खनिज समाचार

KHANIJ SAMACHAR

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खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

FROM

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INDIAN BUREAU OF MINES

VOL. 6, NO - 12 , 16th – 30th JUNE 2022

THE HITVADA
DATE : 16/6/2022 P.N.6

India's mineral output rises 8 pc in April

THE Government on Wednesday said the country's mineral production rose by 7.8 per cent in April 2022 over the same month a year ago.

The index of mineral production of mining and quarrying sector for the month stood at 116, which was 7.8 per cent higher as compared to the level in April last year, the Mines Ministry said in a statement. As per the Indian Bureau of Mines, production level of minerals in April includes coal at 665 lakh tonnes.

BUSINESS LINE DATE : 16/6/2022 P.N.3

Go short on copper futures

COMMODITY CALL

AKHIL NALLAMUTHU
BL Research Bureau

The latest decline in the copper futures on the Multi Commodity Exchange (MCX), which began in early June, seems to be continuing. The decline, which began at around ₹810, has dragged the contract to the current level of ₹755 and the price action hints at further decline from here.

Copper futures are likely to slip below the prior low of ₹739.25. But there is a support at ₹732 against which the contract might see a rebound. Such a bounce can lift the contract back to ₹760, post which there could be another leg of downtrend.

On the other hand, if price drops below ₹732, the contract can witness a quick fall to ₹715. A week ago, we had recommended initiating fresh short positions at ₹785 with an initial stop-loss at ₹800. Since then, the price has dropped and after suggested modifications, it would now have a revised stop-loss at ₹775. Retain these shorts and liquidate the positions when price falls to ₹732. For fresh trades thereafter, we can review the price action then and decide.

One can consider fresh short at current levels too i.e., short now at around ₹755 and keep stop-loss at ₹775. Exit at ₹732.

THE HITVADA DATE : 17/6/2022 P.N.6

Icra revises outlook on steel sector to stable from positive

■ **Business Bureau**

RATINGS agency Icra on Thursday said it has revised its outlook on the domestic steel to stable from positive, mainly on the account mounting input cost amid low steel rates.

After two back-to-back years of earnings surge, the steel companies are now staring at a significant decline in earnings over the next 12 months as the industry faces multiple headwinds emanating from trade barriers from export duty on finished steel, unprecedented coal/energy cost pressures, and muted domestic demand growth so far, Icra said.

The industry could therefore be on the way to an accelerated mean reversion as the operating environment becomes far less attractive in the coming months. Such challenges would be accentuated by high inflation and front-loading of policy rate hikes, it said.

"While domestic demand growth forecast for FY23 is kept unchanged at 7-8 per cent, the industry's overall operating profits for the fiscal is revised downwards by around 30 per cent...as margins get squeezed between lower steel prices and elevated input costs. Consequently, the ratings agency has revised the sector's outlook to stable from positive," the report said. In the current FY23, the operating profits of steel companies is likely to be lower by 40-50 per cent over FY22 levels.

Jayanta Roy, Senior Vice-President & Group Head, Corporate Sector Ratings, Icra said, the steady rise in coking coal costs had started to nibble at the margins of steelmakers even before the export duty was announced. Therefore, the consolidated operating profits per metric tonne for the four leading domestic steelmakers come down by around USD 110/MT in Q4 FY22 compared to USD 326/MT recorded in Q1 FY22.

"With domestic hot rolled coil prices correcting by around 9 per cent since the imposition of the export duty, and with coking coal consumption costs poised to spike by around 30-35 per cent quarter-on-quarter, notwithstanding the correction in domestic iron ore prices, the industry's operating profits are expected to sequentially decline," he said.

BUSINESS LINE DATE : 18/6/2022 P.N.3

CIL plans to ramp up underground mining operations

Will leverage eco-friendly technologies to minimise adverse environmental impact

SHOBHA ROY
Kolkata, June 17

In a bid to minimise adverse environmental impact, Coal India (CIL) is looking to undertake a number of measures, including ramping up underground mining operations and focusing on green mining options by leveraging a slew of eco-friendly technologies in its underground (UG) and opencast (OC) mines.

The country's largest miner is looking to ramp up UG production by four-fold to 100 million tonnes (mt) by FY30 from 25.6 mt in FY22. UG output is environmentally clean, minimally invasive on land degradation and society friendly. Around 70 per cent of the country's coal reserves are conducive for UG mining.

"The aim is to enable UG production to sizeably supplement the OC output. At the current rate, mineable coal reserves at existing OC will slowly start lowering," said a senior company official.

What tilted the scales

Since nationalisation in 1975, the output from underground mines has contracted by nearly 58 per cent till FY22, while production from opencast mines has expanded 8.5 times. Loss incurring production, longer gestation period, lack of skilled labour, unavailability of indigenous equipment and high cost of departmental production were some of reasons that tilted the scales against UG mines.

"With multiple options available now, UG production could become viable. Important among them are – mass production technologies, availability of indigenous manufacturing units and well trained skilled labour. Outsourcing to contractors would also scale down the cost of production.

Around 70 per cent of the country's coal reserves are conducive for underground mining

Gestation period is also considerably lower now. With these advantages, CIL plans to steadily scale up the locked up UG coal assets," the official said.

Use of technology

Land is considered to be a major pain point for expansion of coal mining operations but the use of eco-friendly technologies could help bypass land acquisition and avoid its degradation. The locked up coal assets left out earlier due to techno-commercial and safety concerns can now be unearthed through these technologies, he said.

Among mass production technologies, CIL plans to introduce 50 continuous miners by FY25 with peak production potential of 25 mt a year. As many as 21 such machines are already deployed in ECL, CCL and SECL producing 9 mt a year.

Mining through punch entry

Two powered support long wall (PSLW) machines operating in ECL and BCCL produced 1.58 mt in FY22 against 1.13 mt in FY21 posting a 40 per cent growth. Two more PSLWs with a total capacity of 4.5 mt a year are soon to be deployed in BCCL.

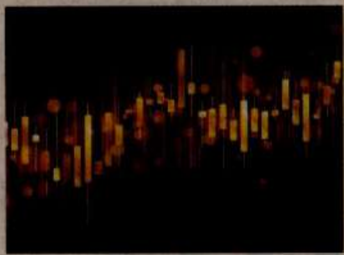
In a first, CIL is aiming to mine coal through punch entry in those OC mines which have reached their ultimate pit level. It plans to identify and implement five such mines through punch entry in phased manner till FY-24. So that mineable coal assets can be extracted with economic viability.

BUSINESS LINE DATE : 19/6/2022 P.N.6

Rudderless still

Breakout in gold turned out to be false

AKHIL NALLAMUTHU
BL Research Bureau


GETTY IMAGES/ISTOCKPHOTO

Gold and silver were volatile last week. The US dollar remained as the major driver of the bullion prices. Although both the metals lacked direction, they ended with a weekly loss. In the global spot market, gold depreciated by 1.7 per cent to close at $1,839.4 per ounce and silver was down by 1 per cent as it ended at $21.65 an ounce.

On the Multi Commodity Exchange (MCX), gold futures (August expiry) was down by 1.7 per cent as it closed at ₹50,834 (per 10 grams). Silver futures (July series) lost 1.6 per cent and closed at ₹60,937 (per kg).

MCX-Gold (₹50,834)

Breakout of the ₹51,400-51,600 price band in the MCX Gold August futures a fortnight ago turned out to be false as there was no follow-through rally last week. We had warned about the validity of the breakout because such a move did not happen in terms of dollars, which is the primary driver of prices.

In fact, the contract fell in the initial part of the week. Although it pared some losses, the contract ended up posting a weekly loss.

That said, the gold futures on the MCX seem to be forming a range i.e., it has been oscillating between ₹51,800 and ₹50,000. Therefore, unless it decisively breaches either of the two, the next leg of trend cannot be confirmed. So, traders can adopt a range trading strategy until the contract moves out of the above-mentioned range.

A breach of ₹51,800 can lift the contract to ₹53,000 and then possibly to ₹54,000. On the other hand, if the contract slips below ₹50,000 it can shift the near-term stance bearish. Consequently, we could see a fall to ₹48,000. A breach of this level can drag the contract to ₹46,400.

MCX-Silver (₹60,937)

The July futures of silver on the MCX, like gold futures, declined in the first half of the week. The contract briefly dropped below the support of ₹60,000 to mark an intraweek low of ₹59,358. But then, it recovered and closed at ₹60,937 keeping the support at ₹60,000 valid. On the upside, ₹62,500 has been blocking the bulls. Hence, the contract is now treading in the range of ₹60,000-62,500 and until it moves out of this range the next leg of trend will remain unclear. So, participants can execute range trading strategies until the silver futures move out of the ₹60,000-62,500 region.

A breach of ₹62,500 can give it a positive impetus which can take the contract to the nearest barrier at ₹65,000. A rally above this can lift the contract to ₹66,800. But in case if price drops below ₹60,000, there is an immediate support at ₹58,000. A breach of this level can turn the medium-term trend negative. Nearest support below ₹58,000 is at ₹55,000.

ECONOMIC TIMES DATE : 20/6/2022 P.N.9

Steel Levy: Smaller Players Gain, but Big Cos Suffe

TWO SIDES While export business of large cos has taken a major hit, small steel cos are seeing rise in rural demand due to fall in price

Nehal.Challawala@timesgroup.com

Mumbai: It's a tale of two cities in India's steel industry since the revision in import and export duties on key raw materials and finished goods by the government last month.

It is the best of times for smaller steel makers, who have seen their costs go down and have had a little adverse impact on their business from the duty changes. It is the worst of times for the large steel makers whose export business has nosedived after the new duties made Indian steel uncompetitive on a global stage.

While the impact on export has upset large steel companies, smaller players have been thankful. In fact, some of them have gone ahead and bought newspaper advertisement slots to thank the Centre for its decision.

