खनिज समाचार

KHANIJ SAMACHAR

Vol. 6, No-15

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 6, NO – 15 , 1st – 15th AUGUST 2022

BUSINESS LINE DATE : 1/08/2022 P.NO.3

Demand for Indian steel in key export markets down 17-48% in June quarter

High export duty, cheaper Chinese offering and consumption slowdown take a toll

ABHISHEK LAW

New Delhi, July 31

Export of finished steel from India to its key markets that include Europe, and West Asia saw a 17-48 per cent fall in the April - June period, due to factors such as high export duty (imposed in May), competitive prices from China and global consumption slowdown. Steel exports in Q1FY23 were down 39 per cent y-o-y.

Data on steel shipments from different ports—Goa, Mumbai, Gujarat, Dhamra, Paradeep, among others—show a similar fall of between 3 and 47 per cent.

Belgium, Italy markets

Finished steel includes flat, longs and alloy and stainless steel offerings. As per data compiled by the Union Steel Ministry, and accessed by *BusinessLine*, two of the key European markets - Belgium and Italy - saw a 27 and 47 per cent fall in steel exports for Q1FY23, dipping to approximately 3,98,000 tonnes and 2,62,000 tonnes, respectively.

Steel exports to these countries in the year-ago period was 5,47,000 tonnes and 4,97,000 tonnes.

In the West Asian markets of Turkey and the UAE - two countries that had driven Indian steel exports last year - the y-o-y fall (Q1FY23 vs Q1FY22) is 18 per cent and 15 per cent, respectively. For instance, Turkey bought 1,92,000 tonnes of steel in Q1FY23 versus 2,33,0000 tonnes in Q1FY22.

Steel exports in Q1FY23 were down 39 per cent y-o-y

The UAE imported 1,85,000 tonnes of Indian steel during the period under review versus 2,17,000 tonnes in the same period last year.

In the neighbourhood, exports to Nepal fell over 28 per cent y-o-y to 1,31,000. Vietnam, another key market, too saw a drop in imports..

Long, flat variants down

The Ministry data shows that across other export markets — including Vietnam, Spain and the UK — the fall was a steep 46 per cent, y-o-y.

"The effect of a high export duty was reflected in June orders. Month-on-month, June exports were down over 20 per cent. Moreover, demand from key markets was weak and Chinese offerings were at a price lower than ours. So our exports were badly hit," an Indian steel mill official said.

"Recessionary pressures are there too," he added. As per Ministry data, flat product exports saw a 41 per cent decline, y-o-y, in the period under review. Amongst the categories, cold-rolled coil and sheet exports saw the highest fall and stood at 1,16,000 tonnes, down 62 per cent. Exports in the year-ago period were 3,05,000 tonnes.

Hot-rolled coil sheet, and hot-rolled coil strips fell 48 per cent and 42 per cent, respectively, for the June quarter.

Tin plate sales were down 46 per cent for the period.

The hit in non-flat products (also called longs) exports was over 57 per cent.

Bars & rods and railway material exports (part of long products) fell 67 and 70 per cent, respectively.

Export of semi-finished products—billets, slabs, etc—fell 43 per cent in Q1FY23 the Ministry data showed.

THE ECONOMIC TIMES DATE : 1/08/2022 P.NO.1

POWER MINISTRY MAY ISSUE ORDER SOON

Relief on Import Coal Blending Rule on Cards

Relaxation could be available to power plants with high coal stocks

Sarita.Singh@timesgroup.com

New Delhi: The Centre is considering partially retracting the rule that required power plants to blend imported coal with domestic supplies to tide over the coal shortage. The relaxation would only be available to power-generating stations that have high coal stocks.

An order in this regard is likely to be issued by the Union power ministry in the next couple of days.

The ministry may link the coal blending requirement to the coal stock position so that only the power plants that do not have adequate stock may require blending, a government official said.

NTPC and DVC, which have placed imported coal tenders and have adequate coal stocks, are also likely to be asked to defer the shipments for use post monsoons when the country sees high electricity demand.

"The coal stock situation is comfortable as of today. Had we not blended imported coal from the beginning, we would have right now had 9 million tonnes of stock," said a power ministry official. "Blending is not being ruled out completely, but we can regulate it and the resulting costs since the power demand has moderated."

A coal ministry official said the coal output in the country is at a record high with dispatches to the power sector averaging 1.9 million tonnes a day. High railway rake availability and moderation of supplies to the non-power sector helped as well.

Coal India production as of date is up 24% from a year ago. The coal stocks with Coal India and Singareni Collieries Company Ltd are at 40 million tonnes.

The power ministry had in April asked all domestic coal-fired power plants to import 10% of their fuel requirement for blending with domestic supplies as electricity demand hit a record high depleting coal stocks at a fast pace.

The government also directed the Central Electricity Regulatory Commission to allow power plants under its watch up to 30% blending without requiring states' consent.

BUSINESS LINE DATE : 2/08/2022 P.NO.8

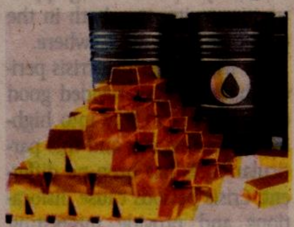
Gold near 1-month high on weak $

Crude oil plunges after weak factory data sparks concerns

REUTERS
August 1

Gold neared a one-month high on Monday on the back of a decline in the US dollar, with investors awaiting economic data that could influence the path of Federal Reserve policy tightening. Spot gold was up 0.3 per cent at $1,771.19 per ounce by 1419 GMT. US gold futures rose 0.3 per cent to $1,786.90.

Safe-haven gold has also found some support from weak economic data recently, including an unexpected contraction in the US economy over the second quarter and slower euro zone manufacturing activity.



Spot silver rose 0.1 per cent to $20.34. Platinum gained 0.9 per cent to $905.32 and palladium jumped more than three per cent to $2,193.13.

Crude oil prices dropped sharply as weak manufacturing data from China and Europe weighed on the demand outlook, while investors braced for this week's meeting of officials from OPEC and other top crude producers on supply. Brent crude futures were down 3.6 per cent at $100.20 a barrel by 1319 GMT. US West Texas Intermediate crude was down 4.7 per cent at $94.03.

The Organization of the Petroleum Exporting Countries (OPEC) pumped 28.98 million barrels per day (bpd) of crude last month, the survey found, up 310,000 bpd from June's revised total.

Some 240,000 bpd of that increase came from the 10 OPEC producers who had signed up to agreement between OPEC and allies led by Russia — a group known as OPEC+ — in which they had pledged to boost output by an extra 412,000 bpd.

OPEC+ is unwinding 2020 output cuts made due to the pandemic, though many are struggling to deliver the full volumes. The deal called for a 648,000 bpd increase in July from all OPEC+ members, including the 412,000 bpd from OPEC signatories.

