



खनिज समाचार  
**KHANIJ SAMACHAR**  
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# खनिज समाचार

# KHANIJ SAMACHAR



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INDIAN BUREAU OF MINES

VOL. 6, NO – 13 , 1<sup>st</sup> – 15<sup>th</sup> JULY 2022



# Increase in Import Duty to 12.5% to Make Gold Costlier by ₹2k/10 Gram

**Sutanuka Ghosal**  
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**Kolkata:** Gold is set to become costlier by ₹2,000 per 10 gram for the Indian consumers as the government has increased the import duty on gold from 7.5% to 12.5%.

The sudden hike in gold import duty has also taken the industry by a surprise and they fear that this will give rise to entry of gold through the illegal route.

The government has taken the step to curb imports of gold amidst increasing trade deficit and ailing rupee. The trade deficit during the first two months of the current fiscal widened to \$44.69 billion as against \$21.82 billion in the same period of FY22. The imports of gold increased to 107 tonnes in May, which had a direct impact on the widening of the trade deficit. Industry sources said that shipments are also likely to have been significant in June.



The widening trade gap and continuous outflow of foreign funds pushed rupee to a lifetime low of 79.11 against the dollar in the early trade on Friday.

Earlier, the total tax incidence on gold was 13 per cent including 3 per cent Goods and Services Tax (GST). Now it has gone up to 18 per cent, which includes 12.5 per cent import duty, 2.5 per cent agriculture infrastructure and develop-

ment cess and 3 per cent GST. The government came out with the import duty revision on Thursday night.

"The sudden hike in gold import duty has taken us by surprise. It will make gold costlier by Rs 2000 per 10 gm. We understand government's situation as regards to rupee versus dollar. But this hike will put the entire industry in a spot and may encourage smuggling of the yellow metal. We will engage with the government to resolve the situation in favour of the domestic industry," said Ashish Pethe, chairman, All India Gem and Jewellery Domestic Council.

In the Indian market, gold was trading at Rs 51,849 per 10 gm. In the international markets, gold fell below \$1,800 on Friday, a third straight weekly dip as a stronger dollar and prospects of higher interest rates eroded its safe-haven appeal with the import tax hike by India also seen dampening demand for bullion. Spot gold fell 0.6% to \$1795.89 per ounce.

**BUSINESS LINE**

DATE: 2/7/2022 P.N.8

## Gold import duty hike will promote grey market: WGC

**OUR BUREAU**

Mumbai, July 1

The sharp increase in gold import duty will once again incentivise gold smuggling and push the trade to deal with the grey market. Though gold prices are falling globally, it has been holding steady in India due to rupee depreciation against dollar. The price difference between legal and smuggled commodity will play a major boost for jewellers to source gold illegally.

Somasundaram PR, Regional CEO (India), World Gold Council, said the increase in import duty on gold to 12.5 per cent aims to reduce gold imports and ease macro-economic pressure on rupee. However, overall taxes on gold will now rise from 14 to about 18.45 per cent and unless this is tactical and temporary, this will strengthen the grey market with long-term adverse consequences for gold market.

THE HITAVADA DATE : 3/7/2022 P.N.7

## Hindustan Zinc mined metal output rises 14%

NEW DELHI, July 2 (PTI)

VEDANTA group firm Hindustan Zinc on Saturday reported a 14 per cent increase in mined metal production to 2,52,000 tonnes for the first quarter of 2022-23.

The rise in mined metal production was due to higher ore production largely at Sindesar Khurd, Rampura Agucha and Kayad mines supported by better mill recovery.

The mined metal output was at 2,21,000 tonnes in the corresponding quarter of previous fiscal, Hindustan Zinc said in a statement.

The refined metal production in the first quarter of the current fiscal was at 260,000 tonnes, registering a rise of 10 per cent as compared to Q1 FY'22 in line with availability of mined metal and better plant availability and flat sequentially.

The output of integrated zinc increased by 10 per cent to 2,06,000 tonnes, Hindustan Zinc said in a statement.



# Gold might inch up

## However, silver turns bearish

**AKHIL NALLAMUTHU**

BL Research Bureau

Gold prices dropped in the international market, as India, the second-largest consumer of gold, unexpectedly increased import duty to fight the expanding trade deficit. Gold spot depreciated 0.9 per cent to close the week at \$1,810.2 an ounce. On the other hand, silver spot dropped by a significant 5.8 per cent to end the week at \$19.87 per ounce.

As the import tax in India was increased from 10.75 per cent to 15 per cent, the prices fared comparatively better in the domestic market. Gold futures on the MCX (Multi Commodity Exchange) posted a weekly gain of nearly 2.6 per cent to wrap up the week at ₹51,917 (per 10 gram), whereas silver futures lost about 3.4 per cent last week to end at ₹57,742 (per kg). Despite the deviation in performance in gold between the global and domestic market prices last week, the overall trend will remain the same. Although prices dropped, gold spot in the international market is above a support level and that means, this week can be positive for the yellow metal.

### MCX-Gold (₹51,917)

The August futures of gold on the MCX gained last week and closed above the resistance at ₹51,800. This gives the contract some positive bias and there is a good chance for it to appreciate from here. This week, it could go past the intermediate hurdle at ₹52,000 and rally to ₹53,000. A breach of this can lift it up to ₹53,700.

Supporting the positive bias, the cumulative open interest (OI) of gold futures on the MCX increased to 16,326



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contracts on Friday compared to 15,883 contracts a week ago.

On the other hand, if gold futures decline from here, it can find supports at ₹51,000 and ₹50,000. The 200-day moving average (DMA) coincide at ₹50,000 making the support stronger and so, a decline below ₹50,000 this week is less likely.

### MCX-Silver (₹58,175)

The September futures of silver on the MCX declined last week and it closed at ₹58,175. But the nearest expiry – July series, which expires on Tuesday, closed at ₹57,742 thereby breaching the crucial support ₹58,000. This has turned the trend bearish and hence, prices are expected to drop this week as well.

Corroborating the bearish inclination, the cumulative OI of silver futures on the MCX increased to 20,594 contracts on Friday as against 16,381 contracts a week ago, indicating short build-up. In fact, this short build-up has been seen over the past two weeks.

Therefore, September futures is expected to decline to ₹55,000 in the short run. Subsequent support is at ₹53,000. Alternatively, if the contract recovers, resistances are at ₹60,000 and ₹61,360.

# Steel exports continue decline, down 42% in May

Weakened Asian order book, competitively priced Chinese offerings reasons for the slump

**ABHISHEK LAW**

New Delhi, July 3

A weakened Asian order book and competitively priced Chinese offerings saw Indian steel exports take a hit in May, dipping 42 per cent over the same period last year. Finished steel exports in May were around 6,82,000 tonnes, flattish on a month-on-month basis.

In April and May, exports declined 35 per cent year-on-year (y-o-y) to 13,58,000 tonnes. Steel exports have been declining since March. "Bookings had been done previously and mainly to Europe, while demand from Vietnam, amongst top buyers of Indian steel, was weak," exporters told *BusinessLine*.

## Flat sales slowdown

The flat product category, which accounts for 75-80 per cent of exports, stood at 11,88,300 tonnes, down 31 per cent, Steel Ministry data accessed by *BusinessLine* showed. Flat products include plates, hot-rolled sheets, hot-rolled coils and strips, tin plates, cold-rolled coils and sheets.

The drop in demand for non-flat products – bars, rods, structural and railway materials – was the sharpest. The two-month export numbers were down 48 per cent y-o-y at 1,70,000 tonnes. The fall in billet and slab sales (considered semi-finished) for April-May was 40 per cent over the same period last year at 4,61,300 tonnes.

"Export orders have been further hit in June and with the imposition of the export duty by the Centre. India's offerings are at least 10 per cent costlier over



The drop in demand for non-flat products – bars, rods, structural and railway materials – was the sharpest

The impact of the export duty imposition is also expected on July orders, initial bookings of which have been slow.

## Vietnam sales hit

According to trade sources, sales drop in Vietnam is pegged between 50 and 80 per cent. The combined April-May exports was around 67,000 tonnes. End-users preferred domestic steel at a lower price. China exported large volumes at competitive rates and EU quotas limited imports (thereby limiting sales here).

"Mills received practically no offers for Indian stocks from Vietnam," a trade source said. Vietnamese mills normally procure hot-rolled coils from India, value-add for onward exports to the EU. However, the import quotas are limiting such sales and stocks are piling up in the domestic market.

## Italy, Belgium buy

However, Italy emerged a key buyer with finished steel sales (excluding alloy and stainless steel) for the two months being 3,03,000 tonnes (up on a month-on-month comparison). Belgium was another big buyer with sales to the European nation being around 1,79,000 tonnes. This apart, Turkey and Nepal were among the larger export markets with sales of 1,13,000 ton



## AROIBM's new executive body elected

■ Staff Reporter

ASSOCIATION of Retired Officers of Indian Bureau of Mines (AROIBM)'s Annual General Body meeting was held recently at Shri Ram Mandir, Ramnagar.

The elections for the year 2022 and 2023 (upto December 31, 2023) were held. The executive body of members elected unanimously include: President: Dr Suresh S Bhake; Vice President: Abhiram Chaudhari, Ashok Kumar Sengupta; General Secretary: KR Nagaraj; Joint Secretary: C S Tiwari; Treasurer: K P Sondawale; Executive Members: C L Pitale, P R



Newly-elected body of retired officers of IBM.

