra, which allowed funds to be reclassified and transferred to retained earnings from the general reserves as of the appointed date.

With this scheme, Vedanta is looking at utilising excess reserves to create shareholder value, the company argued, citing its sound cash flow generation and business growth trajectory.

"Now, with the transfer of general reserves to retained earnings at subsidiary Hindustan Zinc allowed, Vedanta group has alternate options to meet its debt obligations," said a bond investor.

The scheme, which was filed with NCLT in September 2022, had faced various objections by stakeholders including NSE and BSE, with them expressing con-



cerns that the scheme might facilitate "routing funds" out of India to benefit Vedanta Resources.

Hindustan Zinc refuted NSE's concerns, stating that the transfer was solely for internal restructuring and not for immediate distribution to shareholders. The scheme has been approved by the board and shareholders, including government nominees. On routing of funds, it said that the alleged routing of funds is not relevant and is fictitious as the Government of India has

three nominee directors on the board and holds 29.54% of the shareholding and the scheme is duly approved by the board.

NCLT in its order rejected these objections as the "scheme of arrangement is a commercial contract between the parties which is binding on all shareholders" and shareholders are the "best judges of their interest."

Vedanta's gross debt was ₹71,759 crore with net debt of ₹56,338 crore as of March 2024. The company is restructuring its businesses into five new listed entities, with completion expected by FY25. Vedanta Resources aims to reduce its debt by \$3 billion by FY27, currently standing at \$6.2 billion net debt as of March 2024.

To unlock value at the subsidiary level, Vedanta has announced its plans to restructure its businesses with five new listed entities—Vedanta Aluminium, Vedanta Power, Vedanta Steel and Ferrous Materials, Vedanta Oil & Gas, and Vedanta Base Metals.

Thermal coal imports fall in June on dip in power demand

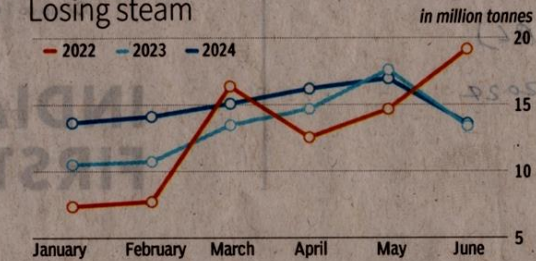
Rishi Ranjan Kala
New Delhi

India's seaborne thermal coal imports fell to a four-month low in June, reflecting the seasonal weakness in power demand as monsoon rains spread across the country bringing down temperatures.

As monsoon rain forecasts continue to be favourable, analysts expect imports to continue to slip during July and August, before a seasonal upturn takes place in September 2024.

According to energy intelligence firm Kpler, India's thermal coal imports, largely consumed by the power sec-

Losing steam



Source: Kpler

tor, fell a steep 22.8 per cent m-o-m to 13.62 million tonnes (mt) interrupting the five-month rally this year during which cargoes of the critical fuel rose from 13.53 mt in January to a six-month high of 17.57 mt in May.

However, shipments were

higher, albeit marginally by 1.4 per cent, on an annual basis. According to the National Power Portal, India's coal-based power plants reported a plant load factor (PLF), or capacity utilisation, of 74.90 per cent last month, compared with 77.17

per cent and 76.48 per cent in April and May 2024, respectively.

Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender, told *businessline*, "Indian seaborne thermal coal imports slowed sharply in June, dropping by 3.95 mt m-o-m to 13.62 mt, but in line with the year-ago level. Although we had anticipated this trend, the steepness of the decline was greater than expected."

PRICES UNDER CONTROL

The slowdown in thermal coal imports in June primarily reflects a seasonal fall in demand as monsoon rains bring lower temperatures. There was also a modest drawdown of stockpiles at

the country's power stations, he added.

Even as India witnessed unprecedented heat waves lifting its power demand during the summer months (April-June), the prices on power exchanges were largely flat on an annual basis. The Indian Energy Exchange (IEX), in its June 2024 commentary, said proactive measures taken by the government and the regulators, including the sale of surplus un-requisitioned power on power exchanges, increased fuel supply and ensuring higher availability of generating units led to an increased sell liquidity on the exchanges which kept the prices under control on exchanges.

COMMODITY CALL.

Buy copper at the current level of ₹842

Akhil Nallamuthu
bl. research bureau



Copper futures (July contract) on the Multi Commodity Exchange (MCX), which bounced off the support at ₹835 early this month, could not rally above ₹880 as it faced its 50-day moving average resistance last week.

The contract then moderated and is back near the key support level of ₹835 as it closed at ₹840.4 on Wednesday. Since the support at ₹835 is a strong one, the downtrend can be arrested and can be followed by a recovery.

A rise from the current level can lift copper futures back to ₹880. A breakout of ₹880 can open the door for a rally to ₹950. But note that ₹915 is an intermediate hurdle.

TRADE STRATEGY

Buy copper futures at the current market price of ₹842 with a stop-loss at ₹825. When the price touches ₹860, raise the stop-loss to ₹840. Book profits at ₹880.

However, if the contract falls and triggers the above-mentioned stop-loss at ₹825, it means that the support at ₹835 is breached. In that case, initiate a short position after you exit the longs. Stop-loss can be at ₹850. When the contract dips to ₹800, revise the stop-loss to ₹825. Book profits at ₹780.

कोराडी औष्णिक वीज केंद्र ओकतेय विष

लोहखनिजमिश्रित माती वापरतोय महाजेनको : 'कोल वॉशरी'च्या नफ्यासाठी नागरिकांच्या जिवाशी खेळ

लोकमत न्यूज नेटवर्क
नागपूर : महाजेनको, महाराष्ट्र राज्य खाण महामंडळ (एमएसएमसी) आणि कोळसा वॉशरीज यांच्या संगनमताने सर्वसामान्य करदात्यांच्या पैशांची लूट होत असताना आता लोकांच्या जीव धोक्यात घालण्यात आल्याचे प्रकरणही समोर आले आहे. व्हीएनआयटीसारख्या देशातील नामांकित संस्थेने धुतलेल्या कोळशात लोहखनिजमिश्रित माती असल्याची पुष्टी केल्यानंतरही कोराडी वीज केंद्रात कोल वॉशरीच्या कोळशाचा वापर सुरू आहे. हे केंद्र आता राखेच्या रूपात लोहखनिजमिश्रित विष पसरवत आहे जे थेट सर्वसामान्यांच्या फुफ्फुसात पोहोचत आहे. मात्र भ्रष्टाचाराच्या दलदलीत अडकलेल्या संपूर्ण यंत्रणेने डोळे मिटले आहेत. आता तुम्ही आणि मी गंभीर आजारी पडलो तर कोणाला काय फरक पडणार?

कोल वॉशरीचा गोलमाल



भाग ९

कोराडी औष्णिक विद्युत केंद्रातून होणाऱ्या प्रदूषणाची बरीच चर्चा होत असते. पण आता सर्व काही अधिकृत आहे. महाजेनको स्वतः म्हणते की त्यांनी २३ डिसेंबर २०२३ रोजी रुखमाई इन्फ्रास्ट्रक्चरच्या कोल वॉशरीमधून आलेल्या कोळशाच्या रॅकची तपासणी केली. तेव्हा चुंबकाला भरपूर कोळसा अडकला. म्हणजे त्यात लोहखनिजमिश्रित माती मिसळलेली होती. त्यानंतर व्हीएनआयटीने त्याच्या नमुन्याची चाचणी केली ज्यामध्ये

स्पष्टपणे सांगितले की, कोळशात भरपूर लोहखनिजमिश्रित माती मिसळलेली होती. त्यानंतर व्हीएनआयटीकडून त्याच्या नमुन्याची चाचणी करण्यात आली. ज्यामध्ये स्पष्टपणे सांगण्यात आले की कोळशात भरपूर लोहखनिज मिसळले आहे. साथी गोष्ट अशी आहे की जास्तीचे बिले काढण्यासाठी जवळपासच्या भागातून लोहखनिजमिश्रित माती टाकून कोळशाचे वजन वाढवले जात आहे. या माध्यमातून सरकारची फसवणूक करण्याचा खेळ सुरू झाला आहे. हा खुलासा झाल्यानंतरही कोल वॉशरीमधून धुतलेल्या कोळशाचा पुरवठा बंद झालेला नाही. याउलट, एमएसएमसीने कोल वॉशरीला क्लीन चिट देऊन टाकली. लोहखनिजमिश्रित माती असलेला कोळसा आजही वापरला जातोय.

अहवालात कोळसा धुण्यावरही प्रश्न

रुखमाई इन्फ्रास्ट्रक्चरच्या कोल वॉशरीमधून आलेल्या कोल रॅक क्रमांक १३२ आणि १३९ ची तपास ५० टक्के राख आढळली. या अहवालात कोल वॉशरीच्या कामकाजावरही प्रश्न उपस्थित होत आहेत. कोल वॉशरी वीज केंद्राला ३९ ते ३३ टक्क्यांपेक्षा जास्त राख असलेला कोळसा पुरवठा करू शकत नाही. पण कोल वॉशरीमधून मिळणाऱ्या 'मलाई'मुळे अधिकारी शांत आहे.

अधिकारीही लक्ष द्यायला तयार नाहीत

लोखंड जळत नसल्याने ते कणांच्या रूपात वीज केंद्राच्या राखेसह आजूबाजूच्या परिसरात पसरत आहे. लोकांच्या फुफ्फुसात पोहोचत आहे. दुसरीकडे महाजेनकोचे अधिकारीही लक्ष द्यायला तयार नाहीत. कोल वॉशरीच्या 'माल'साठी ते नागरिकांच्या जिवाशी खेळण्यात व्यस्त आहेत.

प्रदूषणाचा स्रोत कोणताही असला तरी त्याचा फुफ्फुसांवर परिणाम होतो. औद्योगिक प्रदूषणामुळे सीओपीडी रुग्णांची संख्या वाढत आहे. दमा आणि श्वसनशरी संबंधित आजार आहेत. ज्यांचे वय ६० वर्षांपेक्षा जास्त आहे त्यांना प्रदूषणाचा धोका जास्त असतो.

-डॉ. आकाश बल्की, श्वसनरोगतज्ज्ञ

JSW Steel Q1 Net Slides 64% on Price Fall, Costs

Our Bureau

Mumbai: JSW Steel saw its consolidated net profit plunge by more than 64% to ₹867 crore in the June quarter weighed down by lower prices of steel, some inventory losses, planned shut-downs and higher interest costs.

The country's largest steelmaker produced 6.35 million tonnes of steel at a consolidated level during the quarter, down 1% from the previous year and 6% sequentially due to planned maintenance shut-downs at Dolvi and the Bhushan Power and Steel plant.

As a result, capacity utilisation at its operations in India stood at 87%, compared to 92% a year ago.

"Elevated imports particularly from China and FTA countries pose a challenge to the domestic steel industry," the company said in a statement. The company exported 10% of its output from India during the quarter, down from 15% a year ago.

While consolidated sales volume during the quarter rose 7% on-year to 6.12 million tonnes, it was 9% lo-



GETTY IMAGES

wer as compared to the March quarter. JSW Steel has guided for production of 28.4 million tonnes, and sales of 27.0 million tonnes on a consolidated basis in FY25.

Consolidated revenue, meanwhile, rose less than 2% on-year to ₹42,943 crore. The growth in sales was lower than that of the sales volumes as net sales realisation for operations in India fell 5% on-year.

Operating profit during the quarter stood at ₹5,510 crore, while margins were at 12.8%. Profitability was down by nearly 22% on-year.

It was 10% lower as compared to the previous quarter mainly driven by lower sales volumes and certain one-offs including inventory valuation impact, JSW Steel said.

TO STRENGTHEN ALUMINIUM DOWNSTREAM BUSINESSES

Hindalco Looks to Take 'Direct' Route to Rev Up Auto Parts Biz

Aims to become direct supplier to cos; EVs to be the centrepiece of its new business strategy

Shally Seth Mohile

Mumbai: Hindalco Industries, the world's largest aluminium rolling and recycling company, is dialling up its presence in auto components, among other sectors, by looking to become a direct supplier as part of a broader strategy to strengthen the aluminium downstream businesses (value added products), said people aware of the company's plans.

Electric vehicles (EVs), which use a lot of aluminium parts owing to their inherent lightweight, will be the centrepiece to the strategy. To fast-track the plan, the Aditya Birla Group's metal flagship is also looking at acquisitions in this space.

"The company is trying to get closer to customers and instead of being a supplier to a tier 2-3 supplier, it's looking to be a supplier to auto manufacturers. In addition to helping in moving up the value chain by becoming a direct supplier of pre-

Fresh Route

Aditya Birla Group's metal flagship also looking at acquisitions in this space

EVs use a lot of aluminium parts owing to their inherent lightweight

Co expects a boost in margins too

Separate biz unit for personal mobility segment with EV focus initial step



10 m tonnes

Aluminium consumption likely to double over next decade

AJAY M

cision parts from a mere material supplier; it would also help the firm boost its margins," one of the people added.

An email sent to Hindalco remained unanswered.

Hindalco laid the basic building blocks for the plan in 2022 when it embarked on a growth capex expansion plan at an outlay of \$6.1 billion (over 5 years) which includes adding 260kt to its downstream capacity through organic expansions by FY27 at a

capex of \$735 million.

Carving out a separate business unit for the personal mobility segment, which would focus on EVs and the related components in the value chain, was one of the initial steps. Around the same time, it al-

so carved out dedicated business units for commercial vehicles and building and construction—all as part of strengthening the downstream business which also included focusing on packaging, building and construction. All these sectors offered a lot of headroom for growth, owing to a very low per capita consumption of aluminium in these, compared to the global average.

To serve the personal mobility segment, Hindalco has set up a facility in Chakan, Pune to manufacture aluminium battery enclosures. It is collaborating with automakers it counts as its customers, to co-develop other critical components for EVs, added the person cited earlier. In 2023, it set up a dedicated facility for Tata Motors to design and build the first-ever all-aluminium cargo body for the new generation Tata Ace EVs.

Recycling and a treasure trove of critical minerals

RESOURCE RESERVE. Incentives could bolster extraction of precious lithium, cobalt, and nickel from end-of-life Li-ion batteries

Preeti Mehra

With auctions of critical mineral blocks in India having met with a lukewarm response, will recyclers prove to be a crucial set of urban miners who will help meet the demand for cobalt, lithium, and nickel in the country?

It is learnt that a legislation is in the pipeline to address the serious shortage of critical minerals for the manufacture of Lithium ion (Li-ion) batteries and other electronic devices. In all likelihood, the move will take the form of a productivity linked investment (PLI) scheme for the recycling of critical minerals in the country.