"The small steel companies are much happier now because there is good demand from rural areas due to price decrease," said Vijay Jhanwar, an industrialist operating five secondary steel manufacturing units in Chhattisgarh.

The government levied a 15% duty on the export of most of the key categories of steel in a bid to bring down prices in the domestic market and thus rein in inflation. An even higher duty of 45-50% was levied on different grades of iron ore, a key raw material, to discourage export and increase supply in the domestic market. Meanwhile, a 2.5-5% duty on the import of different varieties of coal was removed for the same reason.

The prices of steel have been on a decline since April after hitting an all-time high of ₹78,800 per tonne for benchmark hot-rolled coil (HRC) steel, according to data from SteelMint,

a market intelligence firm. The price of HRC steel was Rs 61,400 a tonne as of 15 June, SteelMint data show.

The factors behind the decline in steel price are multiple – receding domestic demand ahead of monsoon, a decline in input costs, and an impact on export since the levy of the export duty.

The lower input costs also mean that liquidity issues of smaller players get resolved to an extent, Jhanwar said. "If the government continues to maintain such duty policies then secondary steel producers would rather make more capital investments to create new capacities as the cost of setting up new capacity also has decreased."

Meanwhile, larger steel companies rue that they are left with two choices - either absorb the export duties and incur a loss on export or lose their customers to global rivals, many of whom were cultivated over several years.

"Inflation should come down, but steel export was not the reason for it," a senior executive at a leading steelmaker told ET on the condition of anonymity. "The industry has never exported steel at the expense of the domestic market."

This executive argued that the increase in prices of steel in the domestic market over the past year was in tandem with the price o materials and international and not in isolation. Thus, the tion was to bring down input and not stop exports, they said.

Larger steelmakers further that they had planned capaci pansion based on export de projection and now they may to reconsider their capital in ment plans. "This will put th dustry behind by 10 years," th ecutive quoted above said.

Hetal Gandhi, director at C Research, agreed that the du vision has impacted larger smaller steelmakers different

"The smaller players were ar not exporting, so the export du no bearing on them. They will ver benefit as input cost goes d she said. For larger steelmakers, tability will take a hit given the i on the high-margin exports busi

BUSINESS LINE DATE : 21/6/2022 P.N.8

Liquidate aluminium shorts if they drop to ₹200

AKHIL NALLAMUTHU
BL Research Bureau

The aluminium futures on the MCX witnessed a bearish trend reversal in early March after marking a high of ₹325.4. Since then, it has been on a decline although there were a couple of corrective rallies.

The latest leg of the downward price swing began about a month ago at around ₹250. We have been suggesting short positions since then with a potential target of ₹200, a considerable support level. Currently trading at around ₹214, the contract is approaching this base from where there could be a bounce. So, traders can exit the shorts when the price falls to the price band of ₹200-205. Maintain stop loss at ₹225 for these positions.A rally on the back of the support at ₹200 can take the contract to ₹225. A move past this level can lift it to ₹242 where the 50-day moving average lies currently. A breakout of ₹242 is less likely and the contract can start consolidating thereafter.

On the other hand, if the support at ₹200 is invalidated, it can turn the medium-term trend bearish and there can be a swift fall to ₹186, its nearest support level. Subsequent support is at ₹178. Overall, our recommendation is to liquidate all the shorts when the price falls to ₹200. Fresh trades, thereafter, can be decided based on how the contract reacts to the support at ₹200.

BUSINESS LINE DATE : 21/6/2022 P.N.5

Vedanta's Copper Smelter at Tuticorin and its travails

TE RAJA SIMHAN

BL Explainer

Is Vedanta group selling the Sterlite Copper refinery at Thoothukudi?

Yes, the Vedanta Group has decided to sell its plant in the port town of Thoothukudi in southern Tamil Nadu.

The company in conjunction with Axis Capital has issued an Expression of Interest (EoI) for the sale. The last day of submission of bids is July 4.

The sale includes the smelter complex (primary and secondary); sulphuric acid plant; copper refinery; oxygen generation unit and residential complex with amenities, the EoI says.

The Tuticorin plant has played an integral role in India achieving self-sufficiency in copper. In the best interest of the country and Tamils, options are being explored to make sure that the plant and the assets are best utilised to meet growing demand, the company said.

Why this sudden move?

While Vedanta's move to sell the unit has taken many by surprise, it has been a bumpy ride for Sterlite ever since it entered Tamil Nadu in 1994. It has been accused of polluting the environment and the factory was closed several times. It had to seek legal remedy each time to restart its operations.

In fact, the Supreme Court had once fined the company ₹100 crore for violating the norms but allowed it to reopen the plant.

The company, on its part, has been maintaining that the smelter plant was one of the safest.

The SO2 to SO3 conversion in the sulphuric acid plant is at 99.9 per cent, the second best in the world.

The plant has adopted all international norms and used the right technologies. The company blamed 'external forces' opposed to the expansion for creating problems.

In the last one decade the company has been waging a losing battle with stiff opposition not only from the people but also the State government — interestingly both the DMK and AIADMK governments are for once on the same page in opposing the plant's reopening.

The move to sell the plant could be due to various judgments that have gone against it and also the lack of support from the local government and the people.

What is the status of the group's legal challenge against the closure of the unit?

The case is in the Supreme Court which is yet to hear an appeal filed by natural resources company Vedanta Ltd against the Madras High Court's refusal in August 2020 to reopen the Sterlite Copper smelting plant.

The legal battle in the Madras High Court was over the closure of the plant due to protests in Thoothukudi after the company got approval to double its smelter capacity to 8 lakh tonnes.

The Court recently gave one month's notice to the Tamil Nadu Pollution Control Board on a PIL petition seeking to order the demolition of the copper smeltin[g] unit of Sterlite.

What was Sterlite Copper's contribution when in operation?

Till the plant was closed in Ma[y] 2018, it was contributing to nearl[y] 40 per cent of India's copper de[mand] and contributed aroun[d] ₹2,500 crore to the excheque[r]. Further, it provided 12 per cent o[f] Thoothukudi port's revenue an[d] had 95 per cent market share fo[r] sulphuric acid in Tamil Nadu.

Importantly, the plan[t] provided direct employment t[o] 5,000 people and another 25,00[0] indirectly through the valu[e] chain.

Having invested over ₹3,00[0] crore in the plant, the compan[y] has lost over ₹4,000 crore sinc[e] its shutdown.

The plant has an installed capa[city] of 400,000 mtpa of integ[rated] copper smelter and re[finery], with another 400,00[0] mtpa under expansion. Th[e] plant's facilities include, coppe[r] rod plant, 160 MW captive powe[r] plant, sulphuric acid plant, and a phosphoric acid facility.

DAINIK BHASKAR DATE : 21/6/2022 P.N.7

एक्सपोर्ट ड्यूटी बढ़ने से स्टील निर्यात में 40% तक कमी आने की आशंका

बिजनेस संवाददाता | नई दिल्ली

स्टील पर एक्सपोर्ट ड्यूटी बढ़ाए जाने के बाद इसका निर्यात सालाना आधार पर 35-40% घटने की आशंका है। चालू वित्त वर्ष में देश से लगभग 1 से 1.2 करोड़ टन स्टील का निर्यात होने का अनुमान है, जबकि बीते वित्त वर्ष में रिकॉर्ड 1.83 करोड़ टन स्टील का निर्यात हुआ था। सरकार ने सभी तरह के लौह अयस्क पर एक्सपोर्ट ड्यूटी 30% से बढ़कर 50% कर दी है। इसी तरह हॉट-रोल्ड और कोल्ड-रोल्ड स्टील उत्पादों पर एक्सपोर्ट ड्यूटी 15% कर दी गई है जबकि पहले इस पर कोई ड्यूटी नहीं थी। क्रिसिल रिसर्च के मुताबिक, स्टील निर्माता बढ़ाई गई ड्यूटी से होने वाले नुकसान की भरपाई के लिए एलॉय स्टील और बिलेट्स के निर्यात को बढ़ा सकते हैं, लेकिन इससे फिनिश्ड स्टील के एक्सपोर्ट से होने वाली आमदनी की पूरी तरह भरपाई होने की संभावना नहीं है। एक्सपोर्ट ड्यूटी बढ़ाए जाने का सीधा असर भारत से निर्यात होने वाले स्टील की मात्रा पर पड़ेगा।

ECONOMIC TIMES DATE : 21/6/2022 P.N.4

Vedanta Puts Thoothukudi Copper Plant Up for Sale

Invites EoIs for the plant; locals & activists against any new owner taking over shuttered plant in view of environmental issues

Our Bureau

Chennai | Mumbai: The Vedanta-owned Sterlite Copper smelter is up for sale, more than four years after it was shuttered following activist-led protests over alleged pollution from the plant turning violent. Vedanta Limited has invited expressions of interest for its copper smelter at Thoothukudi in Tamil Nadu in conjunction with Axis Capital. It published advertisements in newspapers on Monday inviting bids with a deadline of July 4.

The offer includes the sale of the copper smelter complex, sulphuric and phosphoric acid plants, copper refinery, a captive power plant and a residential colony, among other associated infrastructure. The mining and metals firm's stock was hammered in the markets on Monday, closing 12.67% lower on the BSE at ₹230.25. Sterlite Copper has an integrated capacity of 400,000 million tonnes per annum (MTPA) of copper smelting and refining, as per the advertisement. That is equivalent to about 40% of India's copper needs, the company said, adding that another 400,000 MTPA of production capacity was under expansion.

On the Block

400K million tonnes per annum

Sterlite Copper's integrated capacity of copper smelting & refining

Story So Far...