BUSINESS LINE DATE : 2/08/2022 P.NO.2

Gold reserves up 36% in last five years

The central bank is gradually diversifying reserves away from US dollar

DATA FOCUS

RAM NARAYAN MURTHY

Chennai, August 1

From 705.6 tonnes in Q2 2021, India's gold reserves increased nine per cent to 768 tonnes in Q2 2022. This is, however, not new. India has been gradually increasing its holding of gold over the past few years, from 561 tonnes in June 2018, it has grown 36.8 per cent now.

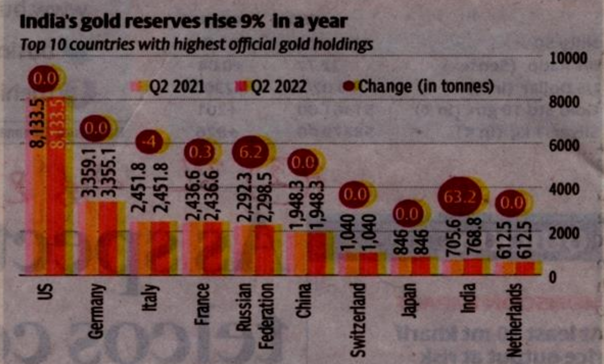
The Reserve Bank of India has been trying to diversify its forex reserves away from US dollar, purchasing 63 tonnes of gold to add to its reserves between July 2021 and June 2022. This was revealed in the data put out by the World Gold Council.

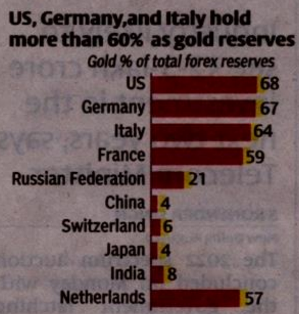
Other countries too buy gold

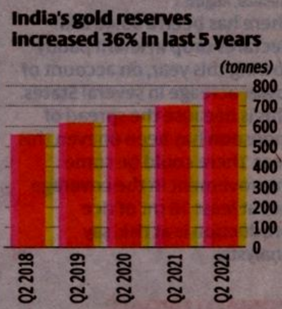
India is not the only one piling gold reserves. In the second quarter of 2022, 180 tonnes of gold were purchased by global central banks. The gold rush has been evident since the beginning of 2022 with central banks adding 270 tonnes in the first six months of this year.

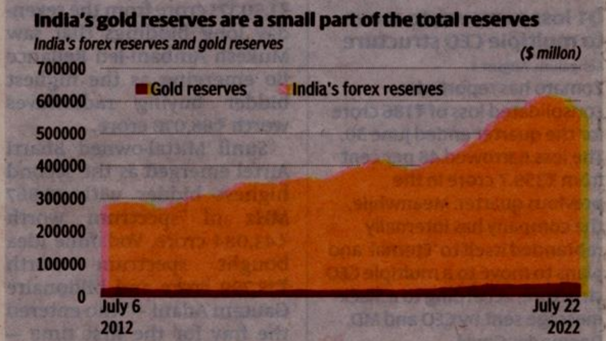
Turkey was the largest buyer of gold in the first half of 2022, accumulating 63 tonnes. Egypt followed with 44 tonnes and Iraq came next with 34 tonnes. According to WGC, India continued its buying throughout H1, with gold reserves rising by 15 tonnes over this period. However, some countries such as Kazakhstan, Philippines and Germany reduced their gold reserves in H1 2022.

An annual central bank survey by the World Gold Council found that around quarter of central banks want to increase their gold reserves over the next 12 months. Gold's role as a hedge against inflation and a uncertainties are probably increasing its lure this year. Gold's performance in the long term and during crises has made it an attractive option for diversification.









Source: World Gold Council

Room to purchase more?

India has the 9th largest gold reserve in the world but the proportion of gold to total reserves is quite small at 8 per cent. This perhaps calls for increasing the gold holding and is leading to higher gold purchases by the RBI.

With most of the India's dollar denominated securities, the country faces the risk of erosion in reserves due to rise in US bond yields. It's not surprising that India has bought the most amount of gold among the top 10 countries with highest gold reserves in the world.

The US tops the global gold holdings with more than 8,133 tonnes in reserves. Gold reserves make up more than 68 per cent of the total US reserves. Germany follows next with more than 3,355 tonnes which accounts to 67 per cent

Cement companies' margins to hit 7-year low on high input cost

Industry to add 32 mtpa fresh capacity this fiscal

OUR BUREAU

Mumbai, August 1

Notwithstanding the increase in volumes, the operating margins of cement companies this fiscal are expected to hit the lowest in the last seven years due to a sharp rise in input cost.

Cement sales' volumes are expected to grow 7-8 per cent this fiscal to about 388 million tonnes, aided by demand from housing and infrastructure sectors, said an ICRA report.

The demand for rural housing was supported by a robust rabi harvest and better crop realisation. The progress of kharif sowing, amid a modest hike in minimum support price of such crops for the upcoming marketing season, will determine farm sentiments.

Infra expansion bodes well

The significant increase of 24 per cent in infrastructure expenditure to ₹7.5 lakh crore in FY23 Budget led by ₹1.8 lakh crore for roads and ₹1.4 lakh crore for railways is expected to augur well for cement demand.

Notwithstanding potential challenges due to increasing interest rates, demand for urban housing will be led by growth in employee headcounts and salaries for many IT/ITeS companies, demand for better and larger homes on account of the shift to the hybrid working model in customer segments, BFSI and related sectors is likely to support demand going forward, said the report.

Cement sales' volumes are expected to grow by 7-8 per cent this fiscal to 388 million tonnes

Operating income higher, but...

Anupama Reddy, Vice-President of ICRA, said operating income in this fiscal is expected to increase by about 13 per cent, majorly supported by volume growth and higher sales realisation. However, the elevated input costs will adversely impact the operating margins which is expected to decline by 440-490 basis points to about 16.4 per cent, the lowest in last seven years, said Reddy.

The industry will add a capacity of 29-32 million tonne per annum this fiscal against last fiscal's addition of about 25 mpta.

The eastern region is expected to lead the expansion and may add around 16-17 mpta followed by the central region at about 6-7 mpta this fiscal. The cement industry's capacity utilisation is likely to remain moderate at around 68 per cent on an expanded base.

BUSINESS LINE DATE : 2/08/2022 P.NO.3

Steel tariffs: India seeks talks with UK at WTO

Britain has admitted that extending safeguard measures could be in violation of WTO regulations

Consultations sought at the WTO by a member to get more information on a particular measure imposed by another member that is adversely affecting it, at times, could lead to formal disputes if concerns are not resolved satisfactorily.