Bawane, R P Saonerkar, Dr C J Radhakrishna; Internal Auditor: R K Chandak. Election was conducted by S L Pitale. The Annual General Body meeting expressed its gratitude to the outgoing body for running the association smoothly for the last two

years. The members who attained 75 years' innings were felicitated with love affection. They are S M Dhandekar, R R Chawak, T N Bahadure, S K Wadiwa. The group resolved to hold more such activities. Vote of thanks was proposed by Y G Joshi.



## IRON WILL

# GMDC goes all out to prove its mettle

The Gujarat-based PSU ropes in a slew of consulting firms in a transformative exercise

RUTAM VORA

There's a flurry of action taking place at the Gujarat Mineral Development Corporation Limited (GMDC), the State PSU that posted a shocking loss last year — its first ever in its 59-year history. Since then, the minerals major has embarked on a major transformative exercise to revive the "old gem".

In a first for itself and among the pack of State PSUs in Gujarat, the mining major has roped in not one but four global management consultants to achieve its targeted objectives of operational efficiencies, increased profitability and production diversity.

The PSU which is the country's leading lignite miner is going all out to make it big in newer areas such as Rare Earth Metals (REMs).

To help it recover from the shock of the losses posted last year, the Gujarat government deployed a top bureaucrat, Roopwant Singh, to oversee the PSU's transformation. GMDC has onboarded Boston Consulting Group (BCG), McKinsey & Co, AT Kearney and Deloitte, paying top dollar to help it forge ahead. Last year was the first-ever loss on an annual basis for the company. The reason for the loss was the company's Akrimota Thermal Power Station in Kutch, for which it had taken an impairment loss as the plant had incurred cash losses during the year.

## Big push with Big Four

Each of the four consulting firms has a clear-cut role.

Boston-headquartered BCG has been asked to look into the company's strategic transformation, from being known as a coal miner to its aspiration of becoming a diverse mineral resources player having interests in niche as well as volume segments. McKinsey & Co is tasked with helping the company develop a portfolio of Rare Earth Elements (REE), while Chicago-headquartered AT Kearney will help GMDC transform its thermal power projects and the London-headquartered Deloitte is expected to fast-track its six new lignite mining projects — the core business area for the company.

At an analysts call last month, the management said, "BCG has been onboarded by GMDC for strategic transformation. The non-lignite business is a far vision of

our company. At present, we are defining our lignite mining and lignite business, but as associated minerals we are having a portfolio of silica sand, fluorspar, multi-metal, limestone. We are making a strategy for all the minerals with the help of BCG."

In the non-lignite space, the company's bauxite mining and sales have remained tepid in spite of having rich bauxite prospects. The company, therefore, has started addressing the issues of customer engagement to increase such sales. "We have engaged BCG and we are also chalking out the plan to actually increase the sale of bauxite in a big way," Rajat Das, General Manager (Marketing & Sales) of GMDC told analysts recently.

## Back to riches

Established in 1963, the State PSU is considered as one of the gems of Gujarat to tap the mineral-rich basket of the State. Against the mineral demand of 25-28 million tonnes, GMDC produces 8.5 million tonnes, giving the company a comfortable demand environment. Considering this, the company has targeted to increase its production by 10-15 per cent per

against ₹37 crore net loss last year. Joel Evans, Company Secretary, GMDC, had said, "It is the best ever annual results over the last five years and the second best in the company's entire life so far."

## REM is a new bet

In an earlier interaction with *Business Line*, Roopwant Singh, MD, GMDC had indicated the company's intentions to build-on its capabilities in other minerals and metals including REMs. In the associated minerals, GMDC has strong resources in silica sand, fluorspar, multi-metal, limestone and it aims to increase the share of business to about 50 per cent from these non-lignite segments. However, lignite currently holds about 85 per cent share in its operations and will continue to be mainstay for the company's operations after six mines going on stream.

For the Rare Earth Elements/Metals, McKinsey & Co will help the company develop the portfolio. Gujarat is said to have decent prospects of REMs. There are plenty of non-lignite prospects as Gujarat's northern district of Banaskantha has base metal deposits, and GMDC holds a mining lease on about 184 hectares in the area. The company is in the process of starting a geological study of this area followed by geophysical mapping and drilling. This, according to Singh, will drive the company's objective to venture into high-value products.

GMDC has also realised that for the turnaround to be sustainable, it needs to address the cash-burn operations, which includes its

250 megawatt (2x125 Mw) thermal power plant in Kutch. The company uses its own lignite as fuel for the power plant, but the plant has been burning cash for over a decade.

The GMDC board decided to rope in AT Kearney for the transformation of its thermal power projects in a bid to achieve better efficiency and profitability. The consultant has done the technical study, financial assessment of the plant with recommendations on improvements needed.

The market has noticed the company's turnaround moves and the stock, having a market capitalisation of about ₹4,300 crore, has rallied by over 200 per cent during past fiscal outperforming other Gujarat PSUs.



GMDC Mining its way back to riches with an expanded basket of products

annum, with the goal of reaching 10 million tonnes of production next year.

On the lignite front, GMDC has obtained six new lignite blocks with reserves of around 540 million tonnes over and above the existing reserves. Deloitte has been tasked with helping the company fast-track these six new lignite mining projects.

The company's strength, however, lies in its pricing and the quality of lignite it sells.

The helping hand is paying off. In the last two quarters of the past fiscal, GMDC not only streamlined its operations to achieve better efficiencies and profitability, it also proved its mettle with 2x growth in revenues and a remarkable return to black with ₹404 crore profits



# SCCL aims for 74 MT production

₹8,670 crore turnover includes ₹7,598 crore from coal

SPECIAL CORRESPONDENT  
HYDERABAD

Buoyed by the record growth of 36% in the coal and energy sales during the first quarter of the current fiscal, Singareni Collieries Company Ltd (SCCL) is eyeing a record production beyond the target of 70 million tonnes with the management aiming for 74 million tonnes.

In terms of production, the public sector coal company has mined 16.92 million tonnes of coal during the April-June quarter of 2022-23 against the target of 17.02 million tonnes. Last year, the production was 15.57 million tonnes in the first quarter. The dispatches of coal, however, crossed the target as they were at 17.3 million tonnes against the target of 17.02 million tonnes. Last year, they were at 16.7 million tonnes.

Performance of the company in the first quarter was reviewed by Chairman and Managing Director N. Sridhar here on Monday with the Area General Managers taking part virtually, while the Directors and Advisors attended in person. The management complimented the employees/workers for



SCCL posted ₹8,670 crore sales during April-June quarter this fiscal against ₹5,374 crore sales achieved during the same period in 2021-22. ■ FILE PHOTO

achieving the record turnover and making available contracted quantity of coal to customers having linkage, in spite of facing some shortage of explosives.

According to the company officials, the company has posted ₹8,670 crore sales during the April-June quarter this fiscal against ₹5,374 crore sales achieved during the same period in 2021-22. The growth rate was highest among all other public sector coal companies in the country during the first quarter, they claimed.

The three months' turnover comprised ₹7,598 crore from coal sales and ₹1,062 crore from energy sales. The company has a 2,600 megawatt thermal power and another 219 MW solar power generation capacity so far.

Stating that the company had all good tidings this year compared to the last two Covid-impacted years, Mr. Sridhar said at the review meeting that every member of the company should aim for 74 million tonnes coal production this year since the shortage of explosives was being overcome and production in two new mines was expected to commence soon.

The turnover of the company was about ₹12,000 crore in 2013-14 but it could reach ₹34,000 crore this year. Last year, the turnover was about ₹26,000 crore with a coal production of 65 million tonnes. New mines and expansion of thermal and solar power generation capacities would be additional revenue sources to the company, he explained.

## Neelachal Ispat handed over to Tata Steel Long

OUR BUREAU

New Delhi, July 4

The Government on Monday completed the privatisation of Neelachal Ispat Nigam Limited (NINL) by handing it over formally to Tata Steel Long Products Limited.

The buyer has paid ₹12,100 crore. This will be used to for settlement of dues of employees, operational creditors, secured financial creditors and sellers (operational and financial dues) and for equity of selling shareholders as per SPA (share Purchase Agreement).

Following approval of the highest price bid of Tata Steel Long Products Limited on January 31, the Letter of Award (LOA) was issued to the winning bidder on February 2. Thereafter, the strategic partner, NINL and the six selling shareholders worked towards satisfying a set of conditions defined in the SPA including certification of operational creditor's dues, employees' dues, sellers' operational dues and sellers' financial dues. These conditions have since been met to mutual satisfaction.

NINL was a joint venture of four CPSEs, namely MMTC, NMDC, BHEL, MECON and 2 Odisha government PSUs, namely OMC and IPICOL.