In 2018, protests outside the plant turned violent

15 people lost their lives to police fire

State pollution control board sealed plant

Co has dismissed all allegations of pollution from plant

Co maintains that it is compliant with environmental norms

The decision to sell the plant may not be purely financial, said experts. The capital employed for the plant is around 1% of Vedanta's consolidated capital, said Ritesh Shah, head of mid-market research coverage and ESG at Investec India. Selling the asset would have a marginal bearing on consolidated financials, he said. The closed plant is causing a loss of about ₹180 crore a year at an Ebitda level to Vedanta, whose consolidated Ebitda in 2021-22 was ₹45,319 crore. In 2018, protests outside the plant turned violent with 15 people losing their lives to police fire. The state pollution control board later sealed the plant following directions from the Tamil Nadu government.

Reactions to the announcement in Thoothukudi ranged from shock to hostility. Locals said that the episode was still a painful scar in their memory. Activists, including MDMK leader Vaiko, said they would not allow even a new owner to run the copper smelter in view of the environmental concerns.

The company has dismissed all allegations of pollution from the pl and maintains that it is complia with all environmental norms.

"The Tuticorin plant is a nat nal asset which has been cateri to 40% of our national demand copper and has played an integ role towards India's self-suffi ency in copper. In the best inter of the country and the people Tamil Nadu, we are exploring tions to make sure that the pla and the assets are best utilized meet the growing demand of t nation," the company said in press statement.

Vedanta has challenged t plant's closure in Madras High C urt as well as the Supreme Court India, but little progress has be made. The matter is currently s judice before the apex court.

BUSINESS LINE DATE : 21/6/2022 P.N.1

Vedanta to sell Sterlite copper unit in Thoothukudi; invites bids

The plant was closed in May 2018 following an order from TN Pollution Control Board

SURESH P IYENGAR
Mumbai, June 20

After facing several legal and political hurdles in reopening the Sterlite Copper smelting plant at Thoothukudi in Tamil Nadu, Anil Agarwal-backed Vedanta Group is selling the plant. The company has invited Expression of Interest (EoI) from potential buyers.

Tamil Nadu Environment Minister Siva Meyyanathan said the State government viewed the proposed sale a "victory" in the context of the Chief Minister's stand that there was no possibility for the plant to be reopened. Asked if the government plans to buy the unit, he said it was Vedanta's decision to sell. "Let us see what the buyer does." Asked what if the buyer came with an alternative, the Minister said the government would see if it was acceptable to the people and there was no environmental hazard.

ON THE BLOCK

October 1994: Then Tamil Nadu CM J Jayalalithaa lays the foundation stone for Sterlite's ₹1,300-crore copper smelter project in Tuticorin

November 1998: The plant is ordered shut by the Madras High Court for environmental violations. It reopens after a few days

March 2013: TN government shuts Sterlite Copper after a gas leak

April: The Supreme Court fines the company ₹100 crore for flouting environmental norms, but refuses to shut the plant

March 2018: Plant shut for maintenance pending renewal of licence. Protests erupt over pollution, allegedly caused by plant

May: Police fire on over 20,000 protesters near Thoothukudi Collectorate; 13 dead

May 28: TN government directs TNPCB to seal Copper Smelter Plant 1

August: The Madras High Court rejects company's plea to reopen the plant

December 2018: National Green Tribunal sets aside the TN order, terming the closure unsustainable and unjustified

February 2019: The SC sets aside the NGT order; Sterlite told to approach Madras HC to seek interim relief.

August 2020: Madras HC dismisses plea challenging closure of smelter plant, refuses to allow its reopening

May 2022: Anti-Sterlite People's Movement and family members of the police firing victims demand a court-monitored reinvestigation of the case

June: Company invites expression of interest to sell the plant

National asset: Vedanta

However, a Vedanta spokesperson termed,is "The Tuticorin plant a national asset catering to 40 per cent of our copper demand and has played an integral role towards India's self-sufficiency. In the country's best interest and that of the people of Tamil Nadu, we are exploring options to make sure that the plant and the assets are best utilised to meet growing demand of the nation."

The bids have been called in conjunction with Axis Capital and the last day to submit the EoI is July 4. Vedanta has pegged the plant's capacity at 4 lakh tonnes a year in the advertisement issued by the company. The company's share price was down 12.67 per cent to ₹230 on the BSE at close on Monday.

Closure case at SC

The plant was closed in May 2018 following the Tamil Nadu Pollution Control Board's order over pollution concerns. The TNPCB ordered the closure of the plant permanently after 13 anti-Sterlite protesters were shot in police firing.

The closure was challenged by the company in the Madras High Court. However, the court refused to allow the reopening of the plant. The case is now pending in the Supreme Court.

'Diversionary tactic'

M Krishnamoorthy of the Anti-Sterlite (Thoothukudi District) People's Federation said the sale plan was a 'diversionary and deceptive tactic' and the company should surrender its landholding to the government. "Vedanta may sell its machinery and equipment, but the land should revert to the government. The land must be allotted only to agro-based units," he said.

'Shock to locals'

In contrast, at a hastily arranged press conference in Thoothukudi, office-bearers of Thoothukudi People Livelihood Protection Movement Thiyagarajan and Ganesan, director of 'Thulasi Trust' Dhanalakshmi, claimed Vedanta's decision to sell had come as a shock to the local people who were employed at the unit and had benefited from its welfare schemes. A section of residents from about 10 villages also submitted petitions to Collector K Senthil Raj seeking the immediate reopening of the plant to generate employment.

With inputs from Pudukottai and Thoothukudi Bureaus of The Hindu, and Agencies

BUSINESS LINE DATE : 22/6/2022 P.N.8

Gold refining gains ground as prices surge

Organised units' growth spurred by import duty differential on dores

OUR BUREAU
Mumbai, June 21

India has emerged as the world's fourth-largest gold recycler with the organised refining capacity increasing to an estimated 1,800 tonnes against 300 tonnes in 2013. The informal sector accounts for an additional 300-500 tonnes, said the World Gold Council in a report on Tuesday.

While the capacity addition has been robust, the amount of gold recycled last year dropped to a four-year low of 75 tonnes against 96 tonnes logged in the previous year. This had dragged India's position to fourth position from second due to weak bullion price.

The scale of unorganised refining has fallen as the government has tightened pollution regulations resulting in the closure of many local melting shops. Also, more retail chain stores have begun to recycle old gold engaging organised refineries. Over the last five years, the ₹44,000-crore industry accounted for 11 per cent of the country's gold supply. The number of formal refiners operation increased from less than five in 2013 to 33 in 2021. India accounts for about eight per cent of the global scrap supply.

Dore imports

The import duty differential on dore (unrefined gold) over refined bullion has spurred the growth of organised refining in India. The share of gold dore in overall imports has increased from seven per cent in 2013 to 22 per cent in 2021.

Old jewellery scrap accounts for 85 per cent of overall recycled gold, while old bars and coins which people either sell or exchange for jewellery make up 10-12 per cent of supplies of scrap gold.

The expansion of the Indian refining sector has slowed in recent years as the goods and services tax (GST) eliminated the advantage enjoyed by EFZs (excise free zone) and led to a cutback in new capacity within these zones. Duty differential in EFZs had encouraged many companies to start refineries but once those advantages disappeared, many closed, leaving only genuine operations in existence. Some refineries importing dore were unable to meet the accreditation standards set by the Bureau of Indian Standards and the National Accreditation Board for Testing and Calibration Laboratories, and they too were forced to shut.

Over the last five years, the ₹44,000-crore industry accounted for 11 per cent of the country's gold supply

The almost persistent gold market discount – due to slowing economic growth, weak gold demand and the pandemic – meant that some dore imports became unprofitable even with the duty differential.

The fresh capacity addition would have withstood weak domestic demand, if they had been allowed to export bullion bars and able to reclaim custom duty and GST on exported bullion bars.

Challenges ahead

Despite the gradual move towards a more structured and process-driven industry, the majority of gold recycling trade remains unorganised as accredited refineries need to show from where they ha sourced the scrap and ha to leave out small jeweller who prefer ca transactions.

Though many refineri have opened addition scrap collection centres, th are often located in bigg towns or cities.

The GST regulations do n allow consumers to reclai the three per cent tax th pay when they initially b their jewellery. This lo could be a barrier to co sumers looking to create quidity by selling old gold.

Somasundaram PR, R gional CEO (India), Wor Gold Council, said the cou try has the potential emerge as a competitive fining hub if the next pha of bullion market refor promotes responsib sourcing, exports of bars a consistent supply of dore scrap.

The holding period of je ellery will continue to cline as younger consume look to change designs mo frequently leading to high level of recycling, he said.

BUSINESS LINE DATE : 22/6/2022 P.N.8

COMMODITY CALL

Zinc futures: Liquidate 50% shorts at ₹312

AKHIL NALLAMUTHU
BL Research Bureau

The price of zinc futures on the MCX (Multi Commodity Exchange) has been falling since mid-April from about ₹383. While there was a corrective rally from ₹305 to ₹340 in the second half of May, the contract resumed its downtrend. We had recommended initiating shorts at around ₹330 with initial stop-loss at ₹345.

In line with our expectations, the prices have fallen l and is currently hovering around ₹312. Based on the revisions, the current stop-loss will be at ₹338.

The bears seem to be losing traction with the price level of ₹310 offering good support. The RSI and the MACD on the daily chart are showing signs of a recovery, although not signalling bullish reversal.

One can liquidate half of the shorts at ₹312 and tighten the stop-loss to ₹326 i.e., a little above the hurdle at ₹325.

When the contract falls below ₹310, it can quickly drop to the support band of ₹286-292. Exit the remaining shorts at ₹292. There could be a bounce off from this price region.

On the other hand, if the contract breaks out of ₹325, it can rally to ₹340 – the nearest resistance. The subsequent resistance is at ₹350.