This will help create a circular economy and give a fresh incentive to recyclers to extract the maximum secondary metals from end-of-life lithium-ion batteries.

The Global E-waste Monitor 2024 has cited figures

which should serve as an eye-opener. In 2022, as much as 900 million primary ore extraction from the earth was avoided globally by reclaiming materials through documented recycling. The value of metals embedded in 2022 e-waste included \$19 billion worth of copper, \$15 billion in gold and \$16 billion in iron. The value of secondary raw materials reclaimed from e-waste was \$28 billion. In addition to this, 93 million tonnes of CO₂ emissions were avoided by formal e-waste management. And all this, when only 23 per cent of the global e-waste was formally recycled.

PLI SCHEME

Closer home, India's PLI scheme may well boost the extraction from end-of-life batteries and reduce its need to import critical minerals. "India does not have reserves of critical minerals, and this is a step in the right direction. Why pay taxpayers money for importing?" says Nitin Gupta,



CELL OPTIMISATION. India's PLI scheme may well boost the extraction from end-of-life batteries and reduce its need to import critical minerals. REUTERS

CEO and Co-founder at electronic waste and battery recycling company, Attero.

He feels recycling as a methodology has a larger agenda and that incentives should be given to companies that have good efficiency and a rate of extraction that is 90 per cent or so. Attero's patented technology gives it an extraction efficiency of 98 per cent. "The companies must be

technologically advanced and be able to match the top quality. Besides, those who have developed the extraction technology in India must be given more brownie points," he says.

ENERGY-EFFICIENCY

Bengaluru-based MiniMines, a fledgling start-up, is one that has also developed its own technology. The founders

Anupam Kumar and Arvind Bhardwaj hope that with an extraction efficiency of 96 per cent, they too will be covered.

"We have developed a water and energy-efficient hybrid hydrometallurgy process to extract rare metals like lithium, cobalt, nickel and manganese from Li-ion battery waste. We have developed the technology from scratch and have taken it from lab unit to pilot unit and have been evaluated by Oil India Ltd and the United Nations Industrial Development Organisation. We hope small players like us who cannot match the financials of large companies but have the efficiency also get a chance," they say.

"If companies are required to provide balance sheets for many years and show massive investments, we will not be able to fulfil the criteria. The incentive scheme should be fair to all of us," says Kumar hoping seed fund companies are also covered under the scheme.

MiniMines recently re-

ceived a grant of \$100,000 from ACT, a non-profit Indian venture philanthropy platform which is supporting ground-breaking, cutting-edge clean tech solutions and helping start-ups scale up. "We apply venture capital principles to our grants and our investment committee does strict evaluation and due diligence before awarding a grant," says Alankrita Khara, Director ACT, making a case for MiniMines.

Meanwhile, experts feel that besides a PLI scheme, it would be pertinent for the government to consider mandating EV battery manufacturers under its Battery Waste Management Rules to use a percentage of secondary raw minerals in their new batteries and incentivise them for the same. This would be a further boost for recyclers and ensure that critical minerals extracted in India do not find their way into other countries, while India imports raw material. That would, no doubt, be a prudent move.

Zinc prices may rise on tight supply, improved demand

Subramani Ra Mancombu
Chennai

After rising over 14 per cent since the beginning of 2024, zinc prices will likely rise modestly on a tight supply outlook and forecast of improved demand.

"Zinc demand has strengthened in recent months due to improvements in the outlook for global industrial production. After large falls in 2023, the zinc price is forecast to rise modestly over the outlook period, from about \$2,700 a tonne in 2024 to about \$2,800 a tonne by 2026," said Australia's Office of the Chief Economist (AOCE).

Research agency BMI, a unit of Fitch Solutions, said, "We are revising up our zinc price forecast for 2024 to 2,600/tonne as more robust market fundamentals drive

prices higher."

STOCKS RECOVER

It said zinc prices averaged \$2,681 a tonne so far in 2024, pushed higher by a tighter supply outlook than previously anticipated. "We now expect a more modest global market surplus, which is set to drop below levels seen in 2023," the agency said.

AOCE said prices, however, remain below the 2023 highs (of above \$3,400 a tonne), which came about due to market concerns over shortfalls in refining capacity. "After experiencing substantial volatility in 2023 zinc stocks have recovered, averaging around 2,50,000 tonnes in May 2024," it said.

ING Think, the economic and financial analysis wing of Dutch multinational financial services firm ING, said zinc stocks fell by 0.6 per cent



CONTRARIAN VIEW. In April, the World Bank said zinc prices are projected to fall by 6 per cent in 2024

week-on-week as of July 12.

Currently, zinc is quoted at around \$2,727.50 a tonne for the third-month contract on the London Metal Exchange.

WORLD BANK OUTLOOK

In April, the World Bank said in its Commodity Outlook that zinc prices are projected to fall by 6 per cent in 2024. "Subdued industrial activity

in China and other major economies is envisaged to weigh on demand for zinc, which is mainly used to galvanise steel for construction, manufacturing, and infrastructure," it said.

The International Lead and Zinc Study Group (ILZSG), an arm of the UN, said preliminary data showed the global market for refined zinc metal was in surplus by

1,82,000 tonnes in the first four months of 2024 with total reported inventories increasing by 1,52,000 tonnes.

However, mine production fell by 3.2 per cent, influenced by decreases in Canada, South Africa, Türkiye and Peru. Refined metal production rose by a limited 0.1 per cent. The usage of refined zinc metal increased by 2.5 per cent, ILZSG said.

However, BMI said prices are forecast to settle below the average annual price of 3,440/tonne and 2,651/tonne seen in 2022 and 2023 respectively, continuing on a year-on-year downward trend as excess supply and an uncertain demand outlook temper growth prospects.

AOCE said higher zinc prices should take pressure off mine margins, easing pressure for further price-induced mine closures.

Wait for zinc futures to top ₹270 before going short

Akhil Nallamuthu

bl. research bureau

Zinc futures on the Multi Commodity Exchange (MCX) are on a decline over the past few sessions. It fell off the resistance at ₹275.

Therefore, the contract has been rejected between ₹270 and ₹280 for the second time in as many months. Hence, the uptrend is facing strong resistance.

COMMODITY CALL.

The 38.2 per cent Fibonacci retracement of the prior downtrend lies at ₹270 and ₹280 is a notable



barrier. So, the price region between ₹270 and ₹280 is a considerable resistance band. The current fall is likely to extend to ₹250, an important support.

If bears drag the contract below ₹250, it can be a strong bear signal. In such a case, zinc futures might see a quick fall to ₹230, a support. A breach of this can result in the

contract dropping to ₹205.

The price band of ₹200-205 is a support against which the contract can rebound.

On the other hand, if zinc futures recover from the current level of ₹260 and break out of ₹280, it can establish another leg of uptrend, which can potentially take the contract to ₹300 quickly. However, as it stands, the possibility of this appears low.

TRADING STRATEGY

Although the chances for zinc futures falling to ₹250 is high, the risk-reward ratio is unfavourable now. So, traders can wait and go short if the contract rises to ₹270. Target and stop-loss can be ₹250 and ₹280 respectively.

Coal India secures graphite block

Mithun Dasgupta
Kolkata

State-run coal behemoth Coal India has secured a graphite block, a critical mineral asset, in Madhya Pradesh. It would be the company's first ever non-coal mineral mining venture.

Graphite has its utility as anode material in lithium-ion battery manufacturing due to its relatively low cost and energy density.

"Coal India Limited has successfully opened its account in domestic critical mineral asset, emerging as the preferred bidder for Khattali Chotti graphite block in Alirajpur district of Madhya Pradesh. This was under tranche two forward auction held on July 9 by the Ministry of Mines," CIL said in a stock exchange filing on Monday.

CIL won the bid quoting a mining premium of 150.05 per cent of the value of mineral despatch, which it would pay to the State of Madhya Pradesh.

"CIL shall formally receive the letter of intent once it deposits performance security. Composite licence shall be issued to CIL in one year after the company meets the formalities under NIT timeline," the company said.

Amidst climate challenges, green steel set to play a vital role

Abhishek Law
New Delhi

Green steel is poised to play a “pivotal role” in reshaping the future of the sector “as the world moves towards a low-carbon economy,” the Survey has said.

Green steel typically refers to the metal produced from low carbon sources that include use of hydrogen in the manufacturing process, substitution of fossil fuels such as coking coal, among others.

“As the world moves towards a low-carbon economy, green steel is poised to play a pivotal role in reshaping the future of the steel industry,” the Survey noted.

EMISSIONS

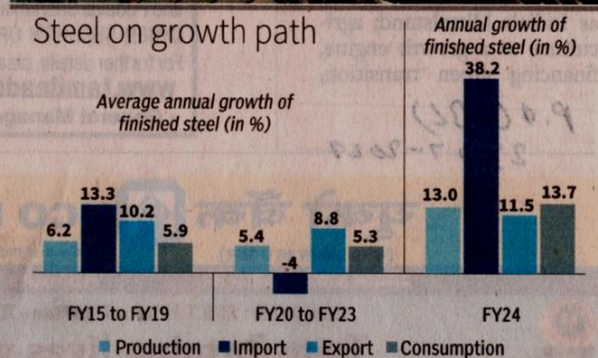
The steel sector accounts for 12 per cent of India’s greenhouse gas emissions, with an emission intensity of 2.5 tonnes of CO₂ per tonne of crude steel, compared to the global average of 1.9 tonnes of CO₂ per tonne of crude steel.

The Survey mentions India’s per capita emissions have remained consistently low between 2.5 and 2.8 tonnes CO₂ eq / year (carbon dioxide equivalent), despite substantial economic growth over the last decade.

In comparison, per capita emissions of 26 of the EU27 nations was around 8 tonnes CO₂ eq / year; almost three



Steel on growth path



Source: Survey calculation based on data from the Ministry of Steel

times that of India. It adds that there are “extreme disparities and large and persistent inequalities in historical and current global energy consumption,” and in such a scenario, the targets and strategies for the attainment of zero emissions “should not

be dictated or mandated”.

Ongoing discussions around EU’s proposed carbon tax has shown that that the developed world is unwilling to accept the financial impact of changes in their consumption-oriented lifestyle, CBAM (Carbon Border

Adjustment Mechanism) Research said. However, research says otherwise.

ON CBAM

Almost 63 per cent of respondents of the OECD Environmental Policies and Individual Behaviour Change Survey in 2022 (administered to over 17,000 households) feel that sustainable choices should not impact them financially. And, therefore, “they are unwilling to pay extra”. “Contrast this directly with the CBAM tax that EU is willing to impose on products such as steel, for the so-called ‘fair price on carbon emitted’ during production, imported from developing countries,” India’s Economic Survey said.

“The question seems (to be) less about sustainable choices, but more about a new play for capitalism,” it said, pointing out that the plan seems to be so that “the old status quo keeps thriving, and the ‘emerging’ are in a perpetual state (continues to be uncertainty).”

The Survey also mentions that based on research, developing countries require \$6 trillion by 2030 to achieve “just about half of their existing NDC (nationally determined contributions) target”. Against this, \$100-billion was pledged by developed countries till 2032, of which only \$83.3 billion was provided.

Duty Cut: Gold, Silver Gain Shine Ahead of Festivals

Team ET

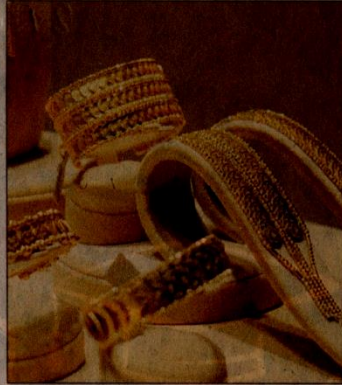
Gold has become cheaper by ₹5,900 per 10 gm and silver by ₹7,600 per kg after finance minister Nirmala Sitharaman's decision to more than halve import duty on the precious metals to 6% from 15% in the budget.

The duty reduction offers relief to consumers ahead of the busy festive season when there is a traditional spurt in gold purchases. India imports almost all the gold it needs for making jewellery. Gold demand fell 15% in the June quarter due to high prices.

On Tuesday, gold and silver prices were ₹72,609 per 10 gm and ₹87,576 per kg respectively.

"This move not only relieves consumers who have eagerly awaited this announcement but is also expected to boost gold demand in the country and create jobs for artisans," said MP Ahammed, chairman of Malabar Gold & Diamonds. "It is expected that the duty reduction will drastically cut down gold smuggling, thereby curbing illegal trade and enhancing tax revenues."

India imports 800-850 tonnes of gold and 4,000-4,500 tonnes of silver annually. Lower prices of silver will help industries such as the



solar energy sector which uses the metal to make photovoltaic cells. Silver is also used in manufacturing electric vehicles as it has high electrical conductivity. Duty on platinum, usage of which is rising among millennials, has also been cut to 6.4% from 15% in the budget.

"The duty reduction will help consumers, who have been investing in alternate assets, to return to gold investments. Additionally, the expansion of working capital loans for SMEs and MSMEs in the jewellery sector will provide a much-needed boost," said Rajesh Rokade, vice chairman of the All India Gem & Jewellery Domestic Council.

Zero duty to boost critical minerals for renewables

Duty on graphite, silicon quartz and silicon dioxide slashed to 2.5%

Abhishek Law
New Delhi

P.21(BL)

24-07-2024

India has upped the ante in its critical minerals play, with Finance Minister Nirmala Sitharaman announcing full exemption of customs duty on 25 critical minerals, including lithium, cobalt, and rare earths, among others. The first-ever offshore mineral block auctions will also be undertaken.

Duty rates for several critical minerals like graphite, silicon quartz and silicon dioxide have also been slashed from 5-7.5 per cent to 2.5 per cent.

Critical minerals, the lynchpin of renewable energy and clean technologies, remain an elusive resource in India's transition to a low-carbon future.

Besides lithium and cobalt, antimony, beryllium, bismuth, gallium, germanium, hafnium, indium, molybdenum, niobium, nickel, potash, rhenium, strontium, tantalum, tellurium, tin, tungsten, vanadium, zirconium, selenium, cadmium and silicon (other than quartz and silicon dioxide) will attract zero custom duty.

This is expected to augment the availability of critical minerals by providing a fillip to the processing and refining sector.



BOOSTING SUSTAINABILITY. Critical minerals, the lynchpin of renewable energy and clean technologies, remain an elusive resource in India's transition to a low-carbon future REUTERS

● SECURING SUPPLIES

Indigenising and overseas acquisition of mining and building domestic capabilities will secure the supply chain for the domestic manufacturing ecosystem

Sitharaman said minerals such as lithium, copper, cobalt and rare earth elements are critical for sectors like nuclear energy, renewable energy, space, defence, telecommunications, and high-tech electronics. "I propose to fully exempt customs duties on 25 critical minerals and reduce

BCD (basic custom duty) on two of them. This will provide a major fillip to the processing and refining of such minerals and help secure their availability for these strategic and important sectors," she said.