AMITI SEN

New Delhi, August 1

India has sought consultations with the UK at the WTO over the country's proposed extension of safeguard tariffs and quota restrictions on import of certain steel products for two more years, till 2024. New Delhi has said that has substantial interest in the matter.

On June 29, UK Trade Secretary Anne-Marie Trevelyan announced that the safeguard measures–tariff increases to check increased imports of particular products that have caused 'serious injury' to domestic producers–on the five steel categories, for which it was due to expire in June, would be extended for a further two years.

This takes up the total number of steel items on which safeguard import tariffs of 25 per cent (to be imposed on quantities outside quotas) would continue till June 2024 to 15 products.

Last year, the UK government's newly-established independent Trade Remedies Authority (TRA) had recommended that safeguard action on only 10 steel items should be extended till June 2024, while that on five products be temporarily extended till June 2022.

"Having a substantial interest, India requests consultations with the United Kingdom under Article 12.3 of the Agreement on Safeguards," India's representation to the WTO Committee on Safeguards on July 28 said. The UK is an important export destination for steel products from India with exports of iron and steel products in 2021-22 estimated at $420.78 million.

Impact on 5 items

Interestingly, the British government has itself admitted that further extension of safeguard measures on the five items–tin mill products, non-alloy and other alloy quarto plates, merchant bars and light sections, non-alloy and other alloy wire rod and angles, shapes, and sections of iron or non-alloy steel–may be in violation of WTO rules.

"The government wishes to make it clear to Parliament that the decision to extend the safeguard on the five product categories departs from our international legal obligations under the relevant WTO agreement, as relates to the five product categories. However, from time to time, issues may arise where the national interest requires action to be taken which may be in tension with normal rules or procedures," UK International Trade Secretary Anne-Marie Trevelyan stated on June 29.

Significantly, last year India had proposed to impose additional import duties worth €292 million on select products from the European Union as a retaliation against similar safeguard measures put in place by the bloc on steel imports from the country.

Although the safeguard measures extended by the UK, which has now separated from the EU, are similar to the measures of the EU, at this point of time India is only looking at consultations with the UK on the matter.

"India is hopeful that it will be able to resolve the issue of safeguard measures with the UK satisfactorily through the consultations," an industry source said.

THE HITAVADA DATE : 2/08/2022 P.NO.4

Rain hits Singareni coal production badly

Production was short by 28.5% against target for the month due to water logging

B. CHANDRASHEKHAR
HYDERABAD

Incessant rain throughout July have not only impacted normal life and kharif cultivation badly in Telangana but the coal production in Singareni Collieries Company Ltd (SCCL) too has been affected with the mining of the fossil fuel possible for 71.5% of the 4.6 million tonnes target for the month.

Against the average daily average production of about 2 lakh tonnes of coal, the coal company management has initially reduced it to 1.84 lakh tonnes and pruned it further to 1.48 lakh tonnes a day as the intensity of rains was higher than expected/forecast. However, heavy rains for most days of July has allowed the company to achieve an average daily production of 1.06 lakh tonnes.

A file photo of JK-5 Opencast Coal Mine at Yellandu of Bhadradri Kothagudem District where mining operations were stopped due to rain.

According to SCCL officials, production of coal in July was 3.29 million tonnes against the target of 4.6 million tonnes fixed keeping in mind heavy rains during the month.

The production was down by about 28.5% of the target and it pared further, down by about 32.5%, when compared to the production during July 2021, when 4.87 million tonnes of coal was mined.

Production in all the 19 opencast mines of the company was affected due to rains as rainwater turned the mining areas into ponds forcing the authorities to take up dewatering with the help of pump-sets, whenever there was respite from the rain.

Water seepage

It was also impacted in the underground mines as rainwater entered/seeped there too. "As such about three-fourths of the Singareni's coal production takes place from the opencast mines but the heavy rains in July have impacted it badly. Against the plans to mine an average of 1.85 lakh tonnes of coal a day from the opencast mines, the maximum possible extent was only 97,000 (0.97 lakh) tonnes during the first three weeks of the month," a senior executive of the coal company said explaining the impact of rains.

As a result, against the planned production of 3.6 million tonnes from the opencast mines during the first three weeks only 1.9 million tonnes (52.78%) was possible. The official stated that production of coal in COVID-19 hit July 2020 was 2.85 million tonnes and in July 2019 it was 5.15 million tonnes.

The official admitted that the impact of rains on coal production would definitely affect the company's plans to achieve 74 million tonnes production in 2022-23 as mining of only 20.2 million tonnes was possible in the first four months of this fiscal against 20.44 million tonnes mined during the same period of 2021-22 fiscal.

BUSINESS LINE DATE : 3/08/2022 P.NO.9

CAG pulls up SAIL, RINL for operational inefficiencies

ABHISHEK LAW
New Delhi, August 2

The Comptroller and Auditor General of India has pulled up state-run PSU steel majors, SAIL and RINL, for various operational inconsistencies and inefficiencies leading to losses running into crores of rupees.

As per the reports tabled in Parliament on Tuesday, the CAG said, SAIL did not take adequate steps to upgrade and modernise its production capacity for refractories.

The company failed to constitute a refractory task force and assess annual requirements at Durgapur Steel Plant, Alloy Steels Plant, and Indian Iron & Steel Company Steel Plant. This led to the procurement of excess inventory of ₹257.15 crore (March 31, 2020) while the inventory of refractories lay blocked for 15 to 20 years.

"SAIL also failed to develop a good vendor base and continued to procure items on a single tender basis," it said.

For instance, the Rourkela Steel Plant procured tundish refractory on a single tender for ₹113.39 crore in FY14-20, while the Bokaro Steel Plant procured refractory for ₹90.28 crore from the same supplier from 2015-16 to 2019-20 on a proprietary basis.

"Refractory management system in SAIL requires improvement so that in-house facilities are optimally utilised and costs for procurement of refractories are reduced," the report tabled mentioned.

Hedging of loans

The audit noted that the decision to hedge the loan and interest "was not consistent". Non-hedging of loans of $400 million in terms of foreign exchange fluctuation led to avoidable expenditure of ₹194 crore.

The company did not hedge interest on buyers' credit (LIBOR) except in a few cases from March 2017 to December 2017.

"The critical ratios depicting SAIL's financial position, like debt-equity ratio, interest coverage ratio, and net debt to EBITDA ratio indicate financial instability and a worsening credit profile," the report mentioned.

RINL in the dock

According to another report tabled by the CAG, RINL was pulled up for delaying repairs at its two blast furnaces—numbers 1 and 2—and a failure to synchronise upstream and downstream production facilities caused a loss of nearly ₹6,700 crore.