LOKMAT (HELLO NAGPUR) DATE : 22/6/2022 P.N.4

खनिज फाऊंडेशनसाठी निधी घेण्याचा अधिकारच नाही

निर्यातदार, परिवहन व्यावसायिकांना दिलासा

लोकमत न्यूज नेटवर्क

नागपूर : दुसऱ्या राज्यांमधून महाराष्ट्रामध्ये गौण खनिज आणणारे निर्यातदार व परिवहन व्यावसायिक यांच्याकडून जिल्हा खनिज फाऊंडेशनसाठी निधी घेण्याचा सरकारला अधिकार नाही, असा निर्णय मुंबई उच्च न्यायालयाच्या नागपूर खंडपीठाने दिला आहे. त्यामुळे सरकारला मोठा धक्का बसला आहे.

या वादग्रस्त वसुलीविरुद्ध गौण खनिज निर्यातदार व परिवहन व्यावसायिकांनी पाच याचिका दाखल केल्या होत्या. न्यायमूर्तीद्वय अतुल चांदूरकर व मुकुलिका जवळकर यांनी त्या याचिका मंजूर केल्या. खाणी व गौण खनिज कायद्यानुसार राज्य सरकार वादग्रस्त वसुली करू शकत नाही. या कायद्याने सरकारला हा अधिकार दिला नाही, असे न्यायालयाने स्पष्ट करून संबंधित वसुलीचे वादग्रस्त आदेश रद्द केले, तसेच ५ फेब्रुवारी २०२१ रोजी जारी परिपत्रकामधील वादग्रस्त वसुलीसंदर्भातील कलम ५ अवैध ठरवले. सक्षम अधिकाऱ्यांनी मागणी केल्यामुळे मध्य प्रदेश येथील निर्यातदार राजेश पाठक यांनी दोन लाख, तर नागपूर येथील परिवहन व्यावसायिक शर्मा जी. एंटरप्राजेस यांनी ८ हजार ३०० रुपये जिल्हा खनिज फाऊंडेशनसाठी दिले होते. न्यायालयाने ही रक्कम आठ आठवड्यांत परत करण्याचे निर्देशही सरकारला दिले.

गौण खनिज परिवहनामुळे होणारे रोडचे नुकसान भरून काढण्यासाठी राज्य सरकारने दुसऱ्या राज्यांमधून महाराष्ट्रामध्ये गौण खनिज आणणारे निर्यातदार व परिवहन व्यावसायिक यांच्याकडून रॉयल्टीच्या १० टक्के रक्कम जिल्हा खनिज फाऊंडेशनकरिता वसूल करण्याची तरतूद संबंधित परिपत्रकातील वादग्रस्त पाचव्या कलमात केली होती.

ECONOMIC TIMES DATE : 22/6/2022 P.N.7

India can be a Competitive Gold Refining Hub: WGC

Nearly 468 tonnes of old gold used in last 5 years to partly meet domestic consumption of about 850 tonnes annually

Sutanuka.Ghosal@timesgroup.com

Kolkata: Nearly 468 tonnes of old gold had been used in the last five years to partly meet India's domestic consumption of about 850 tonnes annually, according to a report by the World Gold Council (WGC).

Upward movements in the gold price, particularly in the last two Covid years, had led people to offload old gold in the market.

Prices had shot up to ₹57,000 per 10 gms in 2020, which cooled by the end of 2021 to around ₹48,000 but again crossed ₹51,000 after the Russia-Ukraine war started earlier this year, as people started parking money in the yellow metal which is seen as a safe haven asset.

The WGC on Tuesday launched a report titled 'Gold refining and recycling', which highlights that amid India's growing demand for gold, recycling would continue to be key and the refining industry would witness steady development.

"India has the potential to emerge as a competitive refining hub if the next phase of bullion market reforms promotes responsible sourcing, exports of bars and consistent supply of doré (impure gold) or scrap," Somasundaram PR, WGC's regional chief executive-India, told **ET**. "The Domestic recycling market, driven by local rupee prices and economic cycle, is relatively less organised, but should gain support from initiatives such as revamped GMS (Gold Monetisation Scheme) as various policy measures sync to make it attractive to bring surplus gold mainstream and liquidity is enhanced via bullion exchanges."

According to the report, holding periods of jewellery would continue to decline as younger consumers look to change designs more frequently, a trend that could contribute to higher levels of recycling. On the other hand, higher incomes following stronger economic growth will reduce outright selling and consumers will find it easier to pledge their gold rather than sell it outright.

The country's organised gold refining capacity has surged to an estimated 1,800 tonnes a year from 300 tonnes in 2013. While the informal sector is estimated to account for an additional 300-500 tonnes, the scale of unorganised refining has fallen.

THE HITVADA (CITYLINE) DATE : 24/6/2022 P.N.7

GSI, MECL and GGS' joint seminar today

- The seminar will be in a hybrid mode, with the option for participants and invited presentations to join on-line
- The one-day national seminar will open up new vistas for the torch-bearers in the exploration landscape

Staff Reporter

GEOLOGICAL Survey of India (GSI), Mineral Exploration Corporation Limited (MECL) and Gondwana Geological Society (GGS) are jointly conducting a one-day seminar titled 'Geology and Mineralisation of Mahakoshal Group-future perspective and recent Amendments in MEMC and Auction Rules' on Friday, June 24 at Hotel Tuli Imperial, Ramdaspeth.

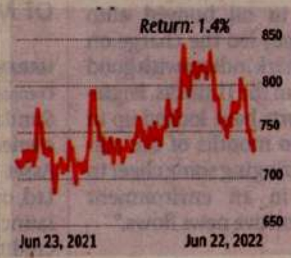
The seminar will be in a hybrid mode, with the option for participants and invited presentations to join on-line.

The one-day national seminar will open up new vistas for the torch-bearers in the exploration landscape. Dr S Raju, Director General, GSI, will grace the occasion as the chief guest. Dr Ranjit Rath, CMD, MECL and Anjan Chatterjee, President, Gondwana Geological Society will also grace the occasion as guests of honour. There will be four technical sessions: Geology and metallogeny of Mahakoshal Belt, CITZ, India; Exploration trends in Mahakoshal Belt, CITZ, India; Exploration strategies and way forward; and Minerals (Evidence of Mineral Contents) (MEMC) and Auction Rules.

There will be 21 interesting, scheduled oral presentations. Addresses by prominent speakers like Dr Ranjith Rath, Director, MECL, Dr S Raju, Dr D K Sinha, Director, Atomic Minerals Directorate, Department of Atomic Energy, Government of India, Prof Mrinal Mukherjee, HoD, Geology Department, IIT (ISM), Dhanbad, Dr Harel Thomas, HoD, Geology Department, Sagar University, Dr Abhinaba Roy, Sr Dy DG (Retd), GSI and many others. An abstract volume is planned to be released during the seminar.

BUSINESS LINE DATE : 24/6/2022 P.N.12

Copper futures: Go short with stop-loss at ₹760



AKHIL NALLAMUTHU
BL Research Bureau

Since the calendar turned June, copper prices have witnessed a sharp fall. Consequently, copper futures on the MCX (Multi Commodity Exchange) began a fresh leg of downtrend from the resistance level of about ₹810. It fell over the past few weeks and breached the key supports at ₹745 and ₹732.

On Thursday, the contract began the session below the support at ₹732, opening the door for further weakness.

At ₹725, the nearest support can be spotted at ₹710. Below this, there is a support at ₹690. We expect copper futures to touch ₹690 in a couple of months.

The contract could see a corrective rally from the current levels by moving up to ₹745 before dropping to ₹710 and then ₹690.

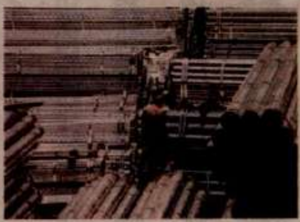
Traders can consider initiating fresh shorts at the current level of ₹725, and add more shorts when it rallies to ₹745. Place the initial stop-loss at ₹760.

When the price declines to ₹710, liquidate three-fourth of the total shorts that you hold and tighten the stop-loss to ₹732. Liquidate the remaining shorts at ₹690.

Note that there are high chances for the contract to rebound from the support band of ₹685-690. Hence, it is prudent to exit the shorts at ₹690.

Barring India, global steel output down in top 10 producer nations

World steel production declines for 11th consecutive month



SUBRAMANI RA MANCOMBU

Chennai, June 23

World crude steel production dropped for the eleventh successive month in May this year with nine of the top 10 producers led by China reporting reduced output. India was the lone exception with its production increasing by 17.3 per cent to 10.6 million tonnes (mt), World Steel Association (worldsteel) data showed.

Steel production among the 64 countries that report to the association dropped by 3.5 per cent to 169.5 mt compared with May 2021. The production was, however, higher month-on-month. In April, global output was 162.7 mt-. World steel production has been dropping since July last year as output in China, which contributes over 50 per cent, has been falling since the last quarter of 2021. The last time steel output increased was in June 2021, up by 11 per cent.

For the first five months of 2022, global steel output dropped by 6.3 per cent year-on-year to 791.8 mt. This is slightly better than the situation in the first four months, when it had dropped by 7.1 per cent. The drop in China's production yet again mirrored the global decline. It slid to 96.6 mt against 99.5 mt in the year-ago period. For the January-May period, its production was 435 mt (473.1 mt).

Highest in 2022

However, China's production is the highest for the year. It produced 92.8 mt in April, 88.3 mt in March, 83 mt in February and 81.7 mt in January. Production has been hit this year due to the fourth wave of Covid and the ensuing lockdowns. There could be further improvement in Chinese production this month with Beijing having lifted lockdowns in important cities such as Shanghai from June 1.

Indian steel production was also higher month-on-month, from 10.1 mt in April, but lower than the 10.9 mt produced in March and 10.8 mt in January. In February, India produced 10.1 mt.