Risabh Jain, Senior Programme Lead, CEEW, said the sustainability-focused organisation's 2023 report had highlighted the vulnerabilities and opportunities in the global critical minerals supply chain. "Indigenising and overseas acquisition of mining and building domestic capabilities (for process and recycle) will secure the supply chain for the domestic manufacturing ecosystem, especially for clean energy sectors such as solar, wind, EV and batteries," he said.

Following cut in customs duty, gold prices drop 5%

SHINING BRIGHT. Import levy cut to 6% from 11%; move may curb smuggling

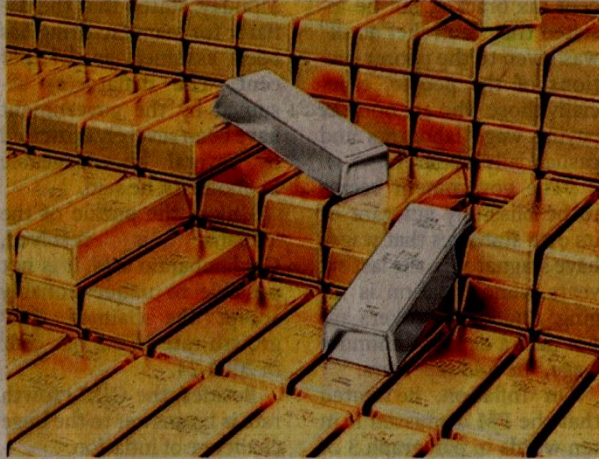
Suresh P Iyengar
Mumbai

Domestic gold prices dropped by nearly five per cent on Tuesday after Finance Minister Nirmala Sitharaman announced a cut in the basic customs duty on gold, silver and platinum. The reduction in customs duty on gold and other precious metals is expected to bring down the smuggling of the yellow metal and provide much needed relief to the industry.

In view of the duty cut, prices of 22-carat gold - used for jewellery - dropped to ₹6,793 per gram on Tuesday from ₹7,146 on Monday.

While providing consumer relief from soaring gold prices - which have gained over 15 per cent since the beginning of 2024 - it will also check smuggling which has been rampant particularly in South India.

Gold prices are expected to come down by ₹5,900 per 10 gram while that of silver will fall by ₹7,600 per kg. However, the industry was disappointed as the Finance Minister did not



WELCOME CHANGE. In view of the duty cut, prices of 22-carat gold dropped to ₹6,793 per gram on Tuesday from ₹7,146 on Monday

consider the demand to reduce import duty on dore (raw form of gold). Sachin Jain, Regional CEO, India, World Gold Council said the Budget has reduced the overall taxes on gold from about 18.5 per cent (including GST) to 9 per cent. "It will reduce the incentives for smuggling of gold and create a level playing field for honest industry stakeholders. Gold prices will also correct locally and give a boost to retail gold

demand," he said.

FILLIP TO DEMAND

Colin Shah, MD, Kama Jewellery, said the cut in duty will play a major role in bringing down the cases of smuggling and provide cost benefits to the consumers in the country, which will provide a major fillip to the demand in the domestic market. Acceptance of Safe Harbour Rule for the sale of rough diamonds in Special

Notified Zones will help in bringing transparency in trade activities in the SNZs, he said.

Jateen Trivedi, VP Research Analyst - Commodity and Currency, LKP Securities said gold prices on MCX was down by over ₹2,000 to ₹70,350, and silver slipped by ₹2,500 to ₹86,600 as the market priced in the impact of lower import duty gap.

Amit Pratihari, MD, De Beers Forevermark said the implementation of safe harbour rates for the diamond-cutting industry, for foreign mining companies selling rough diamonds in India, will stimulate growth, boost consumer spending and increase global competitiveness.

Vikas Singh, Managing Director and CEO, MTC-Pamp, said the duty cut in gold was a welcome move which will drive down retail prices of the precious metal besides styming the grey market. "This in turn is expected to set off a virtuous cycle of increased consumption and contribute substantially to the exchequer and facilitate the growth of the as a precious metal hub," he said.

Duty cut to lower gold prices: How will it impact jewellery stocks?

Akhil Nallamuthu
bl. research bureau

Bringing cheer to consumers, Finance Minister Nirmala Sitharaman has announced an import duty cut on gold, silver and platinum. The total duty has been revised down to 6 per cent from the earlier 15 per cent effective July 24. For platinum, it has been revised down to 6.4 per cent from the current 15.4 per cent.

For gold and silver, the 6 per cent duty includes the Basic Customs Duty (BCD) of 5 per cent and Agriculture Infrastructure and Development Cess (AIDC) of 1 per cent, which were 10 per cent and 5 per cent respectively earlier. For platinum, BCD is cut to 5 per cent and AIDC to 1.4 per cent from 10 and 5.4 per cent, respectively.

This is expected to bring down the prices of precious metals in the domestic market. Reflecting the impact,

the price of gold futures has dropped 5.7 per cent to ₹68,600 (per 10 gram); silver futures, too, lost 4.7 per cent to about ₹85,000 (per kg) in Tuesday evening trade on MCX. This is as compared to their price in dollar terms remaining largely unchanged.

CONSUMERS AND FIRMS TO BENEFIT

For jewellery, including the GST of 3 per cent, the total tax stood at about 18 per cent. This has been halved to 9 per cent now, which could boost jewellery demand. India is the second largest consumer of gold after China. According to the World Gold Council (WGC), Indians bought 576 tonnes of jewellery and 185 tonnes in the form of bars and coins in calendar year 2023.

The timing of the cut could not have been better as we approach the festive season. The price of 24-carat gold in Mumbai stood at



₹7,180 per gram on Tuesday. Market experts believe the price could drop between ₹300 and ₹500 per gram going ahead. Consequently, purchases that have been postponed of late due to higher prices, are expected to hit the market in the coming months.

While consumers are being rewarded, the companies are also set to benefit as lower prices can increase their topline, with volume growth to more than offset the decline in prices. Reflecting the potential benefit of increased revenue and profits, the stocks of listed jewellers such as Titan Com-

pany, Kalyan Jewellers India and Senco Gold appreciated 6.6, 4.5 and 4.8 per cent, respectively. While the existing inventory of jewellers may take a one-time hit, markets tend to ignore one-time factors. The growing share of organised players in the industry is also expected to help these companies.

The additional benefit is that gold smuggling could decrease as the price in the mainstream market is set to be competitive.

On the other hand, increased demand can lead to higher imports of gold, which is the third largest component in India's import basket. This is not good news for the Indian rupee, which is hovering near an all-time low against the dollar. According to the Reserve Bank of India data, on average, India imports gold worth \$36 billion a year, constituting about 8 per cent of total imports.

THE HITAVADA DATE:24/7/2024 P.NO9

FM cuts customs duty on critical minerals

NEW DELHI, July 23 (PTI)

FINANCE Minister Nirmala Sitharaman on Tuesday announced a cut in customs duty on minerals such as lithium, copper and cobalt, which are critical for nuclear energy, renewable and other sectors, to give a fillip to the energy transition. In her Budget speech in Lok Sabha, Sitharaman recalled that in the interim Budget she had announced a strategy to sustain high and more resource-efficient economic growth, along with energy security in terms of availability, accessibility and affordability.

"We will bring out a policy document on appropriate energy transition pathways that balances the imperatives of employment, growth and environmental sustainability," she said. Noting that minerals such as lithium, copper, cobalt and rare earth elements are critical for sectors like nuclear energy, renewable energy, space, defence, telecommunications, and high-tech electronics, she proposed to fully exempt customs duties on 25 critical minerals and reduce BCD (basic customs duty) on two of them.

This will provide major fillip to the processing and refining of such minerals and help secure their availability for these strategic and important sectors, she said.

She stated that energy transition is critical in the fight against climate change.

'7 poly-metallic nodules, 3 lime mud blocks identified for first offshore mineral auctions'

Abhishek Law
New Delhi

Of the 10 offshore mineral blocks due for auction in the first tranche, seven will be poly-metallic nodules and crusts in the Andaman Sea, and three will be lime mud blocks off the Gujarat coast, Union Minister of Mines G Kishan Reddy said.

The blocks contain critical minerals like cobalt and nickel, he said that are key to manufacturing low-carbon tech that generate, store, and transmit clean energy.

BLOCKS IN EEZ

The 10 blocks are located in the country's exclusive economic zone (EEZ). Composite licences for determination of mineral resource quantity, exploration and commercial production and off-take will be granted

through the auctions. "The auction of the first tranche of offshore blocks under the Offshore Areas Mineral (Development and Regulation) Act, 2002 will expand our capabilities and opportunities tremendously. Tapping into offshore mineral resources, particularly cobalt and nickel, will support clean energy and steel manufacturing," Reddy said.

GEOSCIENCE DATA

India was readying for its first-ever offshore mineral auctions, Finance Minister Nirmala Sitharaman said in her Budget speech on July 23. The Budget has also enhanced allocations for the Geological Survey of India (GSI), Indian Bureau of Mines (IBM), and National Mineral Exploration Trust (NMET) to bolster exploration, sustainable mining practices, comprehensive exploration projects. "The



Union Minister G Kishan Reddy

₹1,300-crore allocation for GSI will improve geoscience data collection and strategic planning, while ₹135-crore for IBM will enhance regulatory efficiency and environmental protection," Reddy said.

The ₹400-crore allocation for NMET, he added, will accelerate mineral exploration, potentially leading to the discovery of new resources, besides encouraging start-ups and MSMEs.

Also proposed is the waiver of customs duty on 25 critical minerals, and blister copper.

COST REDUCTION

The elimination of import duties on 25 critical minerals, alongside reductions for two others, will reduce costs for the industry, attract investments in processing and refining, and support the growth of downstream industries, according to the Minister.

It will also shield the country from import reliance and supply risks owing to global geo-political turbulence.

The zero import duty on blister copper will stabilise the supply chain for copper refiners, crucial for industries such as electronics and construction, and enhance the global competitiveness of Indian copper products.

Royalty on minerals: SC will deliver verdict today

Press Trust of India
New Delhi

The Supreme Court is scheduled to pronounce its verdict on Thursday on the hugely contentious issue of whether the royalty payable on minerals is a tax under the Mines and Minerals (Development and Regulation) Act, 1957, and if only the Centre is vested with the power to levy such exaction or states also have the authority to impose levies on mineral bearing land in their territory.

A nine-judge Constitution Bench headed by Chief Justice DY Chandrachud, which reserved its verdict on March 14 after hearing a batch of 86 appeals filed by different state governments, mining companies and public sector undertakings for eight days, will pronounce the verdict.

According to the notice issued by the Supreme Court on its website, the bench, also comprising Justices

Hrishikesh Roy, Abhay S Oka, BV Nagarathna, JB Pardiwala, Manoj Misra, Ujjal Bhuyan, Satish Chandra Sharma and Augustine George Masih, will deliver the verdict at 10:30 am on Thursday.

During the hearing, the top court had said the Constitution vests the power to impose tax on mineral rights not in Parliament alone but also the states and underlined that such authority should not be diluted.

Attorney General R Venkataramani, appearing for the Centre, had contended the Union had overriding powers with regard to taxing mines and minerals.

Solicitor General Tushar Mehta, also representing the Centre, said the entire architecture of the Mines and Minerals (Development and Regulation) Act (MMDRA) is the limitation on the states' legislative power to impose tax on minerals, and under the law, the central government has the power to fix royalty.

Jewellery stocks dazzle on gold import duty cut

Suresh P. Iyengar
Mumbai

Most jewellery company stocks rallied following the reduction in customs duty on gold, silver, and platinum, which is expected to boost domestic demand.

On Wednesday, gold prices were down ₹69,151 per 10 gram against ₹69,602 on Tuesday while that of silver dipped to ₹84,862 per kg (₹84,919), according to the Indian Bullion and Jewellers Association.

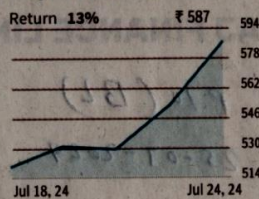
Shares of Kalyan Jewellers and PC Jeweler were up 6 per cent and 5 per cent at ₹588 and ₹78. While Thangamayil Jewellery was up 2 per cent at ₹1,942, Rajesh Exports and Titan



Company were up 0.62 per cent and 0.14 per cent at ₹318 and ₹3,473 respectively.

Palka Arora Chopra, Director, Master Capital Services, said that the cut in customs duty will have a negative impact on jewellery companies with high inventory in the short term as they had bought the inventory at high prices.

Kalyan Jewellers India



In terms of margins, jewellery companies with unhedged gold will be the most affected. Additionally, incidents of gold smuggling are expected to come down as the price in the mainstream market is set to be competitive, she said.

DEMAND REVIVAL

Anil R, Senior Research Analyst, Geojit Financial

Services, said the cut in duty and the fall in prices will revive gold jewellery demand, which had moderated in recent times due to high prices.

"We expect the premiumisation trend to boost revenue growth of leading companies," he said.

Vaishali Banerjee, MD, India at Platinum Guild International, said the cut in platinum duty to 6.4 per cent will enable the platinum jewellery market in India to grow and tap opportunities abroad. "We anticipate that this reduction will catalyse the already growing demand, increase platinum jewellery footprint, generate employment and support a sustainable future growth," she said.