## MCX copper: Liquidate shorts at current levels



**AKHIL NALLAMUTHU**

BL Research Bureau

Over the past month, the relentless selling in copper futures on the MCX resulted in the metal hitting a 52-week low, marking a low of ₹672.15 before wrapping up the week at ₹679. Nevertheless, the price range of ₹660-675 is a significant base. The 38.2 per cent Fibonacci retracement level of the rally between March 2020 and March 2022 coincides at ₹675, making the support stronger. Hence, there could be a bounce at the support band of ₹660-675. There is no denying that the overall bias continues to be bearish. Yet, given the contract has fallen sharply and hovers around the support area, the case for a corrective rally looks reasonable. Traders holding short positions can liquidate at the current levels. Going forward, the following are the alternatives that we suggest. One, short copper futures if it breaches support at ₹660; place stop-loss at ₹700. When the contract falls below ₹620, tighten the stop-loss to ₹640. Exit the shorts at ₹590. Two, wait for the contract to rally to ₹720 and then go short. Keep stop-loss at ₹750. Alter stop-loss to ₹700 when contract slips below ₹660 and tighten it further to ₹640 when copper futures move below ₹620. Liquidate at ₹590. However, a rally above ₹720 can build positive momentum and consequently, appreciate to ₹760 and possibly to ₹780.



# Analysts cut net profit estimates of metals and oil & gas sectors by 34% and 12% Steel, Oil & Gas Stocks See Market Cap Erode by ₹2.6 Lakh Cr on New Taxes

Rajesh Mascarenhas  
@timesgroup.com

**Mumbai:** A whopping Rs 2.6 lakh crore market capitalisation has been wiped out from steel and oil & gas stocks after the government imposed new taxes on these two sectors.

The new taxes will impact corporate earnings and may also raise a fair degree of concern among investors about the overall investment climate in the country, analysts warned.

"The recent imposition of new taxes or increase in tax rates in a few sectors may help the government garner additional revenues and fight inflation, but it will also hurt corporate profits and market capitalisation and

## Selloff Pressure

Market-cap loss since May 23

Metal Stocks	Crore	% Chg
Tata Steel	-37,848	-26.48
JSW Steel	-18,940	-12.42
Jindal Steel	-15,146	-31.00
NMDC	-11,063	-25.79
SAIL	-5,535	-16.14
Jindal Stain	-2,772	-34.45

Source : ETIG Database

Market-cap loss since July 1

Oil Stocks	Crore	% Chg
Reliance Inds	-127,800	-6.20
ONGC	-43,339	-15.91
Oil India	-5,303	-24.32



India's overall investment climate," said Sanjeev Prasad, co-head at Kotak Institutional Equities. "The bulk of our recent earnings downgrades are largely because of the new taxes. We can only hope these measures are for a limited duration

and do not extend to more sectors."

The government had on Friday levied Rs 6 per litre export tax on petrol and aviation turbine fuel (ATF) and Rs 13 per litre on diesel and imposed additional excise duty of Rs 23,250 per tonne on do-

mestic crude oil production.

Earlier, on May 21, the government had raised export duty on iron ore and a few steel intermediates, to increase their local availability and check price rise.

Analysts have cut estimated net profits of the metals sector and oil & gas sector in Nifty for 2022-23 by 34% and 12%, respectively, over the increased taxes.

Steel companies eroded nearly 20%, or Rs 1.11 lakh crore, of the overall market capitalisation since May 23, while oil & gas stocks have erased nearly 7%, or Rs 1.45 lakh crore, of investors' wealth in the last three trading sessions.

International metal prices have also corrected recently with china metal price dropping to 16 months lows with rise in inventory.

BUSINESS LINE DATE : 6/7/2022 P.N.6

# Metal stocks rally on China infra push

China's \$75-billion infrastructure fund is expected to boost metal prices

OUR BUREAU

Mumbai, July 5

After a long hiatus, metal company shares were in demand on reports that China is planning to set up a \$75-billion infrastructure fund to boost its economy battered by multiple Covid attacks.

The revival of metal demand in the world's second-largest economy is expected to prop up metal prices and help Indian metal companies reeling under slowing demand, said analysts.

Shares of JSW Steel, Tata Steel, Jindal Steel, Steel Authority of India, Hindalco, Vedanta and Nalco were up between 1 per cent and 3.5 per cent after surging sharply during the day's trade. For in-

stance, Hindalco gained five per cent to day's high of ₹357 from the previous close of ₹341, but closed at ₹345 on profit booking. Similarly, Tata Steel gained three per cent to day's high of ₹ 879 before closing at ₹860.

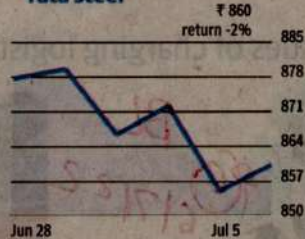
## 15% duty sinks mood

Most of the metal companies have come under pressure after the government levied 15 per cent duty on steel in May to rein in run-away prices amid rising inflation concern. Even since steel prices have crashed along with most other metals.

However, a surge in Chinese demand could be a positive for Indian companies which had ramped up their exports to the Asian country in the wake of Chinese shutting down production due to environmental concerns.

The Chinese economy has been shattered due to the frequent outbreak of the Omicron

## Tata Steel



variant in the country. Rampant lock-downs across major industrial hubs have crippled the Chinese economy and cast a cloud over the country's growth target of 5.5 per cent for this year.

## Pricing, production impacted

Back home, metal prices have been falling freely due to weak demand and excess supply in the market. Though some of the steel companies are keeping their promise to their international clients by exporting despite the 15 per cent duty, many smaller steel mills are weighing

the option of cutting production.

Hot rolled coil prices have fallen nine per cent to ₹60,200 compared to last month, while the entire non-ferrous metal have come under heavy pricing pressure. Nickel and Zinc prices have dipped 23 per cent and 21 per cent to \$21,766 a tonne and \$3125 a tonne, while copper and aluminium prices fell 16 per cent and 15 per cent month-on-month to \$7,976 a tonne and \$2,384 a tonne. Lead was down 12 per cent at \$1,919 a tonne.

Vishal Chandak, Research Analyst, Motilal Oswal said the domestic steel industry has not yet taken the plunge on production cuts as Tata Steel and SAIL maintain healthy production rates.

Domestic HRC premium to export prices now stands at ₹8,000 a tonne, while domestic prices continue to quote at a discount of ₹2,500 a tonne on import parity basis, he said.



# Initiate shorts on MCX lead; keep the stop-loss at ₹184

## COMMODITY CALL

**AKHIL NALLAMUTHU**

BL Research Bureau

The price of lead had been consolidating for quite a long time. Consequently, the continuous contract of lead on the MCX (Multi Commodity Exchange) was oscillating between ₹180 and ₹195 from September 2021 to June this year.

Nevertheless, towards the end of June, it broke below the support at ₹180. Last week, it closed at ₹175 and, technically, this can be taken as a confirmation for a bearish reversal, at least as a short-term view.



From the current level of ₹175, the nearest support can be found at ₹166. Subsequent support is at ₹158.

At ₹158 lies the 50 per cent Fibonacci retracement level of the rally between the March 2020 low of ₹118.85 and the high of ₹198 in early March 2022.

This makes ₹158 a signi-

ficant support, and a decline below this is less likely.

But there is a possibility for the contract to retest the support-turned-resistance level of ₹180 before falling below ₹170.

Traders can consider initiating fresh short positions at the current level of ₹175 and short more when the contract sees a rally to ₹180. Place stop-loss at ₹184.

When the contract drops to ₹166, exit three-fourth of the shorts and tighten the stop-loss to ₹172. Exit the remaining short when price touches ₹158.

# Revision in HRC prices accelerates steel nosedive

Prices now down 25 per cent from the peak they were commanding earlier this year

**ABHISHEK LAW**

New Delhi, July 5

Domestic steel prices saw a ₹3,000-5,000 per tonne decline, month-on-month, with primary steelmakers announcing a revision of the flagship hot-rolled coil (HRC) prices. The revision was made for early to mid-July deliveries.

Most of the major mills (which include private players and PSU majors) have announced a price band (for HRC) between ₹61,000 per tonne and ₹62,000 per tonne, cold rolled coil prices are in the ₹68,000-70,000 per tonne range; while rebar prices are in the ₹59,000-60,000 per tonne range.

Steel prices have now corrected 4-8 per cent on a month-on-month basis (July versus June); while they are down by 25 per cent from the peak that they were commanding earlier this year. Weakened demand including seasonal fluctuation and a focus on clearing excess stocks — following slow export orders — ahead of monsoons are seen as prime reasons for the drop.

Tata Steel, while giving out provisional production and delivery numbers for April to June period, said, deliveries were at 4.06 million tonne, lower by 2 per cent y-o-y, due to moderation in exports following the imposition of 15 per cent export duty. However, the company said domestic deliveries were ramped up leveraging the strong marketing network and increased by 5 per cent



Weakened demand including seasonal fluctuation and a focus on clearing excess stocks — following slow export orders — ahead of monsoons are seen as prime reasons for the drop in prices

y-o-y. Spot steel prices, ex-Mumbai are at around ₹60,100 per tonne, down 6 per cent, from the ₹63,700 per tonne it was commanding in early June.

## Price bottoming out

According to Ranjan Dhar, Chief Marketing Officer, AM/NS India, mills have sharply revised prices downwards in May and June and now "it's the bottom".

"July is basically a rollover of June exit numbers. We don't see any further reduction possible now as mills have already cut a lot of production by preponing maintenance shutdowns, correcting the inventory overhang," he told *BusinessLine*.