Positive feature

For the first five months, India's production is 6.5 per cent higher year-on-year at 53.2 mt (48.6 mt). However, the positive feature of India's production is that it has been hovering above 10 mt since December 2021.

Among other nations, Japan's production declined by 4.2 per cent to 8.1 mt, while that of the US slipped 2.6 per cent to 7.2 mt. Russia is estimated to have produced 6.4 mt, down 1.4 per cent year-on-year.

Iran reported a 17.6 per cent drop in output to 2.3 mt in May. Germany followed with 11.5 per cent drop at fall. It produced 3.2 mt. Turkey (down 1.4 per cent) and Brazil (-4.9 per cent) also saw lower production in May.

BUSINESS LINE DATE : 25/6/2022 P.N.8

Chinese stimulus, Ukraine war likely to boost nickel in Q3

Prices have come down 10 % in the past month

SUBRAMANI RA MANCOMBU

Chennai, June 24

Nickel prices have dropped by over 10 per cent in the past month and nearly six per cent in the past week on the US Federal Reserve Chairman Jerome Powell's hawkish stand over interest rates, but analysts say the metal will rebound in the third quarter starting July. "In 2022, nickel prices are projected to average more than 50 per cent higher than last year," the World Bank said in a report on Commodity Outlook. Last year, nickel averaged $18,465 before it commenced a bull run this year, primarily due to the Russia-Ukraine war.

The war saw nickel prices topping $1,00,000 a tonne on March 8 before LME halted trade after a Chinese trader got caught going short. This led to chaos in the nickel market with LME suspending trade for a few weeks. "Nickel prices will edge higher in the third quarter of 2022 as Chinese stimulus measures improve the demand outlook and the Russia-Ukraine war continues to disrupt supply, before falling towards the end of the year as refinery output ramps up, particularly in Indonesia," said US research agency Fitch Solutions Country Risk and Industry Research, a Fitch unit. Currently, nickel three-month contract is quoted at $24,950 a tonne on the London Metal Exchange. The metal is quoted at the same price for cash delivery, too. Nickel prices have averaged at $27,912 till now this year. Prices are up 35 per cent year-on-year. On Thursday, the metal lost over 5 per cent on Shanghai Futures Exchange.

The World Bank expects nickel prices to drop by 20% next year

Long-term outlook

Fitch Solutions has forecast nickel price at $27,500 for 2022 before slipping to $24,000 in 2023. The World Bank expects nickel prices to drop by 20 per cent next year.

The US research agency said the demand outlook in the long-term looked strong due to the manufacture of electric vehicles (EVs) increasing, while western sanctions against Russia will continue to curb supplies. "...we expect yearly averages to remain at $23,000 and above," it said.

"Russia accounts for 6 per cent of global nickel supplies, but 20 per cent of high-grade nickel for batteries, the fastest growing demand segment. Russian mining giant Nornickel has been incurring supply disruptions following sanctions," the World Bank clarified the reasons for the price spike.

Dip due to lockdowns

Fitch Solutions said nickel prices have collapsed from record highs after the Ukraine war following lockdowns in China and slack downstream demand. "We expect some more weakness in the coming weeks as demand continues to falter while supply improves before a price recovery in Q3 brings the annual average nickel price for 2022 closer to our forecast," it said. ING Think, an economic and financial analysis of Dutch multinational financial services firm ING, said nickel's gain could come from speculation that Indonesia may impose tariffs on exports with nickel content below 70 per cent.

ECONOMIC TIMES DATE : 25/6/2022 P.N.4

Vedantu FY21 Net Loss Widens

Our Bureau

Bengaluru: Edtech unicorn Vedantu's consolidated net loss widened to ₹604.28 crore in financial year 2020-2021 (FY21), against a net loss of ₹150 crore in FY20, as total expenses jumped sharply.

The Tiger Global-backed startup's employee benefit expenses increased by 4.6 times to ₹407.4 crore in FY21 against ₹88.3 crore in FY20, according to filings sourced from business intelligence platform Tofler.

Total expenses surged by 4 times to ₹736.1 crore in FY21. Employee expenses generally include gross employee salaries, incentive compensation, commissions, sick pay, dues, pension and retirement payments. The company's consolidated revenue from operations grew to ₹93.6 crore from around ₹24.6 crore in FY20. Total revenue in FY21 stood at ₹134.9 crore. India's edtech firms are witnessing a slowdown in demand as offline centres reopen.

With global macroeconomic factors affecting fundraising at startups, several large edtech firms including Vedantu and Unacademy have undertaken cost-cutting measures, including layoffs.

Demand Slowdown

₹93.6 cr Consolidated revenue in FY21

₹407.4 cr Co's employee benefit expense in FY21

- **Edtech cos** are witnessing a slowdown in demand as offline centres reopen
- **Several large** edtech coss including Vedantu & Unacademy have undertaken cost-cutting measures, including layoffs

In May, Vedantu fired around 200 full-time and contractual employees, as the company looked to increase its capital runway. Subsequently, the same month, the company laid off another 424 contractual and full-time staff, amid falling demand for online education.

In a blog post, Vedantu founder and chief executive officer Vamsi Krishna said the company would also undertake cost-cutting measures. He added that the growth experienced during the peak period of the Covid-19 pandemic will not be repeated in future.

"The hyper-growth of 9-times Vedantu experienced during the last two years will also get moderated. For long-term sustenance of the mission, V (Vedantu) would need to adapt too," he said.

Krishna also said that the external environment and inflationary pressures will make it difficult to raise funds.

"Currently, the external environment is tough. War in Europe, impending recession fears, and Fed interest rate hikes have led to inflationary pressures with massive correction in stocks globally and in India as well. Given this environment, capital will be scarce for upcoming quarters," he added. Unacademy's founder Gaurav Munjal had previously warned employees of the 'funding winter' in May.

THE HITVADA (CITYLINE) DATE : 26/6/2022 P.N.6

Clear lacunae in MMDR Act: Experts

■ Business Bureau

THE MMDR Act has certain provisions which are not conducive to mining and the nation's economy at large. As a result, a drastic fall is being witnessed in mining output, and also a significant drop in employment in the mining sector. While the aims were sound and noble, the lacunae that crept into the acts and laws have negated several aspects which are the very foundation of nobility that the sector could have stood on, said Shivkumar Rao, President, Vidarbha Economic Development Council.

VED members, Chairman of the VED Mining committee, B K Shukla and Committee senior member Arun Deoras, highlighted a few of the salient features that stand out as problems faced by the mining sector. Obviating these obstacles will be helpful in mining, making the auction process more dynamic and will create a win-win situation for the Govt. and miners, they felt.

According to them, "mineable mineral reserves" vis-à-vis "estimated mineral resource" are creating problems. The expression "mineable mineral reserve" means the economically mineable part of an "estimated mineral resource" of an area.

However, an amount equal to 0.50% of the "sale value of the estimated mineral resource" is required to be paid as auction premium as upfront payment, reserve price for bidding, performance security, net worth requirement to determine the eligibility for participation in the auction (which varies from 0.5% to 2%) and registration charges for mining lease agreement.

When extraction of a mineral is possible only up to the "mineable mineral reserve", certainly it is unfair and does not make sense to compel bidders to pay charges / processing fee based on sale value of the entire 'estimated quantity of mineral resources," they pointed out.

They suggested that taxes, charges, processing fee, security deposit should be levied for mineable resources of minerals.

Under section 26 of MMDRAct-2015, both the Central Government and State Government are authorised to exercise powers conferred under MMDR Act-2015. It is suggested this section should also contain a time-limit for disposal or completion of the said subject matter.

Apart from this, the penalty prescribed in section 21 of the Act is too harsh when compared to the severity and gravity of the offence of the same quantum of punishment mentioned in other criminal laws.

BUSINESS LINE DATE : 26/6/2022 P.N.6

Lacks direction

Silver appears weaker than gold

AKHIL NALLAMUTHU
BL Research Bureau

Investors expressed risk-on sentiment last week as equities across the globe gained and safe havens such as bullion saw a price drop. Even the dollar moderated.

Gold and silver in the international spot market declined by 0.7 and 2.5 per cent as they closed the week at $1,826 and $21.1 per ounce, respectively.

Similarly, gold futures (August expiry) on the Multi Commodity Exchange (MCX) depreciated by 0.4 per cent and silver futures (July series) dropped by 1.9 per cent as they ended the week at ₹50,623 (per 10 grams) and ₹59,749 (per kg), respectively.

Broadly, the relief rally in equities might extend, and this could add a little more downward pressure on bullion prices next week. That said, the long-term trend is bullish.

MCX-Gold (₹50,623)

The August futures of gold on the MCX, although lost 0.4 per cent, largely remains sideways. The limits of the range are at ₹50,000 and ₹51,800. A breach of either of these levels can give some clue about the direction of the next leg of trend.

As it lacks direction, there was a marginal drop in the cumulative open interest (OI) of gold futures on the MCX. It dropped to 15,883 contracts on Friday compared to 15,934 contracts a week back.

In the coming week too, the gold futures can be expected to tread within the range of ₹50,000-51,800.

If it breaks out of ₹51,800, it can quickly touch to ₹53,000. It might even extend the upside to ₹54,000, a considerable resistance. On the other hand, if


GETTY IMAGES/ISTOCKPHOTO

gold futures breach the support at ₹50,000, we might witness a fall to ₹48,000. Below this level, the support is at ₹46,400.

MCX-Silver (₹59,749)

Silver futures appeared bearish in comparison to gold futures, as it lost 1.9 per cent to end the week at ₹59,749 compared to last week's close of ₹60,937. There are a couple of factors that point to bearishness. One, the contract is now below the support of ₹60,000. Two, as the contract price declined last week, there were some build-ups in the cumulative OI of silver futures. The OI increased to 16,357 contracts as against 14,560 contracts by the end of the preceding week. Therefore, the bears seem to be gaining control over the bulls.