खनिजों पर लगने वाली रॉयल्टी पर सुप्रीम कोर्ट आज सुनाएगा फैसला

एजेंसी | नई दिल्ली

सुप्रीम कोर्ट गुरुवार को इस बेहद विवादित मुद्दे पर फैसला सुनाने वाला है कि क्या खनिजों



पर दी जाने वाली रॉयल्टी खनन एवं खनिज (विकास एवं विनियमन), अधिनियम 1957 के तहत एक तरह का 'कर' है और क्या लेवी लगाने की शक्ति केवल केंद्र सरकार के पास है या फिर राज्यों के पास भी अपने क्षेत्र में खनिज वाली भूमि पर लेवी लगाने का अधिकार है। प्रधान न्यायाधीश डी.वाई. चंद्रचूड़ की अध्यक्षता वाली नौ न्यायाधीशों की संविधान पीठ ने विभिन्न राज्य सरकारों, खनन कंपनियों और सार्वजनिक क्षेत्र के उपक्रमों की 86 याचिकाओं के समूह

पर आठ दिन तक सुनवाई करने के बाद 14 मार्च को अपना फैसला सुरक्षित रख लिया था। उच्चतम न्यायालय की वेबसाइट पर जारी नोटिस के अनुसार, पीठ बृहस्पतिवार को पूर्वाह्न 10:30 बजे फैसला सुनाएगी।

सुनवाई में कोर्ट ने यह कहा था : सुनवाई के दौरान, शीर्ष अदालत ने कहा था कि संविधान के तहत खनिज अधिकारों पर कर लगाने की शक्ति न केवल संसद बल्कि राज्यों के पास भी है। पीठ ने रेखांकित किया था कि इस तरह के अधिकार को कमजोर नहीं किया जाना चाहिए। केंद्र की ओर से पेश हुए अर्टोर्नी जनरल आर. वेंकटरमणि ने दलील दी थी कि खानों और खनिजों पर कर लगाने के संबंध में केंद्र के पास अत्यधिक शक्तियां हैं। केंद्र का प्रतिनिधित्व कर रहे सॉलिसिटर जनरल तुषार मेहता ने कहा था, खान और खनिज (विकास एवं विनियमन) अधिनियम (एमएमडीआरए) में राज्यों की खनिजों पर कर लगाने की विधायी शक्ति की सीमा है, और कानून के तहत, रॉयल्टी

ये न्यायमूर्ति हैं शामिल

पीठ में न्यायमूर्ति ऋषिकेश रॉय, न्यायमूर्ति अभय एस. ओका, न्यायमूर्ति बी.वी. नागरत्ना, न्यायमूर्ति जे.बी. पारदीवाला, न्यायमूर्ति मनोज मिश्रा, न्यायमूर्ति उज्ज्वल भुइयां, न्यायमूर्ति सतीश चंद्र शर्मा और न्यायमूर्ति ऑगस्टीन जॉर्ज मसीह शामिल हैं।

तय करने का अधिकार केंद्र सरकार के पास है। याचिकाकर्ताओं में से एक, झारखंड सरकार की ओर से पेश हुए वरिष्ठ वकील राकेश द्विवेदी ने कहा था कि रॉयल्टी कर नहीं है और राज्यों को राज्य सूची की प्रविष्टि 49 और 50 के आधार पर खानों एवं खनिजों पर कर लगाने की शक्ति है। शीर्ष अदालत की नौ न्यायाधीशों की पीठ ने इस जटिल मामले की सुनवाई 27 फरवरी को शुरू की थी। रॉयल्टी वह भुगतान होता है, जो उपयोगकर्ता किसी बौद्धिक संपदा या संपत्ति के मालिक को करता है।

बजट इफेक्ट • 2 दिन में टूटे
भाव, अब 70 हजार से नीचे

सोना 4,067 रु. सस्ता

कस्टम इयूटी एडजस्ट होते ही बढ़ सकते हैं दाम

देश में 5.5% दाम घटे, लेकिन दुनिया में 1 प्रतिशत बढ़े

भास्कर न्यूज़ | नई दिल्ली. कस्टम इयूटी में 9% की कटौती के चलते सोने का भाव लगातार गिरता जा रहा है। बुधवार को 24 कैरेट सोने की कीमत 451 रु. घटकर 69,151 रु. प्रति 10 ग्राम रह गई। दो दिन में यह 4,067 रु. सस्ता हो चुका है। इतना ही नहीं, 5 अप्रैल के बाद अब जाकर सोने का भाव 70 हजार रु. से कम हुआ है। एचडीएफसी सिक्वोरिटीज के कमोडिटी हेड अनुज गुप्ता के मुताबिक 9% कटौती को एडजस्ट होने में एक हफ्ता लग सकता है। ऐसे में सोना 5% तक और सस्ता होने की संभावना है। इसके बाद सोने के भाव चढ़ सकते हैं, क्योंकि दो दिन में घरेलू बाजार में सोने का भाव 5.5% गिरा है, वहीं अंतरराष्ट्रीय बाजार में करीब 1% बढ़ा है। यानी भाव गिरने की एकमात्र वजह कस्टम इयूटी है। इसके बाजार में एडजस्ट होते ही सोने के दाम फिर बढ़ेंगे। दुनियाभर के सेंट्रल बैंक अगले एक साल में सोने की खरीद 30% तक बढ़ा सकते हैं। ऐसे में सोने की डिमांड में कमी आने की कोई संभावना नहीं है यानी दाम भी नहीं घटेंगे। शेष | पेज 4 पर

21 मई को रिकॉर्ड भाव पर था सोना, तब से 7% सस्ता

तारीख	24 कैरेट	22 कैरेट	(कीमत रुपए/10 ग्राम, स्रोत: आईबीजेए)
24 जुलाई	69,151	63,342	
22 जुलाई	73,218	67,068	
21 मई	74,214	67,980	
5 अप्रैल	69,882	64,012	

भास्कर इनसाइट

डॉलर पर निर्भरता कम करने की कवायद

केडिया कमोडिटीज के डायरेक्टर अजय केडिया के मुताबिक कस्टम इयूटी घटाने की बड़ी वजह सोने का भंडार बढ़ाना भी है। इसके भी तीन मकसद हैं। पहला- सोने के तौर पर घरों में बचत बढ़ाना, जो लगातार घट रही है। दूसरा- डॉलर पर निर्भरता कम करना और तीसरा- आयात सस्ता करके देश में सोने की स्मगलिंग कम करना। रूस, चीन, तुर्किये और सऊदी अरब भी डॉलर पर निर्भरता घटाने के लिए अपने भंडार बढ़ा रहे हैं। हाल ही में इन्होंने इसके उपाय भी शुरू किए हैं। इस बीच, रूस-यूक्रेन, इजरायल-हमास युद्ध और इससे इजराइल के साथ तनाव बढ़ने का जोखिम लगातार बना हुआ है। इससे बचाव के लिए भी निवेशक सोना खरीद रहे हैं, ताकि लेन-देन में डॉलर खर्च न करने पड़ें। अमेरिका और भारत समेत दुनियाभर में कहीं भी ब्याज दरें बढ़ने की आशंका नहीं है। इसके चलते डॉलर कमजोर होगा। ऐसे में सोना खरीदने के लिए ज्यादा डॉलर खर्च करने होंगे।

शेयर बाजार : इंट्रा-डे ट्रेडिंग में हर 10 में से 7 निवेशकों को घाटा

भास्कर न्यूज़ | मुंबई

देश के शेयर बाजार अभी ऑल टाइम हाई के करीब हैं, लेकिन कैश सेगमेंट में इंट्रा-डे ट्रेड करने वाले 70% से ज्यादा निवेशक नुकसान में हैं। बाजार नियामक सेबी की एक स्टडी के मुताबिक हर 10 में से 7 शेयर ट्रेडर घाटे में हैं। सेबी ने यह स्टडी इंट्रा-डे ट्रेडिंग में निवेशकों की भागीदारी और उन्हें प्रॉफिट-लॉस के ट्रेंड का विश्लेषण करने के लिए की थी। इस रिपोर्ट के मुताबिक, वित्त वर्ष 2022-23 में इंट्रा-डे ट्रेड करने वाले निवेशकों की संख्या 2018-19 की तुलना में 300% से ज्यादा बढ़ी है। इस दौरान 30 साल से कम उम्र के इंट्रा-डे ट्रेडर्स की भागीदारी 48% तक हो गई है, जो पहले 18% थी। सेबी ने इस स्टडी रिपोर्ट की यूनिवर्सिटी, ब्रोकर्स और बाजार विशेषज्ञों के प्रतिनिधियों वाले वर्किंग ग्रुप से समीक्षा भी करवाई थी। इसमें कोई खामी नहीं मिली है।

नए निवेशकों में बारीक जानकारी की कमी
स्टडी बताती है कि भले ही इंट्रा-डे ट्रेडिंग में लोगों की भागीदारी बढ़ रही है, लेकिन ऐसे निवेश से होने वाला नुकसान भी उसी अनुपात में बढ़ रहा है। इसकी सबसे बड़ी वजह नए निवेशकों को ट्रेडिंग की बारीक जानकारी न होना और तकनीकी कौशल की कमी हो सकती है। रिपोर्ट में इसे नए ट्रेडरों के लिए एक बड़ी चुनौती बताया गया है।

Global steel output edges up 0.5% in June

Achuth Vinay
Chennai

Global crude steel production increased by 0.5 per cent in June 2024 to 161.4 million tonnes (mt), compared with 160.6 mt in the corresponding period a year ago.

According to the World Steel Association (world-steel), the output in China, the top producer, went up to 91.6 mt in June — an increase of 0.2 per cent from the year-ago period. India reported a 6 per cent surge in production at 12.3 mt.

UPSURGE IN GERMANY

Germany's output soared by 8.9 percent to reach 3.2 mt. South Korea's production plunged by 7.2 per cent to 5.1 mt. Brazil's production boomed by 11.8 per cent at 2.9 mt. While Japan's output nosedived 4.2 per cent to 7 mt, Russia suffered a similar



fate with the production dipping by 4.1 per cent to 6 mt. The US' production went down by 1.5 per cent at 6.7 mt.

Turkiye saw its output go north by 4.3 per cent at 3.1 mt while Iran's production dropped by 8.5 per cent at 2.6 mt.

Region-wise, Africa saw output plunge by 9.6 per cent. Asia and Oceania's steel production increased by 0.3 per cent. The West Asian region's production dropped by 2.7 per cent.

Govt may defer move to change wastage norms for jewellery exports

Amiti Sen
New Delhi

In a move that could provide extended relief to jewellery exporters, the Indian Government is considering further deferment of its decision to reduce permissible wastage in export of gold, silver and platinum items beyond July 31 as it is "diligently" examining a deluge of industry inputs and pleas on the need to maintain the higher limits, sources said.

"The DGFT may need another month to diligently go

through all the data provided by various industry groups trying to prove that the wastage in their particular sectors is higher than the reduced limits that were notified in May this year (but were put on hold). Details have been submitted on the whole process including valuation and cost. The norms committee is looking at it," an official tracking the matter told *businessline*.

On May 27, the DGFT amended the export policy (wastage permissible and Standard Input/Output

Norms) reducing the wastage limit on gold and platinum jewellery to 0.5 per cent from 2.5 per cent and on silver jewellery to 0.75 per cent from 3.2 per cent. For medallions and coins (excluding coins of nature of legal tender), the permissible percentage was lowered to 0.1 per cent from 0.2 per cent.

INDUSTRY PROTESTS

However, the policy was subsequently put on hold till July 31 following industry protests. The DGFT then called for inputs from the in-



dustry to support its argument against reduction of permissible wastage.

The Standard Input Output

Norm (SION) fixed by the DGFT specifies the required amount of inputs needed to produce a unit of output for exporting and is important as various benefits availed by exporters, including duty-free import of inputs, are tied to these.

Following the May 27 notification, the Gems & Jewellery Export Promotion Council (GJEPC) had met DGFT officials and expressed its concerns over the possibility of the revised norms having a disproportionate impact on the small and medium-sized

enterprises (MSMEs), which represent 85 per cent of all exporters.

After the DGFT put the notification on hold till July 31 seeking industry inputs on it, the GJEPC said it would conduct a detailed study on wastage norms on different categories of jewellery including plain, studded, machine-made and hand-made.

In 2023-24, exports of gold and other precious metal jewellery was valued at \$13.31 billion which was 7.74 per cent higher than exports in the previous year.

COMMODITY CALL.

Aluminium: Go long at current levels of ₹212

Gurumurthy K
bl. research bureau



The aluminium futures contract on the Multi Commodity Exchange (MCX) has been on the decline for almost three weeks now. The contract has tumbled around 10 per cent from its high of ₹235 per kg made earlier this month. It is currently trading at ₹212.

Strong support is seen in the ₹211-210 region. Considering the sharp and swift fall recently, the chances that the aluminium contract will sustain above ₹210 at least for some time are high. So, a strong bounce from here can trigger a corrective rise to ₹219-220 in a week or two. If the contract breaches ₹220, the upside can extend to ₹224.

However, the broader trend will still remain down.

We expect the MCX Aluminium Futures contract to resume its fall either from ₹219-₹220 itself, or after an extended rise to ₹225. That will take the contract down to ₹211-₹210 again.

TRADING STRATEGY

Considering the chances of a corrective rise from current levels, we suggest traders go long at current levels of ₹212 and accumulate at ₹210. Keep the stop-loss at ₹208.

Trail the stop-loss up to ₹214 as soon as the contract moves up to ₹216. Move the stop-loss up to ₹215 when the contract touches ₹217. Exit the long positions at ₹218.

SC: States can take royalty on minerals, tax mineral land


Windfall For Many Ore-Rich, Poor States

Dhananjay.Mahapatra
@timesofindia.com

New Delhi: In a landmark verdict which will spell a double bonanza for mineral-rich states featuring low on the prosperity index, a nine-judge bench of Supreme Court, in a

► EDIT: Yours, Mines, Ours

majority 8:1 verdict, ruled on Thursday that states can collect royalty, which is not a tax, on minerals extracted from their territories, and also impose additional tax on mineral-bearing land. Justice B V Nagarathna dissented and said only the Centre had the

 **Royalty is not a tax. Royalty is a contractual consideration paid by the mining lessee to the lessor for enjoyment of mineral rights.** The liability to pay royalty arises out of the contractual conditions of the mining lease. **The payments made to the govt cannot be deemed to be a tax** merely because the statute provides for their recovery as arrears —SC's majority order

The state legislatures have legislative competence under Article 246 read with Entry 49-List II to tax lands and buildings but not lands which comprise of mines and quarries or have mineral deposits as mineral bearing lands do not fall within the description of lands (under Entry 49-List II)

— Justice B V Nagarathna's dissenting order

power to levy tax on minerals.

If the judgment becomes operational retrospectively, mineral-rich states like Odisha, Chhattisgarh, Jharkhand, AP, Goa, MP and Karnataka would be richer by thousands of crores. Solicitor general Tushar Mehta and senior advocates AM Singhvi and Arvind Datar pleaded with the court to make the judgment operate

prospectively, but senior advocate Rakesh Dwivedi, who had argued for mineral-rich states, objected. SC said it would hear the parties on Wednesday on this issue.

However, SC clarified that this ruling would not be applicable to oilfields, mineral oil resources, petroleum and petroleum products.

► Royalty & dead rent, P 8

Taxing minerals may push up power tariffs

New Delhi: The SC judgment giving states the right to tax minerals has the potential of pushing up power tariffs, squeeze the headroom for competitive pricing amid rising mining costs and skew market reforms with multiple pricing regimes, reports **Sanjay Dutta**. For common consumers, the judgment will impact power tariffs the moment states slap their own tax on coal, executives at public and private sector coal miners said.

8-1 MAJORITY RULING

Royalty not tax: SC says states have power on mineral rights

Justice Nagarathna dissents, warns of consequences, unhealthy competition

ANANTHAKRISHNAN
NEW DELHI, JULY 25

IN AN 8-1 majority ruling Thursday, a nine-judge Constitution Bench of the Supreme Court upheld the power of states to levy royalty on extraction of minerals from their land and said they can also tax the lands which comprise mines and quarries.