The blast furnaces were commissioned in March 1990 and

'SAIL did not upgrade refractories, RINL delayed repairs to blast furnaces'

March 1992, with repairs being scheduled for 14 to 16 years from commissioning.

However, against this, actual repairs were done nearly 24 years after commissioning, leading to deterioration in the health of furnaces and restricted operations.

"This caused a loss of production of 1.78 million tonnes of hot metal from 2011-12 to 2015-16 with a consequential loss of earnings of ₹1,396.64 crore," it said.

There was a loss of production of 4.93 mt of hot metal with a consequential loss of earnings of ₹1,844.82 crore as the blast furnaces were "not utilised to their rated capacities" because of a failure to synchronise and revamp other upstream and downstream facilities.

The loss of production of 2.36 mt of hot metal with a consequential loss of earnings of ₹810.38 crore because of "forced shutdown of blast furnace No. 2 due to non-integration of upstream and downstream plants" was also noted.

RINL reportedly delayed initiation of tenders and award of contracts for upstream and downstream plants, resulting in a mismatch between the production capacities of different units and an additional cost of ₹789 crore (approximately) for coke procurement.

DAINIK BHASKAR DATE : 3/08/2022 P.NO.12

सिंगरौली में कोयले में छाई मिलाकर पॉवर प्लांट्स को पहुंचाया जा रहा नुकसान

काफी समय से चल रहा है यह घोटाला, लेकिन जिम्मेदार शिकायत करने के लिए तैयार नहीं

भास्कर न्यूज़। सिंगरौली (वैढ़न)

सिंगरौली परिक्षेत्र में कोयले में छाई मिलाकर मुनाफा कमाने और पॉवर प्लांट्स को नुकसान पहुंचाने का गोरखधंधा काफी दिनों से चल रहा है। देशभर के बिजली घरों को भेजे जाने वाले कोयले में कुछ मात्रा में छाई मिला दी जाती है। सूत्र बताते हैं कि 10 फीसदी तक छाई की मिलावट की जाती है। यही कोयला रैक में लोडकर पावर प्लांटों को भेज दिया जाता है। जो कोयला मिलावट से बचता है, उसे वाराणसी की कोयला मंडी में बेच दिया जाता है। जिससे ट्रांसपोर्टर्स और सप्लायर्स को मुनाफा होता है। करीब छह माह पूर्व यह खुलासा हुआ था कि ट्रकों के माध्यम से छाई को ओडिशा से मंगाया गया और सिंगरौली कोलयार्ड में उतारा गया। जिसके बाद सिंगरौली कलेक्टर और एसपी ने अभियान चलाकर छापेमारी की और सख्त निर्देश दिये थे कि जिले में छाई आई तो वह सीधे एफआईआर दर्ज करवायेंगे। तभी से ट्रांसपोर्टर्स ने सोनभद्र को अपना ठिकाना बना लिया। इसलिये यही कहा जा सकता है कि यह कार्य करीब एक डेढ़ वर्ष से रुक-रुक कर चल रहा है। जिम्मेदार अधिकारी शिकायत करने से बच रहे है।

ट्रांसपोर्टर्स और सप्लायर हैं जिम्मेदार

कोयले में छाई मिलाने का कार्य कोलयार्डों में होता है, एनसीएल की खदानों से कोयला उठाकर ट्रांसपोर्टर कोलयार्ड में डंप करते हैं। यहीं पर छाई भी डंप रहती है, जिसे रेलवे के रैक में लोड कर पावर प्लांटों को भेज दिया जाता है। इसमें ट्रांसपोर्टर्स, सप्लायर अथवा संबंधित पावर प्लांट के अधिकारियों की मिलीभगत होती है।

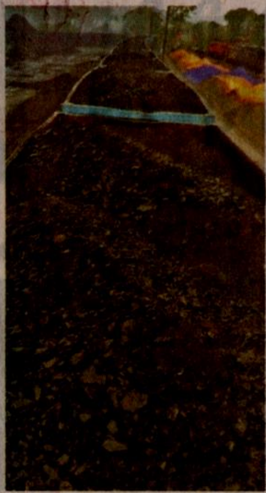
किसे फायदा होता है, किसे नुकसान

कोयले में छाई मिलाने से फायदा सीधे तौर पर तो सप्लायर और ट्रांसपोर्टर को होता है। ट्रांसपोर्टर जितनी छाई कोयले में मिलाते हैं, उतना कोयला खुले बाजार में बेच देते हैं। चूंकि यह कार्य मिलावटखोरी का है तो इसमें पुलिस और प्रशासन के लोग भी मिले रहते हैं। रेलवे के कोलयार्ड में यह खेल होता है इसलिये उनके अधिकारियों और जीआरपी की भी मिलीभगत हो सकती है। इससे नुकसान सिर्फ उन पावर प्लांटों को होता है, जिनको छाई मिला हुआ यह कोयला भेजा जाता है। क्योंकि उनके प्लांट में कोयले की खपत बढ़ जाती है।

एनसीएल को कोई नुकसान नहीं : देश में कोयले की काफी कमी है, एनसीएल जितना कोयला उत्पादन करता है, उसकी एडवांस में बुकिंग रहती है। इसलिये इस मिलावटखोरी से एनसीएल को कोई नुकसान नहीं होता है। हां नुकसान उन पावर प्लांटों को होता है, जिनको यह कोयला बेचा जाता है।

ऐसे समझें मिलावट का फायदा

एनसीएल में जी-13 से लेकर जी-5 कैटेगरी तक का कोयला निकाला जाता है। जी-13 कोयला सबसे सस्ता होता है और जी-5 सबसे महंगा होता है। जी-13 का बेस प्राइज 1800 रुपए प्रति टन है। जबकि इसकी बोली शुक्रवार 29 जुलाई को 9000 रुपए प्रति टन पर छूटी है। इसी तरह जी-5 का बेस प्राइज प्रति टन 4400 रुपए है। इसकी बोली 14000 रुपए प्रति टन पर छूटी है। यानी 4400 रुपए का कोयला 14 हजार में बिक रहा है। जबकि छाई 200-250 रुपए टन मिल जाती है।



क्या होती है छाई?