However, it should be noted that there is a significant support at ₹58,000 and so long as this support holds true, we cannot assume a downswing.

If there is a bounce off ₹58,000, it can rally back to another key level at ₹62,500. Above this resistance, there is a hurdle at ₹66,800. But if the contract invalidates the support at ₹58,000, it can turn the medium-term trend bearish. Nearest support below ₹58,000 is at ₹55,000.

THE HINDU DATE :26/6/2022 P.N.14

Hindustan Copper may raise ₹500 cr.

PRESS TRUST OF INDIA
NEW DELHI

Hindustan Copper Ltd.'s board will meet next week to consider a proposal to raise up to ₹500 crore by issuing debentures.

"A meeting of the board of directors of Hindustan Copper will be held on June 30 to inter alia, consider and recommend resolutions seeking approval of the shareholders of the company to authorise the board of directors... to offer, issue and allot secured or unsecured non-convertible debentures or bonds on a private placement basis up to ₹500 crore," the PSU said in a filing.

The board will also consider raising funds through a qualified institutional placement, it added.

UK Joins US, Canada, Japan at G7 Summit to Ban Russian Gold Imports

London: New exports of Russian gold will no longer be allowed to enter the UK, US, Canada and Japan after tough new measures agreed at the G7 Summit in Germany on Sunday, designed to exert pressure on Russian President Vladimir Putin over the conflict with Ukraine.

Gold is a major Russian export, worth £12.6 billion to the Russian economy in 2021. Its value to the Russian elite has also increased in recent months with oligarchs rushing to buy gold bullion in an attempt to avoid the financial impact of western sanctions.

"The measures we have announced today will directly hit Russian oligarchs and strike at the heart of Putin's war machine," said UK Prime Minister Boris Johnson, who is attending the summit in Bavaria.

"Putin is squandering his dwindling resources on this pointless and barbaric war. He is bankrolling his ego at the expense of both the Ukrainian and Russian people. We need to starve the Putin regime of its funding. The UK and our allies are doing just that," he said.

London is a major global gold trading hub and UK sanctions, which will be the first of their kind to be implemented against Russia anywhere in the world, will have a huge impact on Putin's ability to raise funds.

"With this import ban on new Russian-origin gold, over £13.5 billion pounds of our imports from Russia will be covered by restrictions. Given London's role at the heart of the global gold trade, this shows the UK will take tough steps to stop the Russian war machine," said UK Chancellor Rishi Sunak.

"I am pleased that following discussions with others in the G7 Finance Track, the US, Canada and Japan will be joining us in imposing this measure, shutting down avenues for Russian gold sales and maximising the impact that we can have on Putin and his cronies," he said.

At the G7, the UK's message has been to further isolate Russia from the international financial system. The UK claims to have already sanctioned more than 1,000 individuals and more than 100 entities since the Russia-Ukraine conflict began in February.

The measures announced this week build on the action taken by the London Bullion Market in March to suspend six Russian refineries. The gold import ban, which will come into force shortly, will apply to newly mined or refined gold. It does not impact Russian-origin gold previously exported from Russia.

The UK government has said that there are no plans to extend restrictions to Russian gold purchased legitimately before the import ban was put in place. **PTI**

BUSINESS LINE DATE : 27/6/2022 P.N.3

Copper prices have slumped over 15% this fiscal on recession fears

Demand in India drops on liquidity crunch; traders curb activities

ABHISHEK LAW

New Delhi, June 26

Copper prices have dropped over 15 per cent on the London Metal Exchange (LME) since April 1 this year as fears over recession setting in due to interest rate hikes have led to poor demand from end-user industries. In the domestic market, prices have dropped by over 10 per cent.

On the LME, three-month copper futures closed at $8,292 a tonne during the weekend. For cash, it was quoted at $8,280.50. On April 1, LME copper for cash was quoted at $10,246.

On the Multi Commodity Exchange (MCX) here, copper August contracts ended at ₹698 a kg on Friday. The red metal has dropped by 11.67 per cent over the past month globally and this week, it has dropped by 6.5 per cent. Its' prices are also 12.5 per cent lower year-on-year.

Copper is often seen as a barometer of economic activities as it is used in various applications covering household appliances from electric vehicles to domestic wiring. After witnessing a sharp rise due to demand and the Russia-Ukraine war, copper prices have dropped during the whole of June till now, primarily driven by concerns over weak demand as central banks in various countries raised interest rates to curb inflation. China's tough Covid-19 lockdown policies added to the declining trend.

Slump in Indian demand

In the domestic market, copper armature prices declined by 10 per cent to ₹665 a kg on June 24 compared with ₹740 on April 1. Armature price was at ₹713 a kg at the beginning of June, trade sources said. Copper wire rod prices have also declined by a similar margin during the period and is now pegged at ₹715 a kg.

In the domestic market, copper armature prices declined by 10 per cent to ₹665 a kg on June 24 compared with ₹740 on April 1

Copper is witnessing a slump in demand, say trade sources. Buyers are facing a liquidity crunch, due to which they are opting to buy lower quantities. This has resulted in inventories building up. On the other hand, traders have curbed purchases in advance and continue to face pressure ahead of the monsoon. They need to reduce their inventories before the monsoon advances as it is a lean period in the commodity market.

Strike in Chile

Manufacturing units are also operating at lower capacities in view of lower demand from end-users. "LME prices influence movement of domestic market prices," SteelMint said in a report. On the supply side, Chilean state-owned copper producer Codelco, the world's largest producer, has been hit by a nationwide strike against its decision to close down a smelter due to environmental concerns. Codelco supplies around 8-10 per cent of the world's copper. About 50,000 copper workers, including Codelco employees and contractors, have joined the indefinite strike.

BUSINESS LINE DATE : 28/6/2022 P.N.10

MCX lead: Go short now

COMMODITY CALL

GURUMURTHY K
BL Research Bureau

The lead futures contract on the MCX is still trading within the ₹179-₹198 range. It is currently trading at ₹181 per kg. However, chances are high for the contract to break the range on the downside below ₹179 and see a fresh low. The trigger for this will come from the lead contract traded on the LME. The LME lead (3-month rolling forwards) contract has broken below the crucial support level of $2,000 per tonne.

It has closed on a weak note at $1,915 last week. The outlook is bearish, and the contract can fall to $1,800 in the short-term. The bigger picture is also negative to see $1,600 on the downside over the medium-term. This can trigger a break below ₹179 on the MCX lead contract. Such a break can drag the contract down to ₹165 in

the next two-three months. Positional trades with a two-three-month time horizon can be taken at the moment.

Go short now and accumulate shorts on a rise at ₹185 and ₹190. Keep the stop-loss at ₹197. Trail the stop-loss down to ₹178 as soon as the contract falls to ₹174. Move the stop-loss down to ₹171 as soon as the contract touches ₹168 on the downside. Book profits at ₹166. The region between ₹195 and ₹198 is a strong resistance zone. The MCX lead futures contract will have to breach ₹198 decisively in order to turn bullish again. But that looks less likely as seen from the price action on the charts.

THE HITVADA DATE : 28/6/2022 P.N.1

Huge Uranium deposits found in Rajasthan

JAIPUR, June 27 (IANS)

AFTER Jharkhand and Andhra Pradesh, huge deposits of Uranium have now been found in Rajasthan following which preparations are in full swing to start mining in the Khandela area of Sikar.

Huge deposits of Uranium and associated minerals have been found on a wide spread area of 1086.46 hectares which has opened both employment and investment avenues for Rajasthan. Around 12 million tonnes of uranium and other elements are expected to be lying deep down under this area, officials said adding that "the Rajasthan Government issued LOI

(Letter of Intent) for mining in the perspective of making official entry of the State into the uranium mining sector." Dr Subodh Agrawal, Additional Chief Secretary, Mines and Petroleum Department of the State said: "Rajasthan Government issued a letter of intent to 'Uranium Corporation of India' for mining of uranium ore in Rohil, Khandela tehsil near Sikar. After Jharkhand and Andhra Pradesh, huge deposits of uranium have been found in Rajasthan. Uranium is considered one of the rarest minerals in the world. It is a very valuable mineral for nuclear power. Uranium Mining has opened doors for investment, revenue and employment while taking Rajasthan on the world screen.

ECONOMIC TIMES DATE : 28/6/2022 P.N.4

Rural Gold Demand Slips in June as Spend on Farm Inputs Rises

Prices of seeds, agrochemicals up this kharif season; precious metal demand down 25%

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Kolkata: As farmers are spending more for seeds, agrochemicals and other agricultural activities for the ongoing kharif season, rural demand for gold slipped by a quarter in June and the trend is likely to continue in July, industry executives said. Prices of agricultural inputs have gone up this kharif season, putting pressure on the pockets of the agrarian community.

Gold is considered as an important asset class in rural India, which accounts for 60% of the country's total annual gold consumption of 850 tonnes.

Losing Sheen

"Rural demand is down by 25% in June as farmers are busy in sowing kharif crop and buying seeds and other agricultural inputs. July will also be similar one. The demand will return in August during Ganesh Chaturthi," said Ashish Pethe, chairman, All India Gem & Jewellery Domestic Council.

Rising agri input costs has pressurised farmers, for whom gold is a major investment. Rajesh Aggarwal, managing director, Insecticide India, said "prices of agrochemicals in the Indian market have gone up this year. This is because of the cost increase for various raw materials and packing materials used by the industry."

Similarly, imported raw materials have become dearer due to global conditions and currency fluctuations. These are essential raw materials for the manufacturing of technical grade products. This again exerts a direct pressure on the prices of formulations or finished agrochemicals like herbicides followed by fungicides majorly used in crops like paddy, cotton, maize, soybean and pulses Aggarwal added.