The majority verdict, delivered by Chief Justice of India D Y Chandrachud writing for himself and Justices Hrishikesh Roy, A S Oka, J B Pardiwala, Manoj Misra,

CONTINUED ON PAGE 2

EXPLAINED
E Why it went to 9-judge bench

IN THE India Cement ruling of 1989, a 7-judge bench said royalty was a tax. But in 2004, in the Kesoram Industries case, a 5-judge bench said royalty was not a tax. As a smaller bench, it could not overturn the India Cement decision. The matter was sent to a 9-judge bench.

EXPLAINED, PAGE 14

राज्य वसूल कर सकता है रॉयल्टी

सुको के फैसले से केंद्र सरकार को झटका

■ दिल्ली, नवभारत न्यूज नेटवर्क. सुप्रीम कोर्ट ने गुरुवार को खनन पर लगने वाली रॉयल्टी को लेकर बड़ा फैसला सुनाते हुए कहा कि राज्यों को खनिज वाली जमीन पर टैक्स लगाने का अधिकार है. इस पर ली जाने वाली रॉयल्टी टैक्स नहीं है. सुको के इस फैसले से केंद्र को बड़ा झटका लगा. चीफ जस्टिस डीवाई चंद्रचूड़ की अध्यक्षता वाली 9 जजों की सुप्रीम कोर्ट की बेंच ने 8-1 के बहुमत से अपने ही कई पुराने फैसलों को रद्द कर दिया जिससे इन राज्यों को राहत मिली. जस्टिस बीवी नागरत्ना



जस्टिस नागरत्ना ने जताई असहमति

जस्टिस नागरत्ना ने फैसले के दौरान माना कि राज्यों को खनन गतिविधियों या खनिज इस्तेमाल पर कोई टैक्स या उपकर लगाने का कोई अधिकार नहीं है.



1989 के फैसले को पलटा

सुको खनन और खनिज (विकास और विनियमन) अधिनियम, 1957 के तहत एक महत्वपूर्ण मुद्दे पर सुनवाई कर रहा था. मामला यह था कि क्या खनिजों पर देय रॉयल्टी एक टैक्स है और क्या सिर्फ केंद्र सरकार के पास ही इस तरह का टैक्स लगाने का अधिकार है या राज्य सरकारें भी अपने क्षेत्र में खनिज भूमि पर लेवी लगा सकती हैं. सुको ने कहा कि 7 जजों की संविधान पीठ का 1989 का फैसला गलत था जिसमें कहा गया था कि खनिजों पर रॉयल्टी एक टैक्स है. सीजेआई ने कहा कि संसद को खनिज अधिकारों पर कर लगाने का अधिकार नहीं है.

ने बहुमत के फैसले से असहमति जताई. हालांकि अदालत ने यह भी स्पष्ट किया कि संसद के पास

निकाले गए खनिजों पर कर लगाने की सीमाएं, प्रतिबंध और यहां तक कि रोक लगाने की शक्ति है. सुप्रीम कोर्ट ने राज्यों को खनिज



इन राज्यों को राहत

इस फैसले से ओडिशा, झारखंड, बंगाल, छत्तीसगढ़, मध्य प्रदेश और राजस्थान जैसे खनिज संपन्न राज्यों को फायदा होगा.

■ इस फैसले में कहा गया है कि निकाले गए खनिजों पर रॉयल्टी कर नहीं है. अब 9 जजों की पीठ 31 जुलाई को फिर से सुनवाई करेगी कि उनका फैसला पूर्वव्यापी होगा या नहीं. अगर यह फैसला पूर्वव्यापी लागू होता है तो केंद्र सरकार की तरफ से राज्यों के लिए भारी कर बकाया देना पड़ सकता है.

■ राज्य चाहते हैं कि यह फैसला पूर्वव्यापी रूप से लागू हो जबकि केंद्र सरकार इसे भविष्य के लिए लागू करना चाहती है.

■ 9 जजों की बेंच में जस्टिस हृषिकेश रॉय, जस्टिस अभय एस ओका, जस्टिस बीवी नागरत्ना, जस्टिस जेबी पारदीवाला, जस्टिस मनोज मिश्रा, जस्टिस उज्ज्वल भुइयां, जस्टिस सतीश चंद्र शर्मा और जस्टिस ऑगस्टीन जॉर्ज शामिल थे.

युक्त जमीनों पर टैक्स लगाने का अधिकार दिया. इस मामले को लेकर सुप्रीम कोर्ट में 8 दिनों तक सुनवाई चली.

Mining and power of states

Royalty is not a tax, the Supreme Court has ruled. States have the power to tax mining activities. How did this long-pending matter reach a nine-judge Constitution Bench; what issues did the judges consider?

JOY SINHA KARPURAM
NEW DELHI, JULY 25

INDIA'S states have the power to tax mining activities, and collecting "royalties" from mining leaseholders is entirely separate from, and does not interfere with, the power to impose taxes, a nine-judge Constitution Bench ruled on Thursday.

Following the judgment, states can generate additional revenues in the form of taxes on mining activities and on the land used to conduct these activities.

The case, *Mineral Area Development Authority v M/s Steel Authority of India*, which had been pending for more than a quarter century, was decided by an 8-1 split. Chief Justice of India D Y Chandrachud authored the majority opinion for himself and Justices Prishikesh Roy, Abhay S Oka, J B Pardiwala, Manoj Misra, Ujjal Bhuyan, Satish Chandra Sharma, and Augustine George Masih. Justice V Nagarathna gave a dissenting opinion.



If a state government leases land for mining activities, does this make royalties a 'tax' under India's mining law? The SC first considered this question in 1989. File

How did this matter reach the nine-judge Bench?

Royalties refer to the fees paid to the owner of a product in exchange for the right to use that product. For example, if a movie studio wants to use an existing piece of music by a specific artist in their new film, they will have to pay a royalty fee that goes to the artist.

Section 9 of the Mines and Minerals Development and Regulation Act, 1957 (MMDRA) requires those who obtain leases to conduct mining activities to "pay royalty in respect of any mineral removed" to the individual or corporation who leased the land to them.

This raises a question: If a state government is the entity leasing the land to a leaseholder, does this make royalties under the MMDRA a form of tax?

The Supreme Court answered this question for the first time in *India Cement Ltd v State of Tamil Nadu* (1989). A seven-judge bench heard a challenge by the company to a Tamil Nadu law imposing a cess — a tax levied in addition to the normally taxable amount — on land revenues, including royalties.

The court held that states only have the power to collect royalties, not to impose taxes on mining activities. It said that the Centre has overriding authority over "regulation of mines and mineral development" under Entry 54 of the Union List to the extent provided by law (MMDRA in this case), and that states do not have the power to impose further taxes on the subject.

"We are of the opinion that royalty is a tax, and as such a cess on royalty being a tax on royalty, is beyond the competence of the State Legislature because s. 9 of the Central Act covers the field," the court said.

The statement "royalty is a tax", however, triggered events that led to the formation of a nine-judge Bench at the Supreme Court.

In 2004, in a similar case dealing with cesses on land and mining activities (*State of West Bengal v Kesoram Industries Ltd*), a five-judge Constitution Bench held that there was a typographical error in the *India Cement* decision — and that the phrase "royalty is a tax" should be read as "cess on royalty is a tax".

The court said: "The words 'cess on' appear to have been inadvertently or erroneously omitted while typing the text of judgement... (in the preceding paragraphs) their Lordships have held that 'royalty' is not a tax". However, as the Bench in *Kesoram Industries* was smaller than the one in *India Cement*, the court could not overrule and rectify the position.

Fast forward to 2011 and the *Mineral Area Development Authority* case — when the court was already 12 years into hearing a challenge to a Bihar law imposing a cess on land revenue from mineral-bearing lands.

The court took note of the apparent conflict between *Kesoram Industries* and *India Cement* — which had direct ramifications on

the case before it. It decided to refer the matter to a nine-judge Bench to finally settle the legal position.

So why did the majority in Thursday's decision hold that royalty not a tax?

The majority held that a royalty is not a tax because there is a "conceptual difference" between royalties and taxes. Royalties are based on specific contracts or agreements between the mining leaseholder and the lessor (the person who leases the property) who can even be a private party.

Also, taxes are meant for public purposes such as welfare schemes and creating public infrastructure, whereas the payment of royalties is to a lessor in exchange "for parting with their exclusive privileges in the minerals".

And why did the court find that states have the power to tax 'mineral development'?

The second aspect that the court considered was whether states have the power to tax mineral development activities, or whether such taxes are the sole province of the Centre under the MMDRA. This friction can be traced to the Seventh Schedule of the Constitution.

Under the State List, states are given the exclusive power to make laws relating to "Taxes on mineral rights subject to any lim-

itations imposed by Parliament by law relating to mineral development" (Entry 54). However, Entry 54 of the Union List gives the Centre the power over "Regulation of mines and mineral development to the extent which... is declared by Parliament by law to be expedient in the public interest".

According to the *India Cement* position, royalty collected by state governments under the MMDRA would be in the form of a cess, which "covers the field", barring any taxes from being imposed. However, the court in *Mineral Area Development Authority* held that royalty is not a tax. As a result, it would not be comprehended with the meaning of the expression "taxes on mineral rights" (under Entry 50 of the State List). Effectively, the court held that the MMDRA only gives states another revenue source through royalties, and does not interfere with states' powers to impose taxes under Entry 54.

The court also held that Parliament's powers under Entry 54 of the Union List do not extend to imposing taxes, as that power exclusively rests with state legislatures. However, Entry 50 allows Parliament to impose "any limitations" on states' power to impose taxes, which the court held "may include even a 'prohibition' against imposing taxes".

The court did not limit states' power to tax mineral development activities to Entry 50, though. It held that the state also has the power to tax the land where mines and minerals are located as it includes "(i) all lands; and (ii) covers everything under and over land". These taxes, the court held, would not be affected by the MMDRA.

Why did Justice Nagarathna dissent?

Justice Nagarathna disagreed with the majority on both these counts.

She held that royalties under the MMDRA must be considered a tax in the context of mineral development in the country. She held that the purpose of the MMDRA is to spur mineral development and mining activities, and this aim would be defeated if states were given the power to impose additional levies and cesses (different from taxes) on top of the royalties they collect.

Justice Nagarathna also held that the powers to impose taxes were "denuded" when the MMDRA was passed, as it gives states the power to collect taxes in the form of royalties and otherwise gives Parliament and the Centre complete control over mineral development.

Lastly, she held that Entry 49 of the State List does not give states the power to tax mineral-bearing land.

SC Rules Royalty's Not a Tax, States Can Impose Levy on Mineral Rights

Landmark ruling resolves long-standing Centre-states dispute over revenue from mineral-bearing land

Indu Bhan

New Delhi: In a landmark ruling that could potentially lead to varied tax regimes across the country, a Supreme Court nine-judge constitution bench has held that states can levy tax on mineral rights, under the Mines and Minerals (Development and Regulation) Act 1957.

In an 8:1 ruling on Thursday, the bench also said that royalty paid by mining operators was not a tax, but a contractual consideration paid by the mining lessee to the lessor for enjoyment of mineral rights.

However, the constitution bench has agreed to look into the applicability of the judgment on Wednesday. If the judgement is finally held to apply retrospectively, then it would increase the financial burden on the mining operators as states will recover thousands of crores from them.

"The liability to pay royalty arises out of the contractual conditions of the mining lease. The payments made to the government cannot be deemed to be a tax merely because the statute provides for their recovery as arre-



FILE PHOTO

ars," the apex court bench ruled.

The bench also comprising justices Hrishikesh Roy, Abhay Soka, J B Pardiwala, Manoj Misra, Ujjal Bhuyan, Satish Chandra Sharma and Augustine George Masihit finally put an end to the decades-old tussle between the Centre and states for revenue from mineral bearing land.

In the ruling, the Bench led by Chief Justice DY Chandrachud said that "the legislative power to tax mineral rights vests with the state legislatures,"

Parliament does not have legislative competence to tax mineral rights under Entry 54 of List I (Union list), it being a general entry. Since the power to tax mineral rights is enumerated in Entry 50 of List II, Parliament cannot use its residuary powers with respect to that subject-matter."

There is no specific provision in the MMDR Act imposing limitations on the taxing powers of the state to tax lands which comprise mines and quarries under Entry 49 List II (state list)

the court said, while ruling that royalty or value of minerals can be the basis for determining rate of tax on mineral bearing land under Entry 49 List II.

It further elaborated that the yield (mineral value or mineral produce), in terms of the quantity of mineral produced or the royalty, can be used as a measure to tax the land.

Senior lawyer AM Singhvi said it's "clearly a seminal judgment even though I appeared for the losing side. It gives a huge impetus to state rights and partially overruled as many as 7 to 10 judgments of constitution benches as also seven judges."

However, he said that "one finding has redeemed the stand of the Central government and of other petitioners who were on that side including myself that is the fact that the court has upheld the power of central government to pass fresh legislation limiting, regulating or even prohibiting the state powers under entry 50. This means that the powers of the central government to act in a plenary manner to restore its own jurisdiction which is otherwise been curtailed by this timed judgment can be done with a fresh legislation."

SETS SIGHTS ON GOLD, PLATINUM, LITHIUM & GRAPHITE

Hindustan Zinc Sees Advantage in Difficult to Extract Minerals: CEO

Nikita Periwal

Mumbai: Hindustan Zinc is interested in critical minerals which are difficult to extract and have a low appearance, as it gives the company an advantage over others, chief executive officer Arun Misra said.

"Anything which is deep down into the earth, appearance is low, has a complexity and is difficult to extract, that's the entry barrier we can provide to others," Misra said in an interview. "We have the technology experience; others do not have."

Gold, platinum, lithium and graphite fit these criteria, he said.

The country's largest producer of zinc, lead and silver, though, will be open to all critical minerals. Earlier this year, it created a subsidiary Hindmetal Exploration Services for the exploration of these minerals. "Frankly speaking, I will not look for synergies in critical minerals. I will look at it as another mineral added to the basket," he said.



COMPANY PHOTO

ARUN MISRA*Chief Executive Officer, Hindustan Zinc*

Hindustan Zinc is controlled by natural resources major Vedanta, whose chairman Anil Agarwal has been quite vocal about local manufacturing to cut dependence on imports.

"India is import-dependent for these (critical) minerals, just like it is for oil. We must not repeat history. We must produce in India," he said in a post on social media platform X earlier this week.

In the Union budget, the government proposed exempting customs duty on 25 critical minerals, while re-

I will not look for synergies in critical minerals. I will look at it as another mineral added to the basket

moving the basic customs duty on ferro nickel and blister copper.