Dhar added, cost of production continue to remain elevated and there are hardly any EBITDA margins for domestic mills at current price levels. "Mills might have to look at price increases at an appropriate time to cover costs," he said.

## Slowing demand

Steel demand has been slowing down and it also has an impact with iron-ore prices cooling down. Iron ore is one

of the primary steelmaking raw materials. Iron-ore auctions, too, have been receiving weak responses over the last few weeks.

State-run iron ore miner NMDC saw sales nosedive by 40 per cent in June to 1.9 million tonnes (mt); from 3.18 mt in the year ago-period. For Q1 FY23 (April to June), NMDC reported a 20 per cent y-o-y decline in sales to 7.66 mt (9.57 mt), despite reducing prices by up to 36 per cent between April 1 and June 5.

## One-on-one negotiations

According to buyers, some of the mills are also open to one-on-one negotiations too and there could be some price variations. Domestic demand for construction steel (long steel, plates, galvanised, etc) is down because of the monsoons and pre-monsoon buying has been completed. Thus sales of such material will drop too.

According to a SteelMint report, mills are also eyeing parity with import prices. And the July domestic prices are in parity with Japan and Korean landed import offers.



# कोयला उत्पादन जून 2022 में 32.57% बढ़कर 6.76 करोड़ टन

एजेंसी | नई दिल्ली

देश का कोयला उत्पादन जून 2022 में 32.57 प्रतिशत बढ़कर 6.76 करोड़ टन रहा जो पिछले वर्ष 5.10 करोड़ टन था। कोयला मंत्रालय ने बुधवार को एक बयान में कहा कि इस वर्ष जून के दौरान कोल इंडिया लिमिटेड 28.87 प्रतिशत वृद्धि के साथ 5.15 करोड़ टन कोयले का उत्पादन किया। सिंगरेनी कोलियरीज कंपनी लिमिटेड (एससीसीएल) ने 5.50 प्रतिशत की बढ़ोतरी के साथ 55.6 लाख टन और कोयला उत्पादन करने वाली अन्य कंपनियों ने 83.53 प्रतिशत की वृद्धि के साथ 1.05 करोड़ टन का उत्पादन किया। देश की शीर्ष 37 कोयला खदानों में से 22 खानों ने 100 प्रतिशत से अधिक उत्पादन किया और अन्य नौ खानों का उत्पादन 80-100 प्रतिशत के बीच रहा। मंत्रालय के आंकड़ों के अनुसार इस महीने में कोयले का उठाव 7.55 करोड़ टन रहा जो जून 2021 के मुकाबले 6.25 करोड़ टन से 20.69 प्रतिशत अधिक है। इस दौरान सीआईएल और कोयला उत्पादन करने वाली अन्य कंपनियों ने क्रमशः 5.90 करोड़ टन और 1.11 करोड़ टन कोयला भेजकर 15.20 प्रतिशत और 88.23 प्रतिशत की वृद्धि दर्ज की। एससीसीएल ने जून 2022 में 0.46 प्रतिशत की नकारात्मक वृद्धि



दर्ज की। बिजली की मांग में वृद्धि के कारण जून 2022 में बिजलीघरों को 30.77 प्रतिशत वृद्धि के साथ 6.49 करोड़ टन कोयला भेजा गया। जून 2021 में यह आंकड़ा 4.96 करोड़ टन था। कोयला आधारित बिजली उत्पादन में जून 2021 की तुलना में जून 2022 में 26.58 प्रतिशत की वृद्धि दर्ज की गयी। जबकि आलोच्य महीने में कुल बिजली उत्पादन जून 2021 की तुलना में 17.73 प्रतिशत अधिक रहा। कोयला आधारित बिजली उत्पादन मई 2022 में 98.61 अरब यूनिट के मुकाबले जून 2022 के महीने में 95.88 अरब यूनिट रहा जिसमें 2.77 प्रतिशत की नकारात्मक वृद्धि दर्ज की गयी। कुल बिजली उत्पादन भी जून 2022 में घटकर 139 अरब यूनिट रहा जो मई 2022 में 140.06 अरब यूनिट रहा। इसमें भी 0.76 प्रतिशत की नकारात्मक वृद्धि दर्ज की गई।

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## Go short in aluminium futures in two legs

AKHIL NALLAMUTHU

BL Research Bureau

The aluminium prices were range-bound for nearly two weeks, after a significant fall. The continuous aluminium futures on the MCX, which has been declining since March, oscillated between ₹205 and ₹215 for a couple of weeks.

Currently, the contract is trading at around ₹205 and the price action on the lower time charts shows that it has been forming lower highs over the past two weeks and given a bearish trend, a breach of the lower boundary of the range i.e., ₹205 is imminent. Even if there is a rally from here, it is not likely to extend beyond ₹215. Traders can short MCX aluminium futures in two legs. That is, initiate shorts worth 75 per cent of the total intended quantity at the



current level of ₹205 and add shorts for the remaining if the price rallies to ₹215. Alternatively, if the contract breaks below ₹205 without moving up to ₹215, consider initiating shorts for that remaining 25 per cent post the breach of the support at ₹205. Keep initial stop-loss at ₹218. When the contract falls to ₹186, exit three-fourths of the shorts and then tighten the stop-loss to ₹195. Exit the leftover shorts when the contract declines to ₹170.



# 'Mahakoshal belt has metallic deposit prospect'



(L-R) Hemraj Suryavanshi, Dr Ranjith Rath, Dr S Raju, Dr D K Sinha, and Dr Anjan Chatterjee releasing the souvenir at the one-day national seminar.

## ■ Staff Reporter

THE one-day national seminar on 'Geology and Mineralisation of Mahakoshal Group -- Future Perspective and Recent Amendments in MEMC and Auction Rules' was organised recently by Geological Survey of India (GSI), Mineral Exploration and Consultancy Ltd (MECL), and Gondwana Geological Society (GGS).

The metallogeny of Mahakoshal Belt covering about 500 km strike length covering parts of Uttar Pradesh, Jharkhand, and Madhya Pradesh, and its potential as a metallic deposit prospect and the recent amendments to the mining Acts and Rules were deliberated upon in the seminar.

Dr S Raju, Director General, GSI, was the chief guest. He inaugurated the seminar. Dr Ranjith Rath, Chairman-cum-Managing Director, MECL; Dr D K Sinha,

Director, Atomic Minerals Directorate (AMD); Hemraj Suryavanshi, Additional Director General, GSI and Head of the Department Mission-II; and Dr Anjan Chatterjee, President, GGS, shared the dais on the occasion. Suryavanshi welcomed the guests.

Dr Chatterjee paid tributes to Prof Y G Dekate, Prof P H Kulkarni, Prof G G Deshpande, and Prof N K Mohabey, founders of GGS. He spoke about similarity of Mahakoshal Belt with Birimian Belt of West Africa as parts of the once same supercontinent Columbia that had separated. Both overly the oldest crystalline rocks but the Birimian Belt produces 300 tonnes of gold per annum, the largest figure to the world production. Whereas, Mahakoshal has reported occurrences of enriched gold disseminations that need further investigations.

Dr Sinha recollected 'Crumansonata' project of GSI of the early 1980s that had made inroads into the Mahakoshal Belt that falls in Son-Narmada-Tapti-North and South fault zones. He spoke about AMD's future thrust for atomic and rare earth element exploration in the Belt with a huge potential.

Dr Rath suggested GSI and AMD authorities to consider the deliberations of seminar and incorporate important recommendations for formulating their field season programmes. He stressed upon the importance of baseline geo-scientific data collection as the foundation for subsequent geo-scientific investigations.

Dr S Raju stated that G4 level mapped mineral blocks with rudimentary findings were being auctioned by the Government for buyer agencies to further work upon. He stressed upon importance accorded by GSI to lithium, rare earth, critical and strategic minerals for brownfield and greenfield investigations on a war footing. Deep seismic geophysical surveys to investigate the strata upto 40 kms depth are on GSI's agenda, he added.

Dr Raju and the guests released an abstract volume edited by Dr Sandip Roy, Prof Sumedh Humane, and Dr Tushar Meshram.

Nilashree Roychowdhury, Geologist, GSI conducted the inaugural ceremony while Dr Sandip Roy, Director, GSI and Organising Secretary, proposed a vote of thanks. Dr Samaya Humane, Dr Paramita Paul, Dr Mamta Pal, Dr Bharati Ram conducted the seminar proceedings. Dr P.B Sarolkar, Secretary, GGS, proposed a vote of thanks.



## Downside in battered battery metals may be limited

Strategic push for electric vehicles likely to sustain demand for these commodities

SUBRAMANI RA MANCOMBU  
Chennai, July 7

Battery metals cobalt and nickel have witnessed sharp correction in their prices over the past month, but their downside could be limited in view of an "exponential growth in automobile companies' investment upstream".

Another critical raw material lithium has also seen some correction over the last few months from the record peaks witnessed in March.

**Green Industrial revolution**  
Analysts say the offtake of electrical vehicles (EV) globally exceeded expectations last year and there could be a strategic push for further electrification of vehicles. According to Goldman Sachs Commodities Re-



Nickel on the LME ended at \$21,776 a tonne on Wednesday, a drop of 25 per cent compared with prices a month ago

search, the battery metals will power the green industrial revolution, facing a wave of demand comparable to that of copper and iron ore during China's rapid growth in the 2000s.