छाई या चारकोल नाम का यह पदार्थ जो कोयले के चूरे जैसा होता है, यह इस्पात संयंत्रों से निकलता है। जैसे बिजली घरों में कोयला जलाकर बिजली बनाई जाती है, उसके बाद ऐश (राख) बच जाती है। उसी तरह स्टील बनाने वाली फैक्ट्रियों से छाई अथवा चारकोल निकलता है। जिसका कोई खास उपयोग नहीं होता है।

प्रभात	369-8	168-5
प्रभात नाईट	400-4	550-0
श्रीदेवी	347-4	688-2
श्रीदेवी नाईट	589-2	334-0
राजधानी मार्निंग	258-5	247-3
राजधानी डे	146-1	157-3
राजधानी नाइट	280-0	248-4
मेन मुंबई	790-6	259-6

BUSINESS LINE DATE : 3/08/2022 P.NO.9

Steel export duty may be lifted this quarter: Seshagiri Rao

SURESH P IYENGAR
Mumbai, August 2

Bruised by the export duty and falling margins, JSW Steel has reduced its capex from ₹25,000 crore to ₹20,000 crore for this fiscal. Domestic demand is slowing even as the company is ramping up capacity by 5 million tonnes per annum (mtpa) at Dolvi. In an interview with *BusinessLine*, Seshagiri Rao, Joint Managing Director, JSW Steel, exudes confidence that things will fall in place by the December quarter. Excerpts:

THE BL INTERVIEW

Has domestic demand revived?

The export duty on steel had an impact on the psychology of domestic users. International prices started falling from beginning of May and everybody expected domestic prices to follow suit. This led to a freeze on buying and a wait-and-watch mode. Dealers started exhausting their inventory instead of placing fresh orders. Though there was real consumption, apparent consumption had come down drastically. In addition, our ability to export was dented due to the export duty. On the other hand, cost pressure was building due to a spurt in energy prices after the Russia-Ukraine war.

Prices of all key raw materials such as coking and thermal coal, refractories and ferro alloys have gone up. It was a triple-whammy with domestic demand slowing down, cost pressure building and the levy of export duty.

To top it all, the rupee depreciated against the dollar. However, since July we are seeing good traction. The user industry saw global steel prices stabilising and there has been buying across retail, construction, infrastructure and real estate.

Enquiries have started coming. In the auto sector we had already sold 8 per cent more compared to last year. Among renewables, wind energy projects have started while solar is yet to restart.

Do you expect prices to fall further?

Today, Chinese FoB price is $632 (₹50,560) a tonne. If freight and customs duty of 7.5 per cent is added it works out to ₹59,000 per tonne and domestic prices are in the same range. Further fall in Chinese prices will depend on raw material prices.

Coking coal has already corrected from $600 a tonne to below $230. It has gone down to a low of $110. We expect it to range at about $150 in the medium term. However, due to the Russia-Ukraine war it would hover at $200-230. With coking coal at current level and iron ore at $90-100 a tonne, it becomes very difficult for any country, including China, to reduce prices from the current level.

Will Russian imports put pressure on prices?

Total cargo booked from Russia is about 1.5 lakh tonnes in the price range of ₹61,000-51,000 a tonne. If we consider the average, it should not be a threat for Indian companies. What was sold at ₹51,000 a tonne was a distress sale. It will not determine Indian prices. They cannot bring in large quantities as Russia does not have the logistics to handle this demand. Moreover, there are many sanctioned entities in Russia. It is very difficult to do business with any sanctioned entities.

> Though the objective of the export duty was to contain inflation it has caused a huge damage to the industry. It deserves to be taken out
>
> SESHAGIRI RAO
> JMD, JSW Steel

Do you see export duty lifted anytime soon?

Though the objective of the export duty was to contain inflation it has caused a huge damage to the industry.

Prices have already fallen more than 20 per cent in the Indian market. It deserves to be taken out. Government has also given indication that it is a temporary measure. We expect it to be removed this quarter.

Is JSW Steel becoming an export-dependent company?

We are dependent on exports of value-added steel. We export 25-30 per cent of steel production in India. We are exporting capacity that cannot be consumed in India. Export dependency cannot be seen as negative for the company. Yes, temporarily, because of the duty, it may appear so. The intention of the government is not to ban or moderate exports, but to curtail inflation and it is a short-term measure. We will continue to export 10-12 per cent even if the duty is retained.

Will cut in capex delay expansion plans?

Our capex are in four categories — capacity expansion from 27 mtpa to 37 mtpa, normal capex on operations, discretionary spends, and special projects.

Growth and normal capex have been changed. We can either delay or stop discretionary and special capex depending on cash flow.

Special projects give payback in two years and this can be delayed. Accordingly we have put discretionary and special projects worth ₹5,000 crore on hold.

BUSINESS LINE DATE : 3/08/2022 P.NO.8

Consider going short on MCX copper

COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

For a little over two weeks, copper futures on the MCX (Multi Commodity Exchange) has been on a corrective rally. The contract went up from about ₹600 to the current level of ₹645. Prior to that, it saw a leg of sharp downtrend where the price dropped from about ₹800 to ₹600, losing about 25 per cent.

While the overall trend remains bearish, there are chances for copper futures to inch up to ₹670 or even ₹700 before resuming the next leg of downtrend.

A rally beyond ₹700 is not likely as it is a strong resistance, as the broader trend stays bearish. Once the contract resumes downtrend, it can slip below ₹600 and decline to the support band of ₹530-550. This is a good base from which the contract can see a bounce.

Traders can consider executing fresh short positions when the contract moves up to ₹670. Add more shorts if it rallies further to ₹700 and place an initial stop-loss at ₹745. When

the contract reverses to the downside and dips below ₹600, revise the stop-loss down to ₹670. Liquidate all the shorts when the contract touches ₹550. It could rebound anywhere within the price region of ₹530-550.

THE HITAVADA
DATE:4/08/2022 P.NO.6

BRIEFS

Ghanshyam Sharma takes charge as CMD of MECL

GHANSHYAM Sharma, Director (Finance), Mineral Exploration and Consultancy Limited (MECL) has taken over the additional charge of Chairman cum Managing Director, MECL on August 2, 2022.

Sharma is working as the Director (Finance) on board of MECK since February 27, 2018. Along with that, Dharma is holding additional charge of Director (Finance), Hindustan Copper Ltd (HCL).

THE ECONOMIC TIMES DATE : 4/08/2022 P.NO.9

Odisha to Refund Excess Royalty on Inferior Coal

To reimburse over ₹300 cr royalty for coal supplied by Mahanadi Coalfields

Sarita.Singh
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New Delhi: Odisha has become the first state in the country to retrospectively refund excess royalty collected from coal consumers if they received inferior quality coal than contracted. If adopted by other coal-producing states as well, coal buyers could receive significant refunds when supply quality is not up to the agreed quality.

Odisha is expected to reimburse over ₹300 crore royalty for coal supplied by Mahanadi Coalfields Ltd, a Coal India unit, between April 2015 and March 2021.

Coal consumers claim refunds from Coal India subsidiaries and Singareni Collieries Company Ltd in case they are delivered a lower grade of coal than paid for. These companies issue credit notes in such cases that can be adjusted in future payments.