DEMERGER

Last September, Hindustan Zinc said it is exploring demerging the company into three separate entities—one each for zinc-lead, silver, and recycling.

The government, which continues to own nearly a third of the company, though, is looking to partially divest its stake through an offer-for-sale (OFS) before the demerger. Hindustan Zinc is in talks with the government on the demerger process.

Asked whether Hindustan Zinc promoters would consider raising their stake by purchasing the government's holding, Misra said promoters are always interested in the company's shares. "Absolutely not two opinions about that. But just because they wish to, it does not mean they will be able to do it because there are various restrictions," he said. "The OFS is not a preferential allotment to the owner; it is for the market."

खाणी, खनिजावर कर हा राज्यांचाच अधिकार

केंद्र सरकारला बसला मोठा झटका

लोकमत न्यूज नेटवर्क

नवी दिल्ली : खनिजांवर देय असलेली रॉयल्टी हा कर नाही आणि राज्यांना खाणी आणि खनिजे असलेल्या जमिनींवर कर लावण्याचा वैधानिक अधिकार आहे, असा निकाल सर्वोच्च न्यायालयाने गुरुवारी दिला असून त्यामुळे केंद्र सरकारला मोठा झटका बसला आहे. या निकालामुळे झारखंड, ओडिशासारख्या खनिजसंपन्न राज्यांना अधिक महसूल मिळण्यासाठी महत्त्वाचा ठरणारा निकाल सरन्यायाधीश धनंजय चंद्रचूड यांच्या अध्यक्षतेखालील नऊ न्यायाधीशांच्या घटनापीठाने ८:१ अशा बहुमताने दिला.

खाणी आणि खनिजांवर केंद्राने आकारलेल्या हजारो कोटी रुपयांच्या करांच्या रकमेच्या वसुलीबाबत सर्वोच्च न्यायालयाने निर्णय घ्यावा, अशी विनंती खनिजसंपन्न झारखंड, ओडिशासारख्या राज्यांनी केली होती. केंद्राकडून कर परतावा मिळावा यासाठी राज्यांनी सर्वोच्च न्यायालयाला पूर्वलक्षी प्रभावाने निकाल लागू करण्याची विनंती केली. तथापि, सॉलिसिटर जनरल तुषार मेहता यांनी या मागणीला कडाडून विरोध

एकाच खटल्याचे दिले दोन निकाल

१ खनिजांवर देय असलेली रॉयल्टी हा कर नाही यावर नऊ न्यायाधीशांच्या घटनापीठातील आठ न्यायाधीशांनी शिक्कामोर्तब केले व त्याचा निकाल जाहीर केला. २ तर या निकालाशी असहमती दर्शविणारे निकालपत्र न्या. बी. व्ही. नागरल यांनी दिले. त्यामुळे एकाच प्रकरणात दोन निकाल देण्यात आले. मात्र बहुमताने दिलेला निकाल अंतिम मानण्यात आला.

केला. याबाबत केंद्र व राज्यांनी आपले उत्तर सादर करावे. त्या मुद्द्यावर ३१ जुलै रोजी निर्णय घेतला जाईल, असे सरन्यायाधीश धनंजय चंद्रचूड यांच्या अध्यक्षतेखालील खंडपीठाने सांगितले. खंडपीठाने म्हटले की, रॉयल्टी हा कर आहे, असा निकाल सात न्यायाधीशांच्या घटनापीठाने १९८९ साली दिला. तो निकाल चुकीचा आहे. खाणी व खनिजे कायदा हा राज्यांना खाणी आणि खनिज विकासावर कर लागू करण्यापासून रोखत नाही, असे न्यायालयाने म्हटले आहे.

'America still uses and exports Appalachia ruins forests, mounta

Michael Hendryx is professor emeritus of environmental and occupational health. Speaking to *Times Evoke*, he describes mining — and its fall-outs — in

Photos: Getty Images

Consider this tremendous paradox — one of America's most famously beautiful regions, Appalachia, which is also scarred by the enduring ugliness and devastation of mining. It is perhaps the weight of these contradictions which makes Michael Hendryx speak with utmost gravitas about his work, pausing to balance his words — yet, conveying a heart-felt empathy.



Hendryx outlines, 'My research focuses on health disparities for people in Appalachia in the United States, concentrating specifically on communities located where mountaintop removal (MTR) occurs. This is large-scale surface coal mining and refers specifically to the physical removal of mountaintops and ridges to reach coal.' Appalachia in the eastern US, extending from southern New York all the way down to north-western Mississippi, holds incredibly beautiful mountains, rich temperate forests and bountiful biodiversity. Hendryx drily states, 'Coal mining, of course, destroys these forests. Most MTR is done in central Appalachia, which is in west Virginia, Kentucky and a bit in Tennessee, some of the most rugged parts. People from northern Europe pioneered these places the 1700s onwards. Areas which had coal were mined — those places remained economically weakest.'



A HEAVY LOAD: Mining communities around the world suffer severe health impacts



A WALK THROUGH THOSE WOODS: The gloriously lovely Appalachian forests and mountains stretch many miles over the US — and face utter destruction from mining interests pursuing the coal in their seams

The mining itself is strong. Hendryx describes, 'It first involves a clear-cutting of forests. After those are destroyed, the industry uses explosives and heavy machinery to remove hundreds of feet of 'overburden' — topsoil and rock. They then reach the coal seams. The overburden, dumped into trucks, is moved to nearby valleys where it is literally thrown over the side. This becomes 'valley fills' — but these valleys contain streams, their intricate hydrology protecting water quality and supporting multiple life forms. These streams are wrecked. Research shows water quality impacted by mining thus is impaired for decades — even after the mining ends.'

Appalachia shows us how the factors that hurt Earth also hurt people. Hendryx describes the health impacts of such mining on human beings. 'This produces air and water quality problems which people living there are exposed to. Our research has shown people located near these surface mining operations develop a variety of health disadvantages, from heart and lung disease, chronic obstruc-



tive pulmonary diseases like bronchitis and emphysema to cancer. Children are not spared either. Our work has found a high number of birth defects in these places, from low weight at birth to heart ailments, alongside cognitive conse-

quences like poorer academic performance, which is not attributable to their parents'

education level or poverty. Heart defects in children in mining areas, exposed to tiny pollutants like silica, tin and iron that get into their bodies, are often 180% higher than in other regions.'

Yet, despite these shocking findings, Hendryx faced what he has described as a 'twilight zone of denial and disbelief'. He recounts, 'As a public health professor studying this data, I found clear scien-

HILLBILLY LEGACY

coal — mining it in ins and human health'

h at Indiana University.
Appalachia:

tific evidence which supported concerns people in these communities long had about their health. I published those and thought, perhaps naively, that people in charge would read the evidence and take appropriate action. But I found, to my embarrassment and surprise, that this was not the case — the coal industry attacked the science. And even the government here, elected representatives, mostly pretended they didn't know about these impacts — they continued to support the coal industry. Today too, politicians in West Virginia get re-elected on the basis of their support for the coal industry. This continually astonishes me,' Hendryx comments quietly.

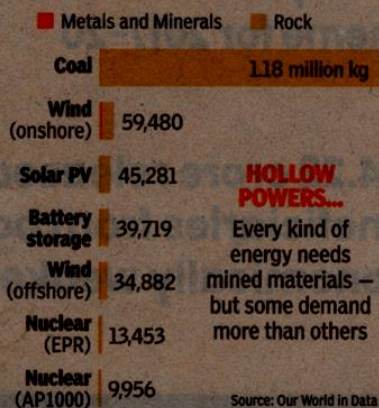


America is considered a leader in championing clean energy though — what does it do with the coal from Appalachia? Hendryx explains, 'Much of the coal is actually exported. We don't use as much in the US for power generation today. We still use some though and we do export coal. But mining in these areas is in decline and we must be proactive in helping these communities transition to better futures. So far, there haven't been large-scale, coordinated efforts to bridge these people to what comes next.'

Doing this is not an easy task, given the state of these areas. Hendryx remarks, 'Mining actually perpetuates poverty — coal mining areas don't have stronger economies or better job rates than other regions. Part of the underdevelopment is due to a vicious cycle

these places get trapped in — think of the impairments mining does to the landscape, the destruction of forests, the polluted water, the demands on roadways by trucks moving back and forth — other industries would be reluctant to move in. Also, coal unions are not as strong as they once were. So, employees don't have good job protection while such mining is highly mechanised, needing just a handful of workers — this suits the company, which gets coal for less labour costs, but it's hardly good for these communities which often live just below mountain sites being exploded above their heads, polluting ecosystems and ruining their health.'

Hendryx has been focusing on developing solutions to such exposures and finding alternatives for these communities, from sustainable forestry to tourism and wind power generation, to make a better living. It is important, he feels, that we all grow more mindful about the products we use — and their links to global mining. 'The environmental and health consequences of mining are not widely known. We need more media stories to highlight these. We also need academics to document these problems and communicate them broadly. Importantly, consumers everywhere need education — as an example, we all like electric vehicles now. But their materials need to be mined, which is polluting and uses a great deal of water. Even solar panels and wind turbines require mining. We should educate ourselves about what we buy and their effects — awareness can help us make better choices like circularity which won't damage Earth or her people so much.'



'Mining powered the rise of colonisation — and ecology

Jeannette Graulau is associate professor of political science at Lehman College. **Srijana Mitra Das** at *Times Evoke*, she draws the links between mines, trade

What is the core of your research?

I look at the conditions under which mining became what I call the heart of the world that followed — the capitalist world economy, wherever it goes, needs mining. Capitalism lives through mining — it cannot leave extractive economies, with their good, bad and ugly aspects, behind. Why this is so guides my research.



This involves studying the history of mining, its landscapes and its ecological impacts — including the environmental destruction we cannot see now but which will affect future generations. My work involves navigating the paradoxes of mining because alongside its catastrophes, for many, mining is an engine of growth and progress. We see evidence of mining throughout the world's history, from the pyramids to the Colosseum. The wondrous sculptures by Michelangelo point to the existence of extractive industries. Mining is everywhere in our world and I look at how it has shaped civilisations.

ing the environmental destruction we cannot see now but which will affect future generations. My work involves navigating the paradoxes of mining because alongside its catastrophes, for many, mining is an engine of growth and progress. We see evidence of mining throughout the world's history, from the pyramids to the Colosseum. The wondrous sculptures by Michelangelo point to the existence of extractive industries. Mining is everywhere in our world and I look at how it has shaped civilisations.

You've researched silver mining and capitalism — can you share some findings?

When we assemble all the evidence of mining for the last 500 to 600 years — that's not a capricious benchmark as it is in this time we see the true birth of globalisation — it becomes evident that after 1492, for the first time, all continents of the world, their markets, people, cultures, commodities and minds got integrated into a global economy. This was 'the long 16th century', the period of maritime expansion of the Iberian empires and the growth of a capitalist economy, with companies being formed and shareholders established, rules for leasing territories set, expertise sought in science, etc. This was the rise of the true 'invisible hand' which pushed Europe out to the



THE UNSEEN CHAMPION: A Bolivian miner sifts through the next Olympic medal



CRY ME A RIVER: Mining often releases pollutants like sulphuric acid (L), heavy metals (M) and chemical agents like cyanide into streams and rivers (R) near pits and processing units — this is

rest of the world. Yet, just before this happened, western Europe was only a tiny peninsula of Eurasia — China was the industrial powerhouse of the world. Western Europe was sinking into a feudal underdeveloped economy while China was sending all sorts of commodities — silk, ceramics, iron artefacts, salt — to the Afro-Eurasian world. These goods moved through medieval silk routes with other Asian markets — such as India, selling spices and gems — dispatching products to western Europe.

All this trade was moving through Venice and Genoa — in exchange for silver. Internal developments in China had privileged silver bullion as the most important currency for international trade while currencies based on copper, bronze and gold were flourishing as well. This was thus a world economy in expansion, demanding increasing amounts of metals, with huge implications for mining. Before 1492, such extraction came largely from western Europe — that changed. And the most important force to trigger the boom was global trade in commodities and monies.

Western Europe went through seismic change now — the 'multinationals' of the medieval world emerged. Think of the Fugger House, one of the largest banking concerns of southern Germany whose metallic portfolio I've researched.

The Medici of Florence, the Grimaldi and Spinola of Genoa, etc., were early capitalists who emerged from feudal economies, taking advantage of these new demands for silver and expensive Asian commodities and growing on the safe havens of mining. This was a capitalist breakthrough. Once the Mediterranean nations expanded around

the world, conquest and colonisation began — the silver mines of Mexico, Bolivia, etc., were then exploited at an unprecedented rate.

What were some environmental impacts?

These actually pose the difficulties of how to see this business which sustained global economics thus. The environmental damage caused by mining in fact has no solution under the present conditions of the capitalist world economy — yet, today, more than ever, this economy has shaped mineral-driven economic growth. Mining has the most catastrophic impacts on land, water and even air — it has literally grown capital by the destruction of the environment.

Today, mining has become much more sophisticated — it doesn't mean just a bunch of ores. Modern mining entails a huge amount of fixed capital in solar-powered batteries, electric vehicles, etc., all of which destroy ecology for extraction. This is the contradiction of mining — accumulation and value creation through destruction. Hence, it has an anti-value element embedded in it.

Mining has also triggered large displacements of people. Latin America has remote places like Chile's Atacama desert — yet, even there, mining causes

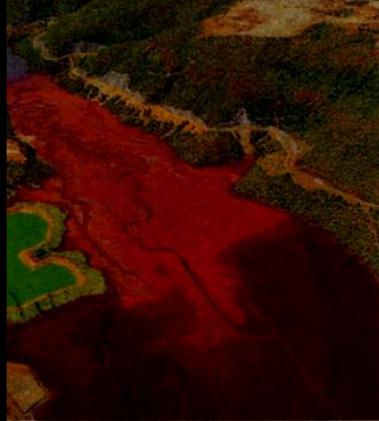
MINING MAPS



global capitalism, social catastrophes'

e, New York. Speaking to
— and the environment:

Photos: Getty Images & iStock



like copper and cadmium or chemical
turns the water dangerous for all uses

significant displacements of indigenous communities. This is the heavyweight question facing nation-states now, especially in the Global South, which should sincerely have tough conversations about the environmental and human impacts of mining.

Which are some important mining locations in the world today?

■ The most important regions which provide metals and minerals to global industrialisation are in northern Chile which has, among others, copper, iron and gold, Peru for copper, Mexico for silver, Canada for aluminium, cobalt and gemstones, Finland for carbonates, etc., India for bauxite, iron ore, manganese, limestone, etc., Zambia for copper, cobalt and gold, the Democratic Republic of Congo for tin, titanium, lithium, etc., Indonesia for coal, copper, etc., and China for manganese, graphite, gold and other resources. In these places, we can see the continuity of some of mining's histories.