Currently, lithium is quoted at 4,75,000 Chinese yuan (\$70,798) a tonne down from its record high of 500,000 yuan (\$74,525) in March. Cobalt is ruling at \$60,460 against a four-year high of \$82,000 witnessed in early June, while nickel on the London Metal Exchange ended at \$21,776 a tonne on Wednesday,

a drop of 25 per cent compared with prices a month ago. Earlier this month, Goldman Sachs Commodities Research warned "...we see the battery metals bull market as over for now. Crucially, with no prior large-scale demand or supply cycle behind them, these 'new economy' commodities have avoided copper and aluminium's 'Revenge of the Old Economy' investment trap."

### Automakers' investments

UK-registered Fitch Solutions Country Risk and Industry Research said over the past 18 months, a total of 21 investments have been made by automakers in upstream projects. "Automakers are using increased upstream investments and supply contracts to secure enough battery metals (lithium, cobalt and battery-grade nickel) to drive forward their respective EV policies and to meet the decarbonization targets set by governments globally," the research agency said.

According to ING Think, the economic and financial analysis wing of Dutch multinational financial firm ING, the global share in new registrations increased by 9 per cent in 2021 (6.6 million) against earlier expectations of 6 per cent (BNEF). "The global figure was supported by an acceleration in Europe (with a 19 per cent share) and China (14 per cent share)," it said.

Goldman Sachs attributed the rise in battery metal to a phenomenon that was exactly opposite to the one witnessed in copper and aluminium. A surge in "investor capital into supply investment" tied to the long-term demand for EVs, the metals that should have essentially been a spot-driven commodity behave like "forward-looking" equity.

Analysts point to the recent move by local governments in China announcing cash subsidies for those replacing petrol cars with new EVs as government measures that can hold the prices of these battery metals.

# राज्यात पुन्हा वीज संकटाची परिस्थिती

कोळसा आयातीनंतर ही पुरेसा साठा नाही : ३ वीज केंद्र संवेदनशील स्थितीत

**न्यूज अपडेट्स**

कमल शर्मा

लोकमत न्यूज नेटवर्क  
नागपूर : औष्णिक वीज केंद्रात कोळसा तुटवड्यामुळे महाराष्ट्रात एप्रिल-मे मध्ये लोडशेडिंग करावे लागले. राज्यात सध्या तशीच परिस्थिती पुन्हा निर्माण झाली आहे. मान्सून सक्रिय झाला असून औष्णिक वीज केंद्रांमध्ये कोळशाचा पुरेसा साठा उपलब्ध नाही. कोळसा आयात केल्यानंतरही राज्यातील सात पैकी तीन औष्णिक वीज केंद्रातील कोळशाचा साठा संवेदनशील स्थितीत आहे. अशा परिस्थितीत मान्सूननंतर विजेची

मागणी वाढली तर ती पूर्ण करणे कठीण जाईल, असे तज्ज्ञांचे म्हणणे आहे.

पावसाळ्यात अनेक कोळसा खाणींमध्ये पाणी जमा होते. कोळशाची वाहतूकही कठीण होऊन जाते. त्यामुळे वीज केंद्रांमध्ये पावसाळा लागण्यापूर्वीच कोळशाचा जास्तीत जास्त साठा वाढवणे आवश्यक असते. पावसाळा संपल्यावर विजेची मागणी अचानक वाढते, त्यानुसार विजेचे उत्पादन करण्यासाठी हा साठा उपयोगी पडतो. साधारणपणे महाजेनको मान्सूनपूर्वी किमान १५ दिवस व त्यापेक्षा अधिकचा साठा तयार करीत असतो. यावर्षी पहिल्या सहा वर्षात कोळशाचा प्रचंड तुटवडा

महाजेनकोला परिस्थिती आटोक्यात आणण्याचा विश्वास



निर्माण झाला होता.

लोडशेडिंग सुद्धा झाली. परिस्थिती नियंत्रणात आणण्यासाठी इंडोनेशिया येथून २० लाख मेट्रिक टन कोळसा आयात केला जात आहे. परंतु यानंतरही

यासंदर्भात महाजेनकोचे अधिकारी उघडपणे काही बोलायला तयार नाही. परंतु नाव न घापण्याच्या अटीवर मात्र कोळशाचा पुरेसा साठा उपलब्ध होत नसल्याची बाब मान्य करीत आहे. यासोबत आयात होणाऱ्या कोळशाच्या भरवशावर ही परिस्थिती आटोक्यात आणू असा विश्वासही अधिकार्यांना आहे.

वीज केंद्रांमध्ये पुरेसा साठा उपलब्ध होऊ शकलेला नाही. कोराडी (६६० मेगावॉट) वीज केंद्रात ३.५७ दिवस, भुसावळ ५.११ दिवस व परळी येथे ६.२० दिवस पुरेल इतकाच साठा उपलब्ध आहे.

राज्यातील औष्णिक वीज केंद्रातील स्थिती

वीज केंद्र - किती दिवसांचा साठा	दिवस
कोराडी (६६०)	३.५७
कोराडी (२१०)	१०.०७
नाशिक	१३.२३
भुसावळ	५.११
परळी	६.२०
पारस	१२.२३
चंद्रपूर	९.०३
खापरखेडा	९.४३

वीज केंद्रात ७ दिवसांपेक्षा व कोळशाचा साठा असेल तर त्या संवेदनशील मानले जाते. त्या राज्यातील नव्या सरकारसमोर व संकटाचे आव्हान उभे ठाकले अ



# Indonesian firm Bara Daya Energi is lowest bidder in CIL's coal tenders

'Medium-term tenders provide an option to double the bid quantity to 12 mt'

## OUR BUREAU

Kolkata, July 8

Indonesian firm Bara Daya Energi has emerged as the lowest bidder in both of Coal India's import tenders for three million tonne coal each. The firm, which submitted its bid through a consortium with an Ahmedabad-based company GHV India, is believed to have outbid Adani Enterprises, the only other bidder for the two contracts, sources said.

Incidentally, Adani Enterprises had emerged the lowest bidder in CIL's maiden import tender floated on behalf of power generating companies by quoting a little over ₹4,000 crore for import of 2.416 million tonne (mt) of coal.

In a bid to shore up coal stocks at the indigenous power plants, as directed by the government, Coal India



Bara Daya quoted around ₹4,300 crore for the east coast delivery and close to ₹4,400 crore for west coast, say sources

had floated two international competitive bidding tenders of 3 million tonnes each, apart from the 2.416 mt for imports.

### 'Option to double import'

The two medium term tenders for 6mt have an option of increasing the bid quantity by 100 per cent to 12 mt, the company had said. The tenders are not indent-based but to keep coal on tap for immediate availability and use in future. It is an advance action by the company in fortify-

ing future supplies and keeping a vendor ready. For the 6 mt coal sought through competitive bids, nine destination ports have been identified for the discharge of coal with 3 mt each on the eastern and western coasts. The estimated value of the work is pegged at ₹3,850 crore for each tranche of 3 mt, CIL had said.

Bara Daya is believed to have quoted around ₹4,300 crore for the eastern coast tender and close to ₹4,400 crore for the western coast tender, sources said.



# This is India's Golden Mineral Moment

Expert  
Take



**Pralhad Joshi**  
Union Minister, Coal & Mines

India is witnessing a paradigm shift – moving towards an Aatma-Nirbhar Bharat, and our mineral sector is finally making its full contribution towards building a New India.

The MMDR Act, which is the principal legislation to regulate mines and minerals, including coal and lignite, has undergone massive developments in the last eight years of our government under PM Narendra Modi. Major steps have been taken to increase the area under exploration, boost mineral production, and generate more revenue for the states – all in a transparent, time-bound, and trustworthy manner.

The Mines and Mineral (Development and Regulation) Act was amended in 2015, introducing a new auction regime for a non-arbitrary allocation of the country's precious major mineral resources.

National Mineral Exploration Trust was established in 2015 to increase the exploration of minerals to realise the country's true mineral potential. Further, to provide for the welfare of areas and people affected by mining-related operations, Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) was launched in 2015. The District Mineral Foundation (DMF) established

under PMKKKY is a game-changer in developing the mining-affected areas and improving the lives of people in such regions. DMF has a huge corpus of ₹61,867 crore as of March 2022, which is being continuously and generously used in the development of the mining-affected regions.

The MMDR Act was further amended in the years 2020 and 2021, along with amendments in the corresponding rules. These amendments allowed a seamless transfer of valid rights/clearances to new leaseholders. This was done to overcome the impact on mineral production on the expiry of a substantial number of mineral blocks in 2020 and to ensure sustained mineral production.

The 2021 amendment removed the distinction between captive and merchant mines to promote competition, relaxed exploration norms, gave opportunities to small players and MSMEs, and improved the Ease of Doing Business, giving a new direction to our mining sector.

The amendment included resolution of legacy issues and freeing up of around 500 potential mineral blocks for auction, transfer of all valid rights and clearances to successful bidders, and deemed extension of mining licences to government companies for unhindered production, part surrender of mining lease area in all cases, reduction of minimum area requirement for the grant of mining licences from 5 ha to 2 ha, etc.