However, once submitted to the state exchequer, there are no refunds made for royalty, District Mineral Fund (DMF) and National Mineral Exploration Trust (NMET) payments.

Royalty rates for coal are fixed at 14% of the price of coal, DMF at 30% on royalty, and NMET at 2% of royalty, adding to 18.48% of the cost.

In contrast, if the coal delivered is of a higher grade than paid for, the differential cost including royalty and other duties is charged to the coal consumers.

Odisha's decision addresses this anomaly, permitting adjustments in royalty and other statutory dues when inferior quality coal is supplied.

REFUND CLAIMS

Coal consumers claim refunds from CIL arms and Singareni Collieries in case they are delivered a lower grade of coal than paid for

The Odisha directorate of mines issued an order on July 16 allowing Mahanadi Coalfields Ltd (MCL) to adjust royalty, DMF & NMET in Credit Notes for grade slippage from the current month.

Refunds for the earlier period beginning April 1, 2015, will be issued after reconciliation that is already in process.

"After completion of the reconciliation process the credit note of Rs. 313.55 crore (aprox) towards Royalty, DMF and NMET will be issued to the consumers," said a state government official.

This order brings great relief for the consumers as it will reduce the cost of coal procurement as well as working capital requirement, the official added.

Sambalpur-based Mahanadi Coalfields had in February this year written to the director of mines that it is raising debit notes to the consumers in respect of Royalty, DMF & NMET whenever there is upgradation of coal but the credit notes in case of grade slippage are not issued as same has remained unadjusted by the state government.

The company had sought adjustments in credit notes.

Grade slippage, meaning fuel's grade during the sampling is found inferior to the declared grade, is common in the coal sector. Coal India has said in the last financial years the grade slippage incidents had reduced substantially.

BUSINESS LINE DATE :5/08/2022 P.NO.2

Tata Steel to invest ₹1,000 cr in Neelanchal Ispat Nigam

SURESH P IYENGAR

Mumbai, August 4

Tata Steel plans to spend about ₹1,000 crore for enhancing Neelanchal Ispat Nigam capacity to 5 million tonne per annum from 1.5 mtpa even while making all efforts to restart production.

TV Narendran, Managing Director, Tata Steel, said the team has already taken over the plant, which was acquired on July 4, and the work is going in full swing to restart production.

> **We will be able to maintain the target to reduce debt by $1 billion this year even while spending on growth capital**
>
> **TV NARENDRAN**
> MD, Tata Steel

In three months

"We hope to start the blast furnace in three months and other facilities in subsequent months. The biggest problem is in coke ovens, which should not be shut down without taking precautions. Unfortunately, that was done two years back, so it will take at least six months for us to revive it," he added.

Mines associated with Neelanchal are already operational and raw material has started moving to the plant. Tata Steel plans to sell pig iron from Neelanchal by October and achieve rated steel production capacity of one lakh tonne per month by March, he said.

The company will be spending about ₹500 crore in the first year, said Narendran.

Reducing debt

Despite spending on acquisi- expects to maintain its net debt-to-EBITDA ratio below the target of 2. "Starting this quarter, we will be releasing lot of working capital. Today, lot of money is stuck in working capital," said Narendran.

The fall in raw material prices has helped most steel companies to cut down on working capital even as weak demand remains a concern. "Even today, our net debt-to-EBITDA is at a very comfortable position. We wanted it to be below two but today, we are below one," he

BUSINESS LINE DATE: 5/08/2022 P.NO.10

Aluminium: Initiate fresh short positions above ₹200

AKHIL NALLAMUTHU

BL Research Bureau

Aluminium futures on the MCX, after touching a high of ₹325.4 in March this year, have been moving downwards. It made a low of ₹202.25 about three weeks ago, thereby losing about 39 per cent from its prior peak of ₹325.4.

But the bears seem to have lost momentum and as a result, the contract has largely been fluctuating in the range of ₹200-215. While this cannot assure a bullish trend reversal, the next leg of short-term trend depends on the direction of the break of this range ₹200-215. If the contract falls below the support at ₹200, it can decline to ₹187 and possibly to ₹160 which are the nearest supports.

On the other hand, if aluminium futures break out of the resistance at ₹215, it can rally to ₹235, which can be a hurdle for the bulls. A breach of this can lift the contract to ₹250-254 range – a resistance band. But a rally beyond this price band is less likely. So, traders can stay on the sidelines for now and consider initiating fresh shorts if the support at ₹200 is breached.

Or short if aluminium futures rallies to ₹235 and to ₹250 i.e., split the entries to two legs and initiate one leg of short at ₹235 and another leg at ₹250 so that the average short price would be around ₹243.

THE ECONOMIC TIMES DATE :5/08/2022 P.NO.15

'Coal Stocks at Power Plants to be Comfortable Post Monsoon'

While there was rapid depletion in summer, last year like crisis unlikely, says CIL chairman

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New Delhi: Coal stocks at power plants will be in a comfortable position post monsoon this year and a crisis like last year is unlikely, Coal India (CIL) chairman Pramod Agrawal said in an exclusive interview with **ET**.

At the beginning of August, power plants had 30 million tonnes (MT) stocks, he said.

Following a sharp rise in power demand in summer and rapid depletion of coal stocks, there were concerns that post-monsoon a coal shortage may emerge again. Coal output declines in monsoon months due to mining difficulties.

Only once in FY20 August beginning stocks were higher at 45 mt, but that was in the midst of Covid when coal demand plunged due to lockdown and a general slowdown of industrial activity, he said.

"Apart from the high stocks at plants' end, around 12 mt stock is available at private washeries, goods sheds, ports, and at CIL's sidings awaiting shipment," Agrawal said. "What aggravated the situation last year was that in just a month in August stocks at power plants fell by 11.2 mt. There would not be a recurrence of such oddity unless there is an extraordinary situation," he said.

Last August, coal stocks at Indian thermal power stations reached alarmingly low levels as rains hit mining activities. Average coal stock at monitored plants plummeted to four days of consumption against the then norm of 21 days, pushing up power prices in spot markets.

Coal requirement from CIL to power utilities is pegged at 137 mt for the July-September quarter, entailing a supply of 1.49 mt on an average per day.

"We are so far ahead, supplying 1.52 mt per day. During the just-ended July, higher supplies ensured the generating plants build up their inventory to the tune of 1.04 lakh tonnes per day — a stock surge of above 3 mt in the month."

Agrawal said CIL is unlikely to draw the entire two million tonnes of imported coal quantity awarded under two medium-term tenders to an Indonesian firm, though the contracts are valid till June next year.

"I feel it is unlikely that the entire quantity would be drawn. Quantity drawn depends on the demand requirement of the gencos (generating companies). So far we have received a requirement for 1.4 mt of coal for blending purposes. As and when requirement is expressed we shall tap the coal through these tenders," he said.