There are also some countries changing their patterns of international rela-



DIAMONDS & BLOOD: Conflict minerals, as in this Congo mine, killed many in Africa

FROM THE PITS TO YOU...

● **Iron ore** is one of the world's most mined commodities — in 2023, **2.5 billion metric tons** of it were extracted. 98% mined iron ore is used to make **pig iron** for steel. Mined at **300 feet**, this goes into screws, hinges, staples and stairs, buildings, airplanes, cars — right down to your **kitchen grater**



● **Gold** remains a perennial mining favourite — over **3,000 metric tons** were produced in 2023. Used in jewellery, gold is also utilised in electronics, currency, dentistry, pacemakers and even **astronauts' spacesuits**.



Mined within **400 metres** under Earth, **Mponeng**, the world's deepest gold mine in South Africa, is **12,000 feet underground**

● **Lithium hit 1,80,000 metric tons** in 2023. Lithium is integral to electric vehicles (EVs), solar panels, chargers, etc. Often called '**white gold**', lithium can be found **400 feet** under Earth, miners draining underground saltwater reserves, enabling that breezy drive in your EV



Research: NatGeo, BBC, CNN, Royal Society of Chemistry



tions now — they have crucial mineral deposits, as in a triangle of countries in West Africa. The rise of capitalist mining built a politics which could systematically exploit natural endowments, creating resource conflicts. These are also enduring legacies of mining.

What is the role of women in global mining?

■ Since day one, the mining economy admitted men and women alike. Historical records tell us about powerful women mine owners who accumulated fortunes — there are examples in Australia today — but that was a small group. This is a patriarchal industry where women are at the bottom, often doing the harshest toil. At the top sit mining oligarchs — at the bottom, peasant and indigenous women play pivotal roles in the mining economy, carrying its heaviest loads.

हिमाचल प्रदेशात युरेनियमचा साठा

चार जिल्ह्यांत शेकडो टन आण्विक खनिज असल्याचा अंदाज

बलवंत तक्षक

लोकमत न्यूज नेटवर्क
चंडीगड : काही महिन्यांपूर्वी जम्मू-काश्मीरमध्ये मोठ्या प्रमाणावर लिथियमचा साठा सापडला होता. आता हिमाचल प्रदेशमध्ये मोठ्या प्रमाणावर युरेनियमचा साठा आढळला आहे. हमीरपूर, उना, शिमला आणि मंडी या जिल्ह्यामध्ये सुमारे ८०० टनांपेक्षा जास्त साठा असल्याचे सूत्रांनी सांगितले.

अणुऊर्जा विभागाच्या अंतर्गत येणारी आण्विक खनिज अन्वेषण आणि संशोधन संचालनालयाने हिमाचल प्रदेशमध्ये सर्वेक्षण केले होते.

कुठे किती साठा?



राजपुरा	३६४ टन
कशा-कलाडी	२०० टन
तलेली	२२० टन

युरेनियमचा वापर कशासाठी होतो?

■ युरेनियम डायऑक्साईडचा वापर अणुऊर्जेसाठी केला जातो. आण्विक रिएक्टरमध्ये युरेनियम आणि प्लुटोनियम डायऑक्साईडच्या छड्या वापरल्या जातात.

■ भारत समृद्ध युरेनियमसाठी इतर कॅनडा, रशिया, उझबेकिस्तान इत्यादी देशांवर अवलंबून आहे. भारतात मोठा साठा आढळल्यामुळे हे अवलंबन कमी होईल.

'India steel production to cross 300 MT by 2030'

■ From January to April 2024, steel production was 49.5 million tonnes, a jump of 8.5 per cent

EXPRESSING optimism in steel demand amid headwinds, a senior Central Government official said on Saturday that the domestic production is likely to cross 300 million tonnes by 2030.

The ministry also does not foresee any hurdles in capacity addition due to decarbonisation efforts in the steel sector and will soon release a draft roadmap seeking public opinion to reduce the carbon footprint in the steel sector, which accounts for 12 per cent of total emissions, Steel Secretary Nagaendra Nath Sinha said.

"The current steel demand remains strong with infrastructure push from the government and expecting a growth of about 10 per cent. The GDP is also growing robustly, and with continued emphasis on infrastructure from both government and private sectors, steel demand will continue to stay strong," Sinha said, while addressing members of the Bharat

Chamber of Commerce (BCC).

Finished steel output during 2023-24 was 138.5 million tonnes, up 12.4 per cent year-on-year. To achieve 300 million tonnes of installed capacity, a CAGR of 12 per cent would be required.

From January to April 2024, steel production was 49.5 million tonnes, a jump of 8.5 per cent, BCC president N G Khaitan said.

Sinha also stated that some steel makers were not reporting production and sales data accurately, and the ministry feels there are gaps. He urged companies to report correctly to support policy framing.

The steel makers complain of several headwinds like iron ore shortage, cheap steel imports and policy shortcomings.

The steel makers of eastern India raised serious concerns about iron ore shortages in the sector and suggested several steps to address the 53 million tonne iron ore shortage in the Indian steel industry.

Asked about steel import concerns from the industry, Sinha said imports in quantity are only 5 per cent of consumption, but there are complaints

about hot-rolled coil from Vietnam, which the Directorate General of Trade Remedies, under the Ministry of Commerce and Industry, has taken up.

Speaking about the decarbonisation roadmap, Sinha said the government had set up 14 task forces on this and, after inter-ministerial discussions, the report will be released for public feedback soon. The roadmap focuses on increased hydrogen use in the steel industry and carbon capture, among others.

The short-term target for the government aims at about a 20 per cent reduction in carbon intensity. Currently, the average carbon intensity is 2.5 tonnes per tonne of steel production.

A consortium has been planned with labs, IITs, primary and secondary steel makers, and equipment makers to develop indigenous green technology.

Sinha stated that the steel ministry has written to the Finance Ministry to support keeping Rashtriya Ispat Nigam Ltd as a "going concern" during times of crisis so it does not lose its valuation.

Coal India arrests declining trend in UG production after 14 years

FOR the first time in 14 years, Coal India Limited (CIL) reversed the declining trend in underground (UG) coal production.

The company reported an output of 26.021 million tonnes for FY 2024, surpassing the previous fiscal year's production of 25.487 MT, marking a y-o-y growth of 2.10 per cent, Chairman P M Prasad told shareholders in its latest annual report.

Modern technology and equipment have helped reverse the declining trend of output, officials said.

CIL deployed six continuous miners as part of its strategy to enhance UG mechanization using mass production technology.

Additionally, three highwall miners were commissioned during FY 2024 in

the Eastern Coalfields Limited (ECL), Western Coalfields Limited (WCL), and South Eastern Coalfields Limited (SECL).



In a significant move to tap into latent coal reserves, CIL has revisited several abandoned UG mines. During 2023-24, the company awarded 11 such mines on a revenue-sharing model to private-sector bidders.

These mines have a cumulative peak rated capacity of 17.86 million tonnes per year and total extractable reserves estimated at 267.54 million tonnes.

So far, CIL has awarded 24 out of 34 identified mines and is in the process of identifying additional mines to attract broader participation with relaxed bid norms, Prasad said.

Coal India keen on auctions for securing lithium, says Chairman

Our Bureau
Kolkata

State-run coal behemoth Coal India, which has embarked on diversification into the non-coal sector, is interested in participating in more auctions to secure its first lithium block.

"Now, we have taken one mine of graphite. For lithium, we participated in auction but we did not get it. So, we are interested," Coal India Chairman-cum-Managing Director PM Prasad said on Sunday.

CIL recently secured a graphite block in Madhya Pradesh. It was the miner's first-ever non-coal mineral mining venture.

Graphite has its utility as anode material in lithium-ion battery manufacturing due to its relatively low cost and energy density.

"We have owned the graphite block in the auction. So, we will be developing it. We will go for exploration," Prasad told reporters on the sidelines of the "Mines Safety Award 2024" event held here.

Interestingly, in its annual report for FY24, released on Saturday, Coal India said that facing the challenges of a rapidly evolving global energy landscape, it is diversifying into the emerging battery materials sectors involving lithium, nickel, cobalt, and graphite.



PM Prasad, Chairman-cum-Managing Director, Coal India

pertise, operational footprint and financial resources, the company aims to capitalise on these opportunities and establish itself in the battery materials value chain, offering new revenue streams and enhancing long-term resili-

ence and competitiveness.

"Deep understanding of the Indian energy and industrial landscape aids in expanding into markets for lithium-ion batteries, electric vehicles and renewable energy," CIL said in the annual report.

Notably, the Directorate General of Mines Safety (DGMS) has started discussions with captive and commercial coal block operators on mine safety.

"We are seeing more mines coming into production every year. So we are having consultations with mine operators so that they understand the regulations for mine safety," Prabhat Kumar, Director General, DGMS, said at the Mines Safety Award 2024 event.

भूमिगत कोयला उत्पादन में 14 साल बाद वृद्धि

■ कोलकाता, न्यूज एजेंसियां. कोल इंडिया लिमिटेड (सीआईएल) ने 14 साल में पहली बार भूमिगत कोयला उत्पादन में गिरावट का रुख पलट दिया है. कंपनी ने बताया कि वित्त वर्ष 2023-24 में उत्पादन 260.21 लाख टन रहा जो इससे पिछले वित्त वर्ष के 254.87 लाख टन से 2.10 प्रतिशत अधिक है. कंपनी के चेयरमैन पीएम प्रसाद ने अपनी नवीनतम वार्षिक रिपोर्ट में शेयरधारकों को यह जानकारी दी. अधिकारियों ने कहा कि आधुनिक तकनीक और उपकरणों ने उत्पादन में गिरावट के रुख को पलटने में मदद की है. सीआईएल ने बड़े पैमाने पर उत्पादन तकनीक का उपयोग करके भूमिगत मशीनीकरण को बढ़ावा दिया.



3 खनिज ब्लॉक की नीलामी रद्द

■ दिल्ली, न्यूज एजेंसियां. सरकार ने खानों की बिक्री के तीसरे चरण के तहत 3 महत्वपूर्ण खनिज ब्लॉक की नीलामी रद्द कर दी. इनमें एक जम्मू-कश्मीर की लिथियम खान भी शामिल है. बोलीकर्ताओं की संख्या निर्धारित से कम होने की वजह से सरकार ने नीलामी रद्द की है. सरकार यह नीलामी स्वच्छ विकल्प और महत्वपूर्ण खनिजों के मामले में आत्मनिर्भरता हासिल करने के लिए करने जा रही है. जिन तीन ब्लॉक की नीलामी रद्द की गई है उनमें जम्मू-कश्मीर में सलाल-हैमना लिथियम, टाइटेनियम और बॉक्साइट (एल्युमिनस लेटराइट) ब्लॉक, झारखंड में मस्कानिया-गरेरियाटोला-बारवारी पोटाश ब्लॉक और तमिलनाडु में कुरुंजाकुलम ग्रेफाइट ब्लॉक शामिल हैं. खान मंत्रालय के नोटिस के अनुसार



नीलामी रद्द कर दी गई क्योंकि खनिज नीलामी नियमों के अनुसार आवश्यक संख्या में बोलियां प्राप्त नहीं हुई हैं. मंत्रालय ने 14 मार्च को नीलामी के तीसरे चरण में सात महत्वपूर्ण खनिज ब्लॉकों की बिक्री शुरू की थी. पहली किस्त में तीन से कम बोलियां प्राप्त करने वाले ब्लॉक को इस दौर के तहत अधिसूचित किया गया था.

Coking coal prices may remain subdued

SLACK STEEL OUTPUT. Construction, infrastructure sectors in India may gain from the low prices

Subramani Ra Mancombu
Chennai

Coking or metallurgical coal, used in steel-making, will likely remain under pressure for the remainder of the year on slack growth in global steel output. However, Indian construction and infrastructure sectors will gain, given the lower prices of the steel-making raw material, analysts have said. "We maintain our Australian coking coal price forecast for 2024 at \$260/tonne, as prices remain under pressure from poor demand," said research agency BMI, a unit of Fitch Solutions.

According to the Australian Office of the Chief Economist (AOCE), coking coal prices are falling slowly with supply disruptions easing. "The benchmark prices are expected to fall from \$264 a tonne in 2024 to \$208 by 2026," it said in its latest Resources and Energy Quarterly.

WORLD BANK OUTLOOK
The World Bank, in its Commodity Outlook, forecast



BLEAK OUTLOOK. AOCE said prices are forecast to decline from \$264 a tonne in 2024 to \$208 a tonne by 2026.

the Australian coal price to fall by 28 per cent in 2024 (year-on-year), and 12 per cent in 2025, while remaining well above the 2015-19 average.

Coking coal prices were at \$242/tonne last week and the steel-making raw material is likely to be under further pressure in the months ahead. "Prices have averaged \$275 in the year-to-date, and we continue to expect prices to remain in the range of

\$220-250 in 2024," said BMI. BMI sees limited respite for coking coal this year, given global steel production being grim.

"Slowing steel production growth in importing nations (except India) will continue to cap coking coal demand, and thus prices in 2024," the research agency said. AOCE said prices are forecast to decline from \$264 a tonne in 2024 to \$208 a tonne by 2026, though this outlook re-

mains subject to significant upside risks. "A potential recurrence of the La Niña cycle presents a risk to supply," it said. La Niña will likely emerge during August-October this year, according to predictions by various global agencies.

BMI said 2024 has cemented negative investor sentiment over China's construction industry, the downfall of which now looks irreversible in the coming 2-3 years at least. "As China's construction industry holds the reigns on coking coal demand through the steel industry (which in turn remains in the doldrums), we see little revival in coking coal prices in the coming months," the research agency said.

THE INDIAN FACTOR

Nevertheless, prices will remain high by historical standards over 2025-2028, it said. The Australian Chief Economist's Office said strong infrastructure and construction demand is supporting the domestic steel market in India and will continue to do so in the remain-

ing months of 2024. "India's imports of metallurgical coal are expected to steadily grow over the outlook period (to 2028) as the nation continues to expand its blast furnace capacity," it said.

India has the second largest pipeline of blast furnace capacity, in the world (behind China), with 122 mtpa of capacity announced and under construction, said AOCE.

BMI said while India's coking coal imports are at a 10-year high with shipments of 58 million tonnes (mt) during FY2024, driven by high demand from steel mills, most of this growth has benefited Russia and the US. This has been detrimental to Australian Newcastle coking coal.