These reforms have already started yielding incredible results.

The liberal exploration norms have increased the number of blocks in auctions. Participation has also increased with the reduction of bid security. Sin-



THINKSTOCK

ce 2015, 184 mineral blocks have been auctioned across the country. For the first time, phosphorite and kyanite blocks were recently auctioned.

Since all the revenue accrued by auction of blocks and sale of the mineral goes to the state governments, the industry-friendly reforms have contributed immensely to generating additional revenue sources for states. Since 2015, the state of Odisha has earned ₹28,191 crore in revenue from 38 auctioned mines while Karnataka has earned ₹2,867.4 crore in revenue from 27 auctioned mines.

With the provision for the sale of 50% mineral produced by captive mines in the open market, there is a huge scope for additional revenue generation. There are provisions for lapse of reserved mineral blocks to PSUs in case of non-operationalisation which will be put up for auction. State governments and individuals have also been empowered to identify auctionable blocks and submit proposals to state governments.

## EXPLORE MORE TO PRODUCE MORE

We need to increase our mineral exploration to bring identified potential mineral blocks for auction. With this vision, NMET was made into an autonomous body and now private accredited exploration agencies have been carrying out exploration activities.

With continuous efforts towards improving exploration in the last 8 years, our Obvious Geological Potential (OGP) has increased from 5.71 lakh sq. km to 6.88 lakh sq. km and the area under exploration has increased to 30% of OGP.

Funds from NMET are being utilised to grant incentives to states for conducting successful auctions and bringing more blocks into auctions. As a result of exploration efforts, new minerals have been identified for auction. The government recently declared royalty on newly-explored minerals – Glauconite, Potash, Emerald, Platinum Group of Metals, Andalusite, Sillimanite, Molybdenum, and Kyanite.

These reforms will go a long way in ensuring energy security as well as industrial development. Iron Ore reached a record production level of 254 MMT in FY 2021-22; Limestone reached a record production level of 393 MMT in FY 2021-22.

423 potential blocks have been handed over to state governments for auction. Thirty mineral blocks have already been auctioned in the current FY 2022-23 from April till May 2022 itself.

It is fascinating to witness the sectors which were kept under political cages for so many years, finally being set free to spread their wings and meet their true potential.



# कोळशाचा पुरवठा मागणीपेक्षा कमी; वीज टंचाईची पुन्हा शक्यता

वीज केंद्रांना दररोज हवा १,४१,९२४ मेट्रिक टन कोळसा

कमल शर्मा

लोकमत न्यूज नेटवर्क

नागपूर : राज्यात उद्भवलेल्या वीज संकटादरम्यान पावसामुळे औष्णिक वीज केंद्रांना होणारा कोळसा पुरवठा प्रभावित झाला आहे. राज्यातील सातही वीज केंद्रांना दररोज १,४१,९२४ मेट्रिक टन कोळसा लागतो परंतु उपलब्ध होतोय केवळ १,०३,०९७ मेट्रिक टन कोळसा. पुरेसा कोळसा नसल्याने त्याचा थेट परिणाम वीज उत्पादनावर होण्याची शक्यता आहे.

औष्णिक वीज केंद्रांमध्ये कोळशाच्या तुटवड्यामुळे राज्यात यावर्षी लोडशेडींग करावी लागली होती. अनेक प्रयत्न करूनही मान्सूनचच्या पूर्वी कोळशाचा साठा होऊ शकला नाही. परिणामी राज्यातील सात पैकी तीन औष्णिक वीज केंद्रांमध्ये कोळशाचा साठा संवेदनशील स्थितीत आहे.

दहा टक्के आयात केलेला कोळसा आवश्यक

■ दरम्यान केंद्र सरकारने वीज केंद्रांसाठी १० टक्के आयातीत कोळशाचा वापर आवश्यक केला आहे. राज्य सरकारने इंडोनेशियामधून २० लाख मेट्रिक टन कोळसा आयात करण्याचा करार केला आहे. सध्या वीज केंद्रांमध्ये आयात केलेला ४४३१ मेट्रिक टन कोळसा उपलब्ध आहे.

चांगला पाऊस झाल्यास मागणी कमी होईल

■ सध्या विजेचे संकट आहे. मात्र पावसाला सुरुवात झाली असून आणखी चांगला पाऊस झाल्यास विजेची मागणी कमी होईल. विजेचे उत्पादनही कमी करावे लागले. तेव्हा कोळशाचा साठा वाढवण्यास मदत होईल आणि वीज संकटाची स्थिती नियंत्रणात आणण्यास मदत होईल, असा विश्वास महाजेनकोच्या अधिकाऱ्यांना आहे.

कोराडी (६६० मेगावॉट ) वीज केंद्रात ३.५७ दिवस, भुसावळ ५.११ दिवस, व परळीमध्ये ६.२० दिवसाचाच साठा शिल्लक राहिला आहे. वीज केंद्रांमध्ये सात दिवसांपेक्षा कमी कोळशाचा साठा असल्यास ती संवेदनशील स्थिती मानली जाते. यात वाढ होण्याची शक्यताही दिसून येत

नाही. शुक्रवारी नाशिक, चंद्रपूर, पारस, परळी येथे वीज कोळशाचा पुरवठा झाला नाही.

कोराडी (२१०), नाशिक परळी, पारस व चंद्रपूर येथे आयात कोळसा पोहोचला नाही. कोराडी (६६०) मध्ये तर कच्चा कोळशाचाच पुरवठा झाला नाही.

THE HITAVADA DATE : 10/7/2022

## MMTC posts Q4 net profit of Rs 118.38 cr

NEW DELHI, July 9 (PTI)

STATE-OWNED mining and metals firm MMTC on Friday reported a consolidated net profit of Rs 118.38 crore for the

fourth quarter ended March against a loss of Rs 597.17 crore in year-ago period. During the January-March quarter, its total income stood at Rs 2,260.81 crore compared to Rs 9,314.17

crore, according to a regulatory filing. However, its total expenses reduced to Rs 1,801.71 crore during quarter under review against Rs 9,394.64 crore.



## 'NMDC keen to invest in green energy'

NEW DELHI, July 10 (PTI)

**NATIONAL** Mining Development Corporation is looking to set up solar power plants in the southern state of Telangana, according to its Chairman and Managing Director Sumit Deb.

The state-run mining company is keen to invest in renewable energy, Deb told PTI, without sharing details about the investment.

"Yes, we have plans. We are looking in Telangana where we have a sponge iron unit," he said.

Deb said NMDC may also set up a solar power plant on the land available with its sponge iron unit, located at Paloncha in Telangana.

The unit, which has a daily capacity of 100 tonnes, is not operational now and the National Mining Development Corporation (NMDC) has no immediate plans to resume its operations, Deb said.

NMDC, which mines around 17 per cent of the country's annual iron ore output, has lately been trying to diversify its business.

It is setting up a 3 million-tonne-per-annum integrated steel plant in Nagarnar, Chhattisgarh, at an estimated investment of Rs 23,140 crore.

In October 2020, the Union Cabinet approved the demerger of the Nagarnar Steel Plant from NMDC, and the sale of the Centre's entire stake to a strategic buyer.

## Auction of 15 mineral blocks quashed

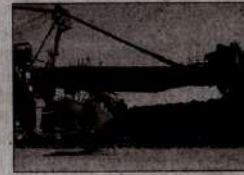
NEW DELHI, July 10 (PTI)

AUCTION of 15 mineral blocks has been quashed in the ongoing financial year, while 32 mines have been put on sale successfully.

Of the mines whose auction is annulled, five each are limestone and manganese blocks, two each are bauxite and phosphorite blocks and one is a gold mine. On the status of auction of mineral blocks in FY23 as on June 7, 2022, the Mines Ministry said 11 are in Madhya Pradesh and two each are in Chhattisgarh and Uttar Pradesh.

However, no reasons were given for the annulment of the auction of the 15 blocks.

Of the 32 blocks auctioned, 10 are manganese, eight are limestone, seven are iron ore, five are bauxite and one each



is graphite and phosphorite.

Total 10 mineral blocks were auctioned in Madhya Pradesh, eight in Andhra Pradesh, four each in Chhattisgarh and Karnataka, two each in Maharashtra and Odisha and one each in Rajasthan and Uttar Pradesh. The Government had earlier said that the auction of mineral blocks has stabilised in the country. Total 46 mineral blocks were successfully put on sale in 2021-22.

During last seven years, the Government has introduced important reforms to open up

the mineral sector to ensure its contribution in achieving the national policy goals.

Major reforms include enactment of the Mines and Mineral (Development & Regulations) (MMDR) (Amendment) Act, 2015, which made the process of allocation of mineral concessions completely transparent by introducing public auctions with active participation of state Governments.

In the federal set-up, states are owners of mineral wealth in their respective territories.

For realising the benefits of mineral wealth, states have primary and significant role to come up with auctionable mineral blocks that have rance, to start production.

The Mines Ministry had earlier said that the amendment in mineral auction rules will encourage competition.