BUSINESS LINE DATE :5/08/2022 P.NO.9

Tata Steel wants chrome ore exports taken off 'canalised' list

ArcelorMittal Nippon Steel bats for duty waiver on steam coal imports

ABHISHEK LAW

New Delhi, August 4

Two major steel-makers have written to the Centre seeking assistance on various issues, including removal of chrome ore exports from the canalised list and waiver of import duty on steam coal, a raw material used in steelk making.

While Tata Steel sought removal of chrome ore from the canalised list of export items, ArcelorMittal Nippon Steel (AM/NS) India wanted steam coal brought under coal categories on which import duty has been waived off.

"Canalisation" of export means export only through the agencies designated by the Central Government. Currently, there is nil customs duty on anthracite, pulverised coal and coking coal.

Tata Steel addressed the letter, written in June, to the Union Ministry of Commerce and the latter sought opinion of the Ministry of Mines and forwarded a copy of the same to the Ministry of Steel in July.

Currently, there is nil customs duty on anthracite, pulverised coal and coking coal

AM/NS India wrote to the Chairman of Central Board of Indirect Taxes (CBIC) and sought "personal audience".

Dispatch levels

Tata Steel raised concerns over failure to maintain minimum dispatch levels since export through MMTC was hit because of the latter's financial distress.

The letter says, Tata Steel Mining Ltd (TSML) – a 100 per cent subsidiary of Tata Steel – acquired three mines, namely Sukinda, Saruabil and Kamarda through auctions in 2020. Rules mandate a dispatch of minimum 1.6 million tonnes chrome ore per annum, failing which penalty provisions will be imposed. The chance of lease termination by the Government is also not ruled out if there is failure.

Being under the canalised list, chrome ore has been exported through MMTC and tenders were floated in June. However, after dispatch of materials to container freight stations at Vizag Port "for anticipated exports", the tenders were cancelled on June 6. Accordingly, compliance of a minimum dispatch requirement becomes "very difficult" and there is also an "acute shortage of space at the port" (as the previously dispatched material is already stacked there).

"We understand owing to financial distress, MMTC has been declared an NPA by the banks due to non-payment of working capital loans and funded interest term loans. This poses a threat for payment to MMTC's vendors..." it wrote adding that removal of chrome ore from the canalised list "would facilitate export without hindrance and help miners" achieve minimum dispatch targets and avoid penalties.

Steam coal import

AM/NS India said steam coal is used in corex furnaces for production of hot metal which is then used in downstream process of steel-making.

If the nil rate on basic customs duty and agriculture infrastructure and development cess on steam coal is not brought in, corex furnace and sponge iron manufacturing units will see an increase in raw material cost, which will put them at a cost disadvantage versus those using coking coal and lead to supply disruption.

THE ECONOMIC TIMES DATE : 6/08/2022 P.NO.9

Apparel and Diamond Traders Face Slowdown in Demand from US, China

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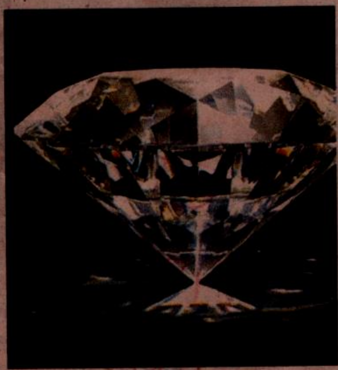


Kolkata: Apparel and diamond exporters are facing a slowdown in demand from the US and China respectively. The lockdown in China has impacted exports of loose diamonds from India. On the other hand, demand for apparel from the US has fallen 20% due to rising inflationary pressure, said apparel exporters.

China and the Far East account for about 30% of India's diamond exports, constituting the second largest market after the US. For loose diamonds too, China is the biggest market after the US.

"The Covid lockdown in China and their zero-tolerance policy to curb Covid are impacting the Indian diamond business. However, it is expected that the country will open up within the next two months and business will become normal," Colin Shah, chairman, Gem & Jewellery Export Promotion Council, told ET.

Shah said demand from the US and Europe remains strong. In 2021-22, India had exported gems and jewellery worth $40 billion. In this financial year, traders are targeting exports of $45 billion.

Lalit Thukral, president, Noida Apparel Export Cluster, said "We are already feeling the heat of rising inflationary pressure in the US. Demand from the US is down 20%."

"The type of news that is coming from the US, does not augur well for the apparel exporters of Tirupur," said Raja Shanmugam, president of Tirupur Exporters Association. "We have to wait and watch how the order position remains at the beginning of September."

Apparel exports fell marginally by 0.6% year-on-year in July to $1,380.5 million. Compared to July 2020, exports were up 29.5% and 1.2% against July 2019. Cumulative apparel exports for the period April-July were $5,872.5 million, up 22.4% over 2021-22, 113.6% over 2020-21 and 6.0% over 2019-20.

NAVBHARAT
DATE:6/08/2022 P.NO.9

खनिजों का कम उत्पादन दुर्भाग्यपूर्ण

चर्चा सत्र में गडकरी ने कहा

नागपुर. केंद्रीय मंत्री नितिन गडकरी ने कहा कि विदर्भ में राज्य की 78 प्रतिशत खनिज और 80 प्रतिशत वन संपदा है. विदर्भ से लगा छत्तीसगढ़ भी खनिज संपदा से भरपूर है. इन दोनों ही राज्यों में भरपूर खनिज सम्पत्ति होते हुए भी हमें वह आयात करना पड़ता है, यह दुर्भाग्यपूर्ण है. उन्होंने कहा कि खनिज के क्षेत्र में देश को आत्मनिर्भर बनाना होगा. वे राष्ट्रसंत तुकड़ोजी महाराज नागपुर विश्वविद्यालय द्वारा खनिज संपदा पर आयोजित चर्चासत्र में बोल रहे थे. उस दौरान उपकुलपित डॉ. सुभाष चौधरी, डॉ. दीपककुमार सिन्हा, डॉ. राजेश्वर आदि उपस्थित थे. गडकरी ने कहा कि खनिज उत्पादन बढ़ाना चाहिए. पानी, बिजली, सड़क, संवाद साधन नहीं होंगे तो उस भाग में उद्योग नहीं आते जिससे रोजगार निर्माण नहीं होता और गरीबी दूर नहीं होगी. जहां जंगल हैं, वहां खनिज है और खनिज है तो वहां आदिवासी समाज है. लेकिन आदिवासियों के जीवन में जो सामाजिक व आर्थिक परिवर्तन होना था, वह नहीं हुआ क्योंकि पर्यावरण रक्षा नीति बनाते समय आदिवासियों का जीवन बदल सके, इस पर ध्यान नहीं दिया.