"Imports rose 7 per cent year-on-year from 54.3 mt in FY2023, and while Australia continued to be the largest supplier of coking coal, accounting for 59 per cent or 34.2 mt of overall shipments, this marks a significant decline of its market share of 70 per cent in FY2023 and 81 per cent in FY2018," the research agency said.

50-kg cement bag price drops to Rs 235

■ Business Reporter

AS CONSTRUCTION work at many sites came to a standstill due to rainy season, the markets are witnessing a dip in demand for cement and steel and eventually bringing down the prices of these commodities.

The price of a 50-kg cement bag in the State, that was trading in a range of Rs 310-350 (including 28 per cent Goods and Services Tax) in bulk buy category in the last month, has dropped to Rs 235-300 (including 28 per cent GST). Similarly, the price of retail category cement bag was in a range of Rs 350-400 (including 28 per cent GST) in the last month has now slipped to a level of Rs 235-390 (including 28 per cent GST).

Market sources said that the cement prices fall as the commodity is not in demand especially during the rainy season.



Prices in last month (bulk buy)

PPC - Rs 310 (with GST 28%)
OPC - 350 (with GST 28%)

Prices in last month (retail)

PPC - Rs 350 (with GST 28%)
OPC - Rs 400 (with GST 28%)

Prices in current month (bulk buy)

PPC - Rs 235-260 (with GST 28%)
OPC - Rs 265-300 (with GST 28%)

Prices in current month in retail

PPC --- Rs 235-240 (with GST 28%)
OPC ---Rs 325-390 (with GST 28%)

One of the cement dealers based in the city, on a condition of anonymity, said that the prices may further fall in coming days. "The prices fall during this season as we do not see construction activities going on at most of the locations, especially at the big projects. However, work is still going on at many residential housing schemes. Some of the leading builders and developers are buying cement at these lower prices and taking its benefits," he said.

There is non availability of labourers in the region in the rainy season and the pace of construction activities becomes very slow.

During monsoon season, many outstation labourers return back to their respective villages and get engaged in agricultural activities. Due to this, work at the projects gets hampered and demand for cement and steel comes down.

Gold Demand Dims Amid Rising Prices, But its Value Remains Strong

Q2 REPORT Jewellery sales fall, but demand for bars, coins rises on hopes of price appreciation

Our Bureau

Kolkata: Demand for gold fell 5% in the April-June quarter compared with year ago period, World Gold Council said on Tuesday. Demand for gold bars and coins increased 46%, its highest second-quarter level since 2014, driven by expectations of further price appreciation and safe-haven buying. However, jewellery sales fell 17% as buyers did not want to pay hefty making charges on top of already

high prices. Such charges can go as high as 30%-35% depending on the type of jewellery. In volume terms, gold jewellery demand stood at 106.5 tonnes as compared to 128.6 tonnes in Q2 2023, according to figures released by the World Gold Council on Tuesday.

The gold price in Q2 of calendar year 2024 reached a high of ₹74,268 per 10 gm as compared with ₹61,819 per 10 gm in Q2 of calendar 2023. Sachin Jain, regional CEO, India said: "India's gold demand softened slightly in Q2 2024, reaching

Dull Glitter

	Apr-Jun (2023)	Apr-Jun (2024)	% Growth
Jewellery	128.6	106.5	-17%
Bars and Coins	29.5	43.1	46%
Total	158.1	149.7	-5%
Gold price	₹61,819 per 10gm	₹74,268 per 10 gm	20%

Source: World Gold Council

149.7 tonnes, down 5% year-on-year. This can be attributed to record-high gold prices impacting affordability and causing a slowdown in consumer purchases.

However, the overall value of demand remained strong, increasing by 14%, highlighting gold's enduring value for Indian consumers. Jewellery demand felt



heatwave. While festivals like Akshaya Tritiya and Gudi provided a temporary boost, high prices continued to dampen consumer sentiment.

India's gold recycling fell 3 tonnes, as consumers, rather than cashing in, opted for an excise old jewellery for new. This limited distress selling and to highlighting gold's enduring value in India. Looking ahead, the recent 9% hike in import duty on gold expected to revive the gold in the July quarter ahead of the main festive season that begins in September, which could be boosted by a healthy monsoon

Steel demand likely to exceed 8% in FY25: Steel Secretary

bl.interview

Abhishek Law
New Delhi

The increase in capex spend in Railways, housing, industrial parks and other sectors, as proposed in the Budget, will propel demand for steel to well above the anticipated 8 per cent mark, said Union Steel Secretary Nagendra Nath Sinha. India is a bright spot amidst a gloomy global scenario as far as steel demand is concerned, he said. In an interview to *businessline*, he spoke about the impact of Budget proposals on propelling steel demand and the impact of PLI on specialty steel, among others. Excerpts:

How do you see the Budget propelling steel demand in India?

The steel sector achieved its highest levels of production and consumption during

FY24 and the trend is expected to continue during the current year. For Q1 (April-June), domestic steel consumption was up by 15 per cent y-o-y at 35.5 million tonnes. Domestic finished steel production increased by 4.4 per cent y-o-y at 34.9 mt.

The Budget will further help increase steel consumption. There will be a 12.5 per cent increase in effective capital expenditure at ₹15 lakh crore, including grant-in-aid during FY25. We expect steel demand to surpass 8 per cent y-o-y in FY25.

India is now a net importer of steel. Your comments.

India remains amongst the few bright spots in steel production and demand, globally. China, the largest steel producer globally, is witnessing a weakening of domestic steel demand for the last couple of quarters due to the falling demand



The Steel Ministry is working on a detailed decarbonisation strategy to help the government respond to the demands to produce green steel

NAGENDRA NATH SINHA
Union Steel Secretary



from its property sector. This has pushed the Chinese companies to aggressively focus on exports. The demand for steel in some other countries too has nosedived and those countries too are eyeing the export markets. The Centre is monitoring the domestic and global steel environment for corrective action, if needed.

Green steel is said to play a vital role for a push towards low-carbon economies.

Where does India stand?

We are committed to achieve net zero emission by 2070. The Steel Ministry is working on a detailed decarbonisation strategy with 14 task forces to help the government understand how it can respond to the demands to produce low-carbon emission or green steel.

Based on their reports, a roadmap and action plan for energy transition and decarbonisation has been drawn up. The report will be

put in public domain shortly.

The Ministry is encouraging the industry to deploy whatever levers are available currently for the purpose.

For example, MNRE has allocated a sum of ₹455 crore for, piloting use of hydrogen in steel making and has already formulated a scheme.

A consortium-based pilot for H2-based DRI facility is also being explored. So far, six bids have been received. Further, future capacity addition in DRI sector is likely to be through hydrogen-based shaft furnace. The decarbonisation strategy of the companies include the principle of carbon minimisation, carbon avoidance and carbon recycling. The Ministry is planning to replace Coal-DRI based integrated steel units with gas-based units when green hydrogen is available.

Gold customs duty cut to lower govt outgo on sovereign bond redemptions

INVESTOR ADVANTAGE. Fresh issuances will become attractive as investors will need to invest less to buy a bond

K Ram Kumar
Suresh P. Iyengar
Mumbai

The proposal to reduce customs duty on gold in the Budget may have been prompted by the twin objectives of lessening the outgo due to redemption of sovereign gold bonds (SGBs) and making fresh investment in these bonds more attractive, say experts.

A cut in customs duty reduces the price of the yellow metal. As a result, when the Government redeems SGBs, it has to pay relatively less as redemption price to investors.

BUDGET IMPACT

Also, fresh SGB issuances will become attractive as investors will have to invest less to buy an SGB. The Budget has proposed a cut in customs duty on gold from 15 per cent to 6 per cent. The



BOND EARNINGS. The government collected ₹72,274 crore via issuance of sovereign gold bonds since 2015

SGB scheme was floated in 2015 to reduce the demand for physical gold and shift a part of the domestic savings used for the purchase of gold, into financial savings.

Also, foreign exchange outflow comes down when demand for physical gold declines.

The Government has collected ₹72,274 crore via issuance of SGBs since 2015.

Banking expert V

Viswanathan said: "The price of gold per gm in 2015, 2016, and 2017 ranged between ₹3,100 and ₹3,500. Its pre-Budget level was ₹7,200 per gm.

That means, SGBs, which are classified as Government Securities and represent borrowings by the government, will cost the exchequer a lot when they are redeemed.

"So, to cut down the outgo, the government may

have reduced the customs duty on gold. The per-gm price of gold (24 carat) is now down... So, on redemption of SGBs, the government will pay less, if the same trend continues."

On maturity, SGBs are redeemed in rupees and the redemption price is based on the simple average of the closing price of gold of 999 purity of the previous 3 business days from the date of repayment, published by the India Bullion and Jewellers Association Ltd.

Prithviraj Kothari, Managing Director of RiddiSiddhi Bullions, observed that most of the jewellers and wholesalers are out of stock after the gold prices plunged almost 10 per cent from ₹74,000 per 10 gm to ₹67,000 last week due to import duty cut and weakness in the international prices.

Consumers have taken full advantage of the fall in prices, with a few investors

buying gold bars for investment, he said. Prices of SGBs issued 8 years ago have more than doubled. SGB scheme 2016-17 -Series-I issued in August 2016 will be redeemed next month. It was issued at ₹3,119 per gram with an annual interest rate of 2.75 per cent.

Redemption prices for the aforementioned tranche may be declared above ₹6,800 per gram, delivering a return of almost 140 per cent in the last eight years.

RBI has not issued a SGB since February 2024 and the next issue, which is expected in a few days, will see good buying interest, Kothari said.

The Government plans to raise ₹18,500 crore via SGBs in FY25, about 31 per cent less compared to ₹26,852 crore it actually raised in FY24.

However, SGB redemption is higher at ₹3,500 crore in FY25 compared to ₹1,500 crore in FY24.

Q2 gold demand down 5% on high prices

DAMPENER. Record high rates have softened offtake of the precious metal; recycling too dipped

Our Bureau
Mumbai

Gold demand in the second quarter of 2024 was down 5 per cent at 150 tonnes against 158 tonnes a year ago, owing to high prices.

In value terms, it was up 14 per cent at ₹93,850 crore (₹82,530 crore), according to the World Gold Council report released on Tuesday.

Jewellery demand decreased 17 per cent to 106 tonnes (128.6 tonnes), while investments climbed 46 per cent at 43 tonnes (29 tonnes).

Despite high prices, gold recycling was down 39 per cent at 23 tonnes. Imports were up 8 per cent at 197 tonnes (182 tonnes).

The average quarterly price was up at \$2,338 an ounce (\$1,976). Domestic

gold price increased to ₹62,700 per 10 grams (₹52,192), excluding import duty and GST.

CURTAILED BUYING

Sachin Jain, Regional CEO, India, World Gold Council, said domestic gold demand softened slightly due to record high prices impacting affordability and purchases.

Jewellery demand dipped on the back of high prices, the general election, and a severe heatwave.

While festivals such as Akshaya Tritiya and Gudi Padwa provided a temporary boost, record prices continued to dampen consumer sentiment.

'ENDURING VALUE'

The limited recycling indicates limited distress selling, highlighting gold's enduring role as a store of value in In-



LOSING SHEEN. While festivals such as Akshaya Tritiya and Gudi Padwa provided a temporary boost, record prices continued to dampen consumer sentiment

dia, said Jain. Looking ahead, the recent 9 per cent reduction in import duty on gold is expected to revive demand in the July quarter, ahead of the festival season beginning in September, and the copi-

ous monsoon, he added.

The WGC had retained its forecast for full-year demand at 700-750 tonnes, he said.

Interestingly, demand for gold coins and bars was up

45 per cent to 43 tonnes (29 tonnes) as investors found value in owning physical gold.

Central banks' gold buying grew 6 per cent year-on-year to 184 tonnes.

Govt hikes customs duty on alloys mixed with gold

Our Bureau
Mumbai

The government has raised customs duty on imports of alloys mixed with gold, under the Comprehensive Economic Partnership Agreement (CEPA) signed with the United Arab Emirates (UAE), to plug the loophole exploited by bullion dealers.

In a gazette notification late on Monday, it raised the import duty on alloys with gold to 3.6 per cent from the earlier 0.5 per cent. The Agriculture Infrastructure and Development Cess has been fixed at 1.4 per cent.

The increase in the duty under the CEPA with the UAE comes after platinum



PLUGGING A GAP. The move is aimed at preventing dealers importing the precious metal as platinum alloy

imports during the four weeks from mid-June exceeded the total imports of the precious metal in 2023.

Bullion traders said the hike in the duty on alloys is an indication that the duty

under CEPA with UAE could be revised through a notification.

They said importers would not have any benefit in bringing gold as a platinum alloy any more as pro-

duction costs would be higher now to make the alloys.

DELUGE OF IMPORTS

Reuters reported that during the period, bullion dealers shipped into the country 13 tonnes of gold alloy metals, valued at \$1 billion, against a total of 9.97 tonnes imported during the entire 2023.

Under CEPA, duty on value-added products are lower.

Traders in Dubai mixed platinum and copper in gold bars and claimed duty benefits under value-addition norms.

The imports were made by bullion dealers exploiting a loophole in a rule classifying that an alloy containing 2 per cent or more of platinum by weight is to

be treated as an alloy of platinum.

These alloy consignments contained about 90 per cent of gold, and importers took advantage of this rule to avoid higher duties on gold.

The customs duty on platinum was 5 per cent from April 1 compared with 15 per cent on gold under CEPA.

DISTORTING MARKET

Since importers paid lower duty on these "platinum alloys", they offered discounts on sales of refined gold, affecting those who were importing gold under the legitimate route.

The imports led to revenue loss for the government while the domestic market witnessed price distortion.

Zinc: Go long at ₹250 with stop-loss at ₹245

Akhil Nallamuthu

PL research bureau

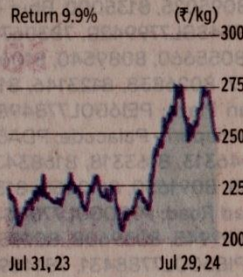
Zinc futures on the MCX have been falling for nearly two weeks and is now around ₹250.

The chart for July expiry futures shows that the price band of ₹247-250 is a support band.

If the bears can drag the contract below ₹247, it can extend the downswing to ₹230. Subsequent support is at ₹220.

COMMODITY CALL.

But if zinc futures rebound from the current level, it can face resistance at ₹260. A breakout of this hurdle can lift the contract to ₹273. As it stands, the trend is bearish.



TRADE STRATEGY

On the back of the support region of ₹247-250, traders can risk going long at ₹250, with a tight stop-loss at ₹245. Book profits at ₹260.

If the stop-loss of the above long position is hit, it is likely that the support at ₹247 is breached and further decline can happen.

In this case, you can initiate fresh shorts with a stop-loss at ₹255. Exit the shorts at ₹230.

+++++