BUSINESS LINE DATE : 11/7/2022 P.N.2

## India's first spot bullion bourse to go live at IFSC from July 15

PM to inaugurate the exchange

**SURESH P IYENGAR**

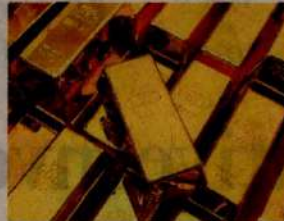
Mumbai, July 10

After much delay, the country's first gold spot exchange, IFSC International Bullion Exchange (IIBX), will become a reality with Prime Minister Narendra Modi set to inaugurate it GIFT-International Financial Services Centre (GIFT-IFSC) on July 15.

The IFSC regulator IFSCA has already approved 56 qualified jewellers to import bullion and transact on the exchange.

The RBI guidelines have enabled qualified jewellers to import gold through IIBX or other exchanges approved by the IFSCA or the Directorate-General of Foreign Trade.

The bullion exchange has two vault operators — Sequel Global and Brinks India — and the regulator is in



IFSCA has already approved 56 qualified jewellers to import bullion and transact on the exchange

the process of approving another operator, sources said.

Once the gold is imported by an authorised entity it will be deposited at one of the vaults, which will issue bullion depository receipts. These receipts will be traded in dollar on the exchange.

**Delivery at end of day**

Being a spot exchange, all open positions will be marked for delivery at the end of the day.

The exchange will provide

a transparent and efficient platform for price discovery with assured quality.

**'No impact on gold futures'**

Naveen Mathur, Director (Commodities and Currencies), Anand Rathi Shares and Stock Brokers, said the spot exchange at IFSC will not have any impact on gold futures as it is a tool for hedging while the spot exchange will be used by the industry for sourcing the yellow metal.

Qualified jewellers with a net worth of ₹25 crore and 95 per cent of revenue from jewellery, and NRIs with \$5 lakh net worth, can trade on the exchange, provided they take delivery, he added.

Going ahead, the government may consider routing all imports through the exchange. It makes sense for exporters also to sell through the exchange as they will find more buyers, sources said.

# Go short on MCX zinc if it slips below ₹257

## COMMODITY CALL

**AKHIL NALLAMUTHU**

BL Research Bureau

Prices of zinc have been on a downswing since the final week of April. The continuous contract of this metal on the MCX started to fall after hitting a high of ₹383.4 in April. Last week, after marking a seven-month low of ₹266.4, it closed at ₹278.9, thereby losing about 27 per cent from the high. This means, MCX zinc futures are technically in the grips of bears.

That said, it should be noted that ₹266 is a support. Also, the 50 per cent Fibonacci retracement of the prior rally lies at ₹257. Thus, the price band of ₹257-266 can offer good support and the bulls might be looking to capitalise on it and push up prices. But note that it should cross the hurdle at ₹290 to turn the short-term trend bullish. On the other hand, a breach of ₹257



can result in the contract witnessing another leg of down-trend. So, as it stands, the contract should either breach ₹257 or ₹290 for us to assume the next swing in price with reasonable certainty. So, our suggestion is to stay away for now.

Traders can short MCX zinc futures with stop-loss at ₹270 if they slips below the support at ₹257 from here. Exit the shorts at ₹228 – a considerable support level. But if the contract rallies above ₹290, go long with stop-loss at ₹266. Liquidate longs when the price touches ₹340, a resistance level.



# Finished steel exports fall 53% in June

Imposition of export duty, poor demand due to recessionary pressures and better priced Chinese offerings hit Indian mills

**ABHISHEK LAW**

New Delhi, July 11

Impact of export duty by the Centre, a slowdown in demand and competitive pricing by Chinese offerings saw India's finished steel exports for June drop 53 per cent year-on-year to 0.64 million tonnes from 1.4 million tonnes in the year-ago-period.

The provisional data collated by the Steel Ministry and industry and accessed by *BusinessLine* shows this to be the fourth straight month of decline in steel exports from India beginning March 2022.

On a month-on-month basis, exports fell 19-20 per cent. Steel exports were around 0.80 mt in May.

For the first quarter of FY23 - April to June - finished steel exports are expected to see a near 40 per cent fall, year-on-year, from 3.6 mt to around 2.2 mt.

Finished steel exports include non-alloy steel and alloy and stainless steel. They do not include semi-finished offerings like billets and so on.

"Poor demand in some key markets, because of recession-

ary pressures, and lower priced offerings by Chinese players in export markets have hit Indian mills hard. Currently, export prices, following imposition of duty, are higher by at least 10 per cent for Indian mills versus China. Offerings for alloyed steel (which are exempt from duty) did not have many takers either," a trade source said.

Country-wise export details are yet to be compiled.

## Export duty withdrawal

Incidentally, major steel mills in India are already pitching for withdrawal of the export duty levied earlier in May. The top brass, including owners of steel mills, are planning to meet ministry officials, including the newly-appointed Union Minister, Jyotiraditya Scindia, later this week.

Sources say while there is some buzz around the review of export duty on steel, there "could be a phased withdrawal".

The pitch is currently for withdrawal of duty on flat steel offerings - like hot rolled



Major steel mills in India are already pitching for withdrawal of the export duty REUTERS

coils and hot rolled strips - which are the key demand drivers in the sector. Flat steel offerings account for nearly 80 per cent of exports of Indian steel mills.

## Duty on long products

However, export duty on long products - rebars or reinforced steel bars, wire rods etc, which account for less than 20 per cent of exports - are likely to continue. Long products, used in construction including homes, have a direct impact on end-users that include home-

buyers and common man.

According to provisional data, finished steel production by PSU major SAIL saw a near 12 per cent jump, y-o-y, for Q1FY23 while RINL's production during the period fell 1 per cent. The two PSUs account for close to 19 per cent of the country's steel production.

Among the private players, Tata saw a 5 per cent jump in production y-o-y, while others including AM/NS (ArcelorMittal Nippon Steel), JSW and JSPL, put-together, saw over 13 per cent increase.

# गरेपालमा-२ प्रस्तावित कोळसा खाणीला पर्यावरण मंजूरी

छत्तीसगड येथील प्रकल्प : २५८३.४८ हेक्टर परिसरात कोळसा ब्लॉकची क्षमता

लोकमत न्यूज नेटवर्क  
नागपूर : केंद्र सरकारच्या पर्यावरण, वने आणि वातावरण बदल मंत्रालयाने ११ जुलै रोजी महानिर्मितीच्या छत्तीसगड येथील गरेपालमा-२ प्रस्तावित कोळसा खाणीला पर्यावरण मंजूरी दिली आहे.

सुमारे २५८३.४८ हेक्टर परिसरातील या कोळसा ब्लॉकची क्षमता २२ दशलक्ष मेट्रिक टन प्रतिवर्ष खुल्या खदानीतून तर १.६ दशलक्ष मेट्रिक टन प्रतिवर्ष भूमिगत खदानीची आहे. रायगड जिल्ह्यातील घरगोंडा तहसील अंतर्गत गरेपालमा-२ हा कोळसा ब्लॉक असून या खाणीतून कोळसा थेट रेल्वे मार्गे महानिर्मितीच्या चंद्रपूर, कोराडी आणि परळी वीज



केंद्राला पाठविला जाणार आहे. त्यामध्ये प्रामुख्याने प्रत्येकी ५०० मेगावॉट क्षमतेच्या चंद्रपूर महाऔष्णिक विद्युत केंद्र संच क्रमांक ८ व ९ (१००० मेगावॉट), कोराडी

औष्णिक विद्युत केंद्राच्या प्रत्येकी ६६० मेगावॉट क्षमतेच्या संच क्रमांक ८, ९ व १० (१९८० मेगावॉट) आणि परळी औष्णिक विद्युत केंद्रातील २५० मेगावॉट क्षमतेच्या संच क्रमांक ८

(२५० मेगावॉट) असे एकूण ३२३० मेगावॉट क्षमतेच्या वीज उत्पादनासाठी या कोळशाचा वापर होणार आहे. या प्रकल्पाद्वारे सुमारे ३,४०० रोजगाराच्या संधी उपलब्ध होणार आहेत.

या कोळसा प्रकल्पाची पर्यावरण विषयक जनसुनावणी सप्टेंबर २०१९ मध्ये झाली असून वन मंजूरी टप्पा-१ आणि पर्यावरण मंजूरी प्राप्त झाली असून आगामी तीन महिन्यांच्या कालावधीत वन मंजूरी टप्पा-२ अपेक्षित आहे. त्यानंतर जमीन अधिग्रहण प्रक्रियेला सुरुवात होणार असून साधारणतः सन २०२३ मध्ये प्रत्यक्ष खाण उत्खननास प्रारंभ होईल असे महानिर्मितीकडून सांगण्यात आले आहे.

THE INDIAN EXPRESS  
DATE : 9/7/2022 P.N.15

## Mines auctions

New Delhi: Mines Minister Pralhad Joshi on Monday said incentives would be provided to the states which have successfully auctioned mines and have identified potential mineral blocks.



# Free ration, cash transfers have shielded poor from impact of inflation: Sitharaman

**UNDP report highlights role of targeted transfers**

**OUR BUREAU**

New Delhi, July 12

Impact of inflation on India's poor would be negligible, a report by United Nations Development Program (UNDP) has said. Finance Minister Nirmala Sitharaman attributed this to well-tailored programme of the Modi Government including free ration and direct cash transfer.