Gold prices have stabilised in the range of ₹50,500 to ₹51,000 per 10 gm which should result in purchases going up.

Ahammed MP, chairman, Malabar Gold & Diamonds said "A good rainy season has a positive impact on the agricultural sector. As for the common man, gold is a wearable investment. Hence, we see an increase in gold purchases in the coming quarter. It is also the wedding season, and many non-resident Indians from Gulf countries come home during this time, hence the demand for gold goes up." Pethe said jewellers have started restocking gold in anticipation of gold business in the second quarter of FY23.

THE HITVADA DATE : 29/6/2022 P.N.5

JSW Steel, Vedanta, 29 other cos submit bids in coal mines auctions

NEW DELHI, June 28 (PTI)

THE Government on Tuesday said 31 companies, including JSW Steel, Vedanta Ltd, NLC India Ltd, Jindal Power and Bharat Aluminium Company Ltd, have submitted bids for 24 mines under commercial coal mines auctions.

As many as 38 online and offline bids were submitted during the three rounds of auctions. "A total of 31 companies have submitted their bids (both online and offline) in the auction process," the coal ministry said in a statement.

JSW Steel, Vedanta Ltd, NLC India Ltd, Jindal Power and Bharat Aluminium Company Ltd have submitted the bids.

Others companies that have submitted the bids include Birla Corporation Ltd, Jaiprakash Power Ventures Ltd, Rungta Metals Private Ltd and Godavari Power & Ispat Ltd.

The auction process for 122 coal/lignite mines was launched in March.

The last date of submission of technical bids was June 27, 2022, except for 10 mines. Those 10 mines comprise Parbatpur Central coal mine and 9 lignite mines. "As part of the auction process, technical bids comprising online and offline bid documents were opened today... in the presence of the interested bidders," the statement said.

The bids will be evaluated by a multi-disciplinary technical evaluation committee and the technically qualified bidders would be shortlisted for participation in the electronic auction.

Post opening of the technical bids, the forum was opened for discussion and suggestions were invited from the bidders to make the commercial coal mine auctions more attractive for the industry.

On Monday, the coal ministry said it has received a total of 38 bids in the three rounds of commercial coal mines' auctions.

A total of 28 offline bids were received against 15 coal mines on offer under the fifth round of the auctions.

As per the ministry, in the second attempt of the third round, a total of nine coal mines were put up for sale and six bids were received for them.

THE HITVADA (CITYLINE) DATE : 29/6/2022 P.N.6

High export tariff of 45 pc to make iron ore pellet export unviable: ICRA

Business Bureau

THE 45 per cent export duty levied by the government on export of iron ore pellets will make the export of the material unviable at current prices, Icra said on Tuesday.

The Government of India slapped a hefty 45 per cent levy, from nil, on the export of iron ore pellets from May 21.

"The application of this high export tariff has reduced a merchant exporter's net effective realisation, rendering pellet exports unviable," it said.

The steep decline in the effective free-on-board (FoB) price will lead to supply overhang in the domestic market. This, in turn, would put pressure on the domestic prices, which are likely to correct by 30 per cent in the near-term.

Consequently, the contribution margins of merchant pellet players are expected to decline roughly by Rs 1,000 per

MT (metric tonne) from pre-duty levels.

India exported more than 11 million tonnes (MT) of pellets in FY'22, accounting for almost 15 per cent of its overall pellet production. With exports becoming unviable, industry asset utilisation will be adversely impacted and domestic pellet prices would come under pressure, going forward, Jayanta Roy, Senior Vice-President & Group Head, Corporate Sector Ratings, ICRA said.

"Our calculations suggest a 10 per cent drop in domestic pellet production in FY'23 as the domestic market is going through a period of muted demand growth and is unlikely to fully absorb the pellet supplies meant for the export market," Roy said.

The decline in pellet exports would also impact the iron ore demand and exert pressure on prices as close to 40 per cent of the iron ore fines produced in FY'22 were consumed in pellet production.

Prices of iron ore fines have already corrected by more than 35 per cent from the pre-duty level till June 22. While this is a positive development for the pellet players, the steep fall in domestic pellet prices would nevertheless compress their gross contribution levels, Roy explained.

BUSINESS LINE DATE : 29/6/2022 P.N.19

Sponge iron manufacturers fret over coal supply contracts

BLOOMBERG

June 28

Sponge iron producers in India are raising concern that fuel supply contracts won't be renewed as the nation's State-run coal miner continues to prioritise power plants in an effort to avoid blackouts.

Supplies from Coal India Ltd for some producers are scheduled to end from August, which means the companies will be forced to rely on vastly more expensive imported fuel, said Anil Nachrani, president of the Chhattisgarh Sponge Iron Manufacturers Association.

The producers in Chhattisgarh have appealed to the State miner to renew their pacts and are seeking talks with Coal Minister Pralhad Joshi, according to Nachrani.

Supply pacts for coal deliveries can be renewed if both parties agree, or instead awarded

through an auction process that India's government introduced in 2016 to boost transparency.

Coal India plans to follow the policy to auction supply contracts, it said in a response to requests for comment. The company did not specify when any new auctions will take place.

The state miner is under pressure to boost stockpiles at power plants during the current monsoon season, which typically disrupts coal production and transport. Coal accounts for 70 per cent of electricity production and efforts to prevent any disruptions are coming at the cost of industrial users. Inventories at power plants rose to an average of 10 days' supply on Sunday, well below required levels of more than three weeks, and about 18 per cent lower from a year earlier. Power Ministry is pushing plants to import more fuel and Coal India this month issued a first-ever tender to procure material from overseas.

Domestic coal is subsidised and international prices have surged to a record, stoking concern among industrial consumers who face having cheaper supplies from local mines restricted.

Chhattisgarh is among key production hubs. "We're sitting right in the middle of coal mines," said the sponge iron association's Nachrani. "Asking us to import is like asking someone in Middle-East to import oil."

ECONOMIC TIMES DATE : 29/6/2022 P.N.9

Power Min Asks CEA Officials to Take Stock at CIL Mines

Decision taken at meeting chaired by RK Singh on coal supply on Jun 18

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New Delhi: The power ministry has deputed officials from the Central Electricity Authority (CEA) to visit Coal India Ltd's mines, taking upon itself the task of distribution of fuel to power projects. Sources in the coal ministry said they did not seek such assistance. The power ministry has written to the coal ministry seeking Coal India's cooperation in the exercise.

The decision was taken at a meeting chaired by power minister RK Singh on the coal supply scenario on June 18.

Senior government officials in both ministries who did not want to be identified denied any differences on the issue.

The decision comes amid differences over projections of coal availability and low coal stocks, people in the know told **ET**.

The power ministry has projected a shortage of up to 4 lakh tonnes per day in the second quarter as it expects supply to fall below consumption because of rains. "The power ministry is working to avoid blackouts in the coming months and coal availability is a challenge," a ministry official said.

CIL, however, projects a comfortable coal stock position if power plants comply with the power ministry's directive to blend 10% imported coal with domestic coal.

In reply to a query sent by **ET**, Coal India said, the coal stock situation is not critical or alarming, and sufficient quantity is available in the system. CIL's pitheads are piled with 43.3 million tonnes, the company said adding that stock at power plants stands at 26.3 million tonnes including imported coal. Private washeries, goods sheds and ports have another 4.6 million tonnes.

ECONOMIC TIMES DATE : 29/6/2022 P.N.9

Steel Mills Plan Production Cuts as Demand Falls

Cos forced to shutter mills early for maintenance amid unviable exports & stock pile-up

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Mumbai: Steelmakers are expected to cut production next month by advancing annual maintenance shutdowns to regulate inventory, amid a fall in domestic demand and because of the new export duty that has made international sales unviable, said people in the know.

Finished steel inventory has piled up at steel mills, they said. A more than 22% decline in steel prices since its peak in April this year has made buyers wary of holding inventory in anticipation of further price corrections. Traders and user industries of steel had dipped into their stocks and once those are depleted, they are buying only as much as they need immediately.

Consumption of steel has also come down as the seasonally slow period of monsoon arrives.

Meanwhile, steel exports have also taken a backseat since New Delhi levied a 15% export duty on the alloy from May 22 in its efforts to arrest inflation. There was no export duty on steel earlier.

All these factors have resulted in piling of unsold inventory with steel mills, forcing them to advance annual maintenance shutdowns or even pare production by taking multiple smaller production halts of 2-3 days, the people said.

"It's a lose-lose situation for steelmakers," said a senior executive at a leading steel company.

JSW Ispat Special Products last week said in an exchange notification that it had advanced its planned shutdown and its blast furnace and other infrastructure would remain shut for 25 days starting June 21.

Usually, steel companies take 15-25 days of maintenance shutdown in September or October, when domestic demand is low. However, ET has learnt that many steelmakers will take these shutdowns in the coming month. Several secondary steelmakers have already taken production cuts.

"It doesn't make sense in continuing production and accumulating inventory and locking working capital," said Seshagiri Rao, joint managing director at JSW Steel.

Steelmakers in general are reducing production by 10-15%, the unnamed executive cited earlier said.

The average production of steel in India is about 10 million tonnes a month. Domestic consumption fell to 6 million tonnes last month, this executive said. In the absence of an opportunity to export, the differential was getting accumulated at steel mills.

India exported about 0.75 million tonnes of finished steel in May compared to about 1.24 million tonnes a year earlier. The decline was a direct impact of the export duty as a bulk of overseas sale happens in the last week of a given month, Rao said.

Export of steel is expected to be even lower in June than May, he said. India exported 1.38 million tonnes of finished steel in June 2021.

Flat steel products have particularly been hit by the export duty. Steelmakers in India had installed manufacturing capacities after accounting for significant flat steel exports.