In a report titled, 'Addressing the Cost-of-Living Crisis in Developing Countries', the UN agency measured the impact of inflation, disruptions in supply chain due to Ukraine crisis and Covid on cost of living.

It took three poverty lines — \$1.90 per day, \$3.30 per

in India will push 0 per cent of the population below the poverty line of \$1.90 per day, just 0.02 per cent of the population below the \$3.30 per day line, and just 0.04 per cent of the population below the upper poverty line of \$5.50 per day."

**Food, energy prices**

Overall, the report said that the soaring food prices and the energy prices can push up to 71 million people into poverty globally.

Data show countries such as Denmark, Sweden, the UK, Italy, Ireland, Australia are facing the risk of its people falling into poverty, but India is not in this category.

India has taken the route of food security and cash transfers to farmers as the choice of mitigating the threat of poverty.



Finance Minister Nirmala Sitharaman said from the beginning of the pandemic, the government has implemented a policy wherein those at the bottom of the pyramid were provided immediate and constant support

support measures shows that targeted transfers not only help poorer households cope with price spikes but also have a significantly lower impact on carbon emissions."

Government has, from the beginning of the pandemic, implemented a policy wherein those at the bottom of the pyramid were provided immediate and constant support in the form of food and cash trans-

fers. Garib Kalyan Anna Yojana (PMGKAY), the government provided 5 kg free ration per person per month in addition to their normal quota of foodgrain under the National Food Security Act.

From April 2020 to September 2022, the government has allocated 1,003 lakh tonnes of foodgrain for the PMGKAY, benefiting 80 crore people for two-and-a-half year.

In addition, during the initial months of the pandemic, the government transferred ₹500 per month for three months to 20 crore women Jan Dhan account holders.

Earlier, IMF, in its working paper, studied how extreme poverty is disappearing at a rapid pace due to PMGKAY. The same phenomena of disappearing

# AP decides to rejoin Fasal Bima Yojana in current kharif season after tweaks

**State government to bear two-thirds premium to make it free for farmers**

**OUR BUREAU**

Hyderabad, July 12

Andhra Pradesh will be rejoining the Pradhan Mantri Fasal Bima Yojana (PMFBY), a crop insurance scheme being implemented by the Centre from kharif 2022 season.

Participating in a virtual meeting with the Union Agriculture Minister Narendra Singh Tomar and other senior officials in Amaravati on Tuesday, the Chief Minister YS Jagan Mohan Reddy said the State Government would bear the premium burden of the farmers along with its own share as part of the scheme to facilitate free crop cover to the farmers.

"Despite the economic situation, the State Government will be bearing two-thirds of the premium to bring all

farmers cultivating the crops specified in the scheme," he said.

**Crop insurance modalities**

Referring to the modalities of the scheme, Reddy said some changes have to be brought in the scheme in line with the situation in the State.

The State has 10,444 Rythu Bharosa Kendras (RBK) acting as hubs for the entire agricultural activities in coordination with the village secretariats. "We are collecting diverse data for better utilisation of the scheme by the Centre. The e-crop system being followed in AP will be very useful. The necessary changes should be brought in to bring all the farmers/crops under the purview of the system," the Chief Minister said.

"There can be miracles if



As per the scheme, farmers pay 2 per cent of the total premium for kharif crops

the Centre and States can share the premium burden for small and marginal farmers equally," he added.

**Churning of scheme**

In his virtual address, Union Agriculture Minister Tomar said the Fasal Bima Yojana has been undergoing constant changes in consultation with the participating states

adding to the benefit of the farmers. Keeping in view the suggestions of Andhra Pradesh and other States, the Centre has revamped the scheme in February 2020 with new features, such as voluntary enrolment for all farmers, wider use of technology in yield estimation, risk coverage to choose for payment of sum insured to the States as per the option and prevailing risk profile and a provision of 3 per cent was made for administrative expenses, Tomar said.

As per the scheme, farmers pay 2 per cent of the total premium for the kharif crops, 1.5 per cent for the rabi, and 5 per cent for cash crops and the rest were borne by the governments.

The scheme has replaced the National Agricultural Insurance Scheme (NAIS) and the Modified National Agricultural Insurance Scheme (MNAIS).



## Consider going short in MCX lead futures



AKHIL NALLAMUTHU

BL Research Bureau

The continuous futures of lead on the MCX breached the important support at ₹180 in the last week of June this year. Prior to that, the contract traded in a sideways range for quite some time. That is, it has been oscillating between ₹180 and ₹195 between September 2021 and the final week of June. But the breach of the support at ₹180 has turned the trend bearish and, consequently, the contract has fallen to the current level of ₹173.

That said, the price action over the past few days shows that the contract is now being held within ₹173 and ₹176. A breach of either of these levels can lend us some clues on the direction of the next leg of trend. So, fresh trades are recommended now. A break below ₹173 can drag the contract towards the nearest support at ₹168. The subsequent support is at ₹158, from where there can be a bounce. On the other hand, if the contract breaks out of ₹176, it can move up to ₹180. Immediately above this is the resistance of ₹182. So, a rally beyond ₹182 is less likely and the contract can be expected to reverse lower from the ₹180-182 price band. The overall bias is bearish and traders can consider fresh short positions if the contract falls below ₹173 (stop-loss can be at ₹177) or short if the contract rallies to ₹180-182 region (stop-loss can be at ₹185).

DAINIK BHASKAR DATE : 13/7/2022 P.N.7

## ग्लोबल मार्केट में 9 माह के निचले स्तर पर सोना

विशेष अनुबंध के तहत सिर्फ भारत में

मार्च में 2,000 डॉलर से ऊपर निकला था सोना

सिंगापुर/नई दिल्ली | अंतरराष्ट्रीय बाजार में सोने की कीमत मंगलवार को 9 महीनों के निचले स्तर तक आ गई। बीते सप्ताह सबसे सुरक्षित माने जाने वाले इस एसेट क्लास में लगातार चौथे हफ्ते गिरावट दर्ज की गई थी। इधर घरेलू सराफा में भी सोने की कीमत एक हफ्ते में 1,500 रुपए से ज्यादा घटकर 51,000 रुपए से नीचे आ गई।

सिंगापुर में सोना 0.2% गिरावट के साथ 1,730.52 डॉलर प्रति औंस रह गया। ट्रेडिंग के दौरान यह 1,723.32 डॉलर तक आया, जो बीते साल 30 सितंबर के बाद का सबसे निचला स्तर है। इस बीच घरेलू सराफा में सोने की कीमत घटकर 50,770 रुपए प्रति 10 ग्राम रह गई। 5 जुलाई को यह 52,304 रुपए प्रति 10 ग्राम था। यानी बीते एक हफ्ते में सोना 1,534 रुपए सस्ता हो गया। दरअसल, अंतरराष्ट्रीय बाजार में डॉलर



इस साल मार्च में सोना 2,000 डॉलर प्रति औंस से ऊपर निकल गया था। तब यूक्रेन पर रूस के हमले के चलते दुनियाभर के शेयर बाजारों में गिरावट आई थी और कम्पिडिटी के दाम में उछाल शुरू हो गया था। इसके चलते महंगी बढी, जिसे कम करने के लिए फेड समेत सभी बड़े देशों के केंद्रीय बैंकों ने ब्याज दरें बढ़ाना शुरू कर दिया और सोना दबाव में आ गया।

लगातार मजबूत हो रहा है। इसकी वजह से सोना काफी दबाव में आ गया है। बाजार का यह असंतुलन यहीं धमने वाला नहीं है। डॉलर और मजबूत होने की संभावना है।

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## NMDC slashes iron ore prices by ₹500

SPECIAL CORRESPONDENT  
HYDERABAD

India's largest iron ore producer NMDC has slashed the per-tonne prices of lump ore and fines by ₹500 each.

A reflection of steel demand, the latest change is in continuation of a downward revision in ore prices by the mining major since April. Effective July 12, the new price of lump ore is ₹3,900 for a tonne, while that of fines is ₹2,810 for the same quantity.

Compared with the April price of ₹6,100 for lump ore and ₹5,160 for the fines, the new rates are ₹2,200 and ₹2,350 lower, respectively. The company had previously changed the price on June 5 to ₹4,400 for lump ore and ₹3,310 for fines.



## 500 खनिज ब्लॉकों की होगी नीलामी

दिल्ली (ए). केंद्रीय कोयला और खान मंत्री प्रह्लाद जोशी ने कहा कि वित्त वर्ष 2015-16 से अब तक कुल 190 खनिज ब्लॉकों की बिक्री की जा चुकी है. वर्ष 2024 के अंत तक 500 खदानों की नीलामी होने की उम्मीद है. सरकार ने खनिज ब्लॉकों के आवंटन की प्रक्रिया 2015-16 में नीलामी के जरिये शुरू की थी. अब तक कुल 190 खानों की नीलामी की जा चुकी है. मैं उम्मीद करता हूँ कि 2024 के अंत तक 500 खनिज ब्लॉकों की नीलामी की जाएगी. अब तक नीलामी की गई 190 खानों में से 80 से अधिक खदानों को पिछले एक वर्ष में खनन क्षेत्र में आए बदलाव के कारण बिक्री के लिए रखा गया है.

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