'Hope Industry-specific Steps are Short-term'

Our Bureau

Mumbai: Tata Steel hopes that the sector-specific measures taken by the government to control inflation are short-term in nature, chairman **N Chandrasekaran** said while speaking at the company's annual general meeting on Tuesday.

The Centre imposed a 15% export duty on steel last month to help arrest inflation in the country. According to steelmakers, the duty has made exports unviable.

"The government has been taking industry-specific steps to tackle inflation which we hope would be short-term measures," Chandrasekaran said. "The steel industry in India is globally competitive and therefore Indian steel companies should be able to expand capacity."

The domestic steel industry can leverage its competitive position and export its products globally to not only earn foreign exchange but also provide opportunities for capital formation in India, the chairman said. This will also provide employment and allow Indian companies to invest in sustainable technology and create value for the long term, he added.

The Tata Steel chairman highlighted the company's entry into also manufacturing materials other than steel for future growth.

"To be more resilient to changing market demands and diversify its product portfolio and tap the growth opportunity in new materials, the company ventured into the new materials business comprising major verticals of composites, graphene and advanced ceramics including medical materials," he said.

ECONOMIC TIMES DATE : 29/6/2022 P.N.5

Demand for graphics cards falls to levels seen in 2019 when the crypto boom started

Bear Grip in Crypto Currencies Leads to Firesale of High-end Mining Hardware

Nehal Challawala & Pavan Burugula

Mumbai: The worst bearish streak in crypto currencies world-wide is having a ripple effect on the prices of hardware that supported the complex mining process of these digital assets. Gone are the days when crypto currency miners and the hardware makers raked in the moolah amid the recent boom in digital assets. In the wake of the crash in crypto prices, mining such digital assets has become unviable, resulting in miners dumping their high-end equipment in the resale market that has resulted in a crash in prices.

Sample this: Until a few months ago, if you needed a high-end graphic card, used to mine new bitcoins, it would have cost as much as Rs 2 lakh in the black market. Now, users can buy the same cards online at their sticker price of around Rs 1.1 lakh per unit. That's a drop of 45%.

The slump in price of graphics cards has been driven by dumping of these high-end pieces of hardware in the resale market by the crypto community.

"Every week prices are falling," said Vibhor Agarwal, chief executive at Supertron, one of the largest distributors of computer hardware in India. "The price correction which was much awaited has started happening."

Cryptocurrency mining requires users to solve a complex set of problems on the computers post which they unlock or mint new cryptocurrencies, like bitcoins. These complex algorithms require high computing power to solve and miners usually use graphics cards designed for intensive gaming for this job. As prices crashed, mining of cryptocurrencies has become unviable since the process itself is very expensive.

The sell-off in major cryptocurrencies started in April as global central banks started tightening their balance sheets and raising interest rates. Ultra-accommodative monetary policies by central banks in the developed world, which weighed down their currencies, have been one of the drivers of the demand for cryptos, which benefited from the perception of lower supply.

VARANI SAHU

Bitcoin, the most popular cryptocurrency, has shrunk to a third since November 2021 from $61,000 to $20,789 now. Ethereum, another popular cryptocurrency, has fallen nearly 70% since April to $1,203.

Mining cryptos is an expensive process. In addition to high-end hardware, it also consumes a lot of electricity. Two years ago, amid the crypto boom, several miners added newer rigs to maximise their returns. A mining 'rig', which is essentially a bank of graphics cards put together for mining, could contain anywhere from a few to tens of cards.

As miners pull out of the market—and even dump the cards they own in the resale market — the demand for graphics cards has reached levels seen in 2019 before the last crypto boom started, according to Deepak Gupta, the country head for graphics card maker Zotac Technology Limited.

"Long waiting periods for these pieces of hardware have become a thing of the past," said Gupta.

From lead times of as long as 16 weeks in 2020 and 2021, now suppliers in India can get them shipped within a couple of weeks of placing an order. The cards are not manufactured in India and the market completely relies on imports.

Prices have come close to the manufacturer's suggested retail price (MSRP) in the market. For instance, a card containing an Nvidia RTX 3080 TI chipset retails around Rs 1.15-1.2 lakh in India, compared to the manufacturer's MSRP of Rs 1.11 lakh, Gupta said.

Zinc futures: Go long at the current level of ₹298

AKHIL NALLAMUTHU
BL Research Bureau

The continuous contract of zinc futures on the MCX (Multi Commodity Exchange) has been on a fall ever since it made a high of ₹383 in early April. By hitting a low of ₹291 last week, it depreciated by 24 per cent. Nevertheless, it recovered from that level and closed at ₹300.8 on Tuesday.

Although the overall bias is bearish, we expect the recovery to extend. It can rally to ₹318, a key resistance level. Subsequent resistance is at ₹322. A breach of this level can take the contract to ₹336. On the contrary, if the support at ₹292 is invalidated, the contract might see a swift fall to ₹275.

But broadly, we expect the contract to at least rally to ₹322 before witnessing further fall.

So, given the prevailing conditions, one can risk by taking counter trend positions. That is, go long at the current level of ₹298 and accumulate more if it retests ₹292. Stop-loss can be placed at ₹284. When the contract surpasses ₹316, tighten the stop-loss to ₹306. Liquidate all the shorts when the contract touches ₹322.

Note that this is a counter-trend trade and so, this is not for trend followers.

BUSINESS LINE DATE : 30/6/2022 P.N.11

Prolonged duty on steel offerings may affect supply chains: Indian Steel Association

ABHISHEK LAW

New Delhi, June 29

Export duty on Indian steel offerings, if continued for a longer period may affect supply chains, especially when the world is exploring a China plus one strategy, said Alok Sahay, Secretary General and Executive Head of the Indian Steel Association.

"We emerged strong (post Covid) with the world moving to a China plus one strategy but then the export duty came. It disrupted supply chain relationships the mills were establishing ... If the duty continues for a longer period, then may be we will see some consequences," Sahay told *BusinessLine*.

Case for steel exports

Steel demand is growing at 6-8 per cent in India. "This means, we need to generate additional domestic demand for at least 1-2 million tonnes per month, at current capacity levels," he said.

Representatives of the Indian Steel Association and other industry captains had met Finance Minister Nirmala Sitharaman recently to apprise her of the proposed investments and the need to continue exports.

"We are hopeful that there will be a withdrawal of export duty soon, now that there is cooling off in prices in India. It is pertinent that steel exports also generate foreign exchange," Sahay added.

Steel demand slackened over the last one month with prices of the benchmark hot rolled coil hovering around ₹61,000 per tonne compared to the ₹73,000-76,000 per tonne range it commanded in April.

Input cost rise

"That 60-day odd period (covering March to early-May) saw steel prices head up due to coking coal price. If you see, by May 22 — when export duty was imposed — steel prices, in line with global prices, were cooling off. Another week or so, prices would have come down further and stabilised," he said, adding that since February 2022, the industry body had reached out to the Centre to look into the volatility of coking coal prices.

Alok Sahay, Secretary General and Executive Head, Indian Steel Association

From the previous lows of $110 per tonne, a year back, the import price of coking coal peaked at $670 per tonne in March 2022. Even at the current coking coal price of around $400 per tonne, mills witnessed a cost rise of ₹15,000 per tonne ($200 per tonne).

However, at current levels and slacked demand, mills are expected to face a substantial margin pressure.

Industry capex

According to Sahay, mills have been opting for brownfield expansion, keeping in mind the sector's long gestation period. While the announced capex will continue, those on the drawing board "may get impacted".

As per CMIE data, new investments announced by the steel sector account for 36 per cent of the total manufacturing capex for FY22, up from the 5 per cent announced for FY18, when the sector was going through its downturn cycle.

BUSINESS LINE DATE : 30/6/2022 P.N.2

JSW Steel to invest ₹10,000 crore to reduce carbon footprint: Jindal

Steelmaker also plans phased expansion of capacity to 37 mtpa from 27 mtpa

OUR BUREAU

Mumbai, June 29

JSW Steel plans to invest ₹10,000 crore to reduce carbon emissions across operations through various initiatives. It was the first steel company in the world to raise $1 billion through the issue of two US dollar-denominated Sustainability Linked Bonds of 5.5 years and 10.5 years.

Sajjan Jindal, Chairman, JSW Steel, said the company has earmarked ₹10,000 crore for investments to reduce carbon emissions through various initiatives such as increasing the use of renewable energy, reducing fuel rate through improved raw material quality through beneficiation, and deploying best available technologies. "We have contracted for 1GW of renewable energy, of which 225 MW became operational in April and the remaining will come on stream in phases. We have committed to reducing our CO_2 emissions intensity by 42 per cent by 2030, compared to the base year of 2005, aligned with India's Nationally Determined Contribution," Jindal said in the company's annual report.

'Short-term headwind'

Terming the export duty of 15 per cent levied in May as a short-term headwind, Jindal said the industry would continue to engage with the government on this matter and believes that the duties would be withdrawn once inflation moderates.

Sajjan Jindal, Chairman, JSW Group

India is a cost-competitive exporter of steel and has an opportunity to take on a larger role in the global steel trade. The government continues to encourage manufacturing-led growth and merchandise exports from India. JSW Steel is expanding capacity in a phased manner to 37 mtpa from 27 mtpa to tap the opportunities in domestic and global markets, he said.

"The financial year gone by was a mixed bag, with most major economies rebounding from the negative effects of Covid. However, commodity price volatility, soaring energy prices, lingering supply chain challenges and geopolitical conflicts have made the recovery increasingly fragile. Although global growth expectations have moderated recently, the structural demand drivers for commodities such as steel remain intact." said Jindal.

The company received approval for 25 different grades of Advanced High Strength Automotive Steel from auto OEMs, including high-strength structural steel and a special alloy steel grade with better specific steel purity qualities.