विभागों में समन्वय नहीं

गडकरी ने कहा कि खनिज सम्पदा का मूल्यवर्धन होना चाहिए. इसके लिए यूनिवर्सिटी का योगदान महत्वपूर्ण है. सरकार में विविध विभाग हैं लेकिन एक क्या करता है दूसरे को जानकारी नहीं होती. वेकोलि क्या करती है मॉयल को नहीं मालूम होता. ऐसे में विकास नहीं होता. सभी विभागों में समन्वय होना चाहिए. तभी उत्पादन बढ़ेगा और खनिज की जरूरत पूरी होगी. विकास के लिए सकारात्मकता की जरूरत है. उन्होंने कहा कि व्यावसायिक दृष्टिकोण रखते हुए इस क्षेत्र में आपसी समन्वय के साथ काम करेंगे को खनिज में भी देश आत्मनिर्भर बन सकेगा.

BUSINESS LINE DATE : 6/08/2022 P.NO.4

Steel makers slash prices up to ₹3,500/tonne for Aug deliveries

Mills cite poor demand in domestic, export markets for downward price revision

ABHISHEK LAW

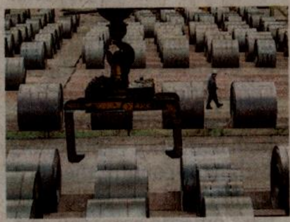
New Delhi, August 5

Indian steel-makers have cut the bench-mark hot rolled coil (HRC) prices by ₹3,000 – 3,500 per tonne for August deliveries. Mills cite poor demand in domestic and export markets and slow buying from the trade for the downward price revision.

Month-on-month prices have declined by 3-4 per cent with HRC prices now being in the range of ₹58,000-59,000 per tonne; amongst the lowest so far in 2022, and over 25 per cent fall from the peak they commanded earlier this year.

According to market sources, the cold-rolled coil (CRCs) prices are down by ₹2,650/ tonne (around 4 per cent month-on-month). Post revision, CRC prices are now in the ₹65,350-66,500/ tonne range.

Rebar prices too have seen a decline too. Blast furnace route rebar price stood at ₹56,900/tonne, down by 3-4 per cent, month-on-month.



"From a peak in April, HRC prices have been declining. We had hoped that prices have bottomed out and mills could roll over their July prices in August. But domestic demand continued to be poor, and so most of them announced a ₹3,000-3,500-odd per tonne downward revision in prices," a steel mill official told *BusinessLine*.

Exports weakness

Exports of steel have been badly hit since the imposition of a 15 per cent duty in May. For the April to June quarter, exports declined 39 per cent, year-on-year, as per details available with the Steel Ministry.

In June, exports declined 60 per cent, y-o-y.

Since May, offers have remained under pressure while volumes took a hit. The key markets of West Asia, Europe and Vietnam have seen less bookings for Indian-origin HRC.

This led to inventory pile up, exerting pressure on mills to sell in the domestic market.

Slow buying

Seasonal weakness saw poor demand from the domestic market too. Anticipating further fall, dealers reduced purchase orders. Restocking too has not happened at dealer levels.

Indian steel mills were reportedly advancing their annual maintenance as they did not want to pile up on inventory.

"Some of the larger buyers are negotiating for more discounts or holding back purchase decisions because of volatility in prices," a mill official said, adding that demand from the construction sector remains lower than expected.

For Indian steel companies, raw material prices are witnessing some decline. Imported premium hard coking coal (Australia) have fallen on a weekly basis by about $327/ tonne from $554 in May to $227 in June.

THE HITAVADA DATE:8/08/2022 P.NO.7

Steel players expect Govt to withdraw export duty

NEW DELHI, Aug 7 (PTI)

THE export duty imposed on certain steel products recently will not force steel makers to review their capital expenditure plans as top producers expect it to be a "short-term" move to stabilise inflation.

On May 21, the Government hiked the duty on exports of iron ore by up to 50 per cent and for a few steel intermediaries to 15 per cent.

It also waived customs duty on the import of some raw materials, including coking coal and ferronickel, used by the steel industry. The measures were taken to boost domestic availability, check inflation, stabilise prices of coal and address the issues of steel producers reeling under high input costs.

However, steel industry players had said imposition of export duties on steel products will send a negative signal to investors and adversely impact capacity expansion projects under the Production Linked Incentive (PLI) scheme.

The Indian Steel Association (ISA), which represents the domestic steel companies, had said India may lose export opportunities and the decision may also impact the overall economic activity in country.

According to the Steel Ministry, the sector's exports in FY22 increased by 25.1 per cent to 134.94 lakh metric tonnes (LMT), while imports dipped 1.7 per cent to 46.69 LMT.

When asked about the impact of the export duty on the industry, Tata Steel Chief Executive Officer and Managing Director T V Narendran said: "We appreciate the need to control inflation and the need for some short-term measures like the export duty, prolonging this duty even after steel prices have settled at much lower levels is detrimental to the profitability of the industry."

BUSINESS LINE DATE:9/08/2022 P.NO.3

NMDC targets 46 mt production this fiscal

ABHISHEK LAW

New Delhi, August 8

The short-term outlook for iron ore market is "not encouraging" because of geopolitical reasons and Covid-led disruptions in China - the largest consuming market, Sumit Deb, Chairman and Managing Director, NMDC Ltd, said.

According to him, NMDC is looking at a 10 per cent y-o-y increase in production at 46 million tonnes in FY23, following the expansion of Bacheli mine in Chhattisgarh and post the renewal of lease by the Karnataka government for Kumaraswamy mines.

Production outlook

Addressing shareholders in the annual report, Deb maintained that the Russia-Ukraine conflict and continued impact of Covid-19 in China have been "dampening the demand for steel in 2022". And as a result, demand for iron ore has been declining and prices have been volatile with a downward bias in June and July. NMDC had been taking price cuts over the last few months too.

The long-term demand for iron ore is, however, expected to be positive.

According to him, the fifth line of screening and downhill conveyor augmentation at Bacheli mine was delayed post a problem with the consultant. However, the company has appointed a new consultant and the project work has resumed.

"We expect these facilities to be ready in FY23 and add about 25 lakh tonnes of production," he said. Lease for Kumaraswamy mines was renewed in June. The mine will have an annual capacity of 7 million tonnes. NMDC also operates the Donimalai mines in the State.

"We (are) targetting production of 46 million tonnes of iron ore in FY23. This volume is about 10 per cent higher than in FY22 and would provide a cushion against possible pressure on pricing and we hope to maintain and surpass the top line again in FY23," Deb said.

In Q1 FY23, NMDC reported a 54 per cent decline in PAT at ₹1,469 crore, while sales and average per tonne sales realisation dipped by 17 and 11 per cent y-o-y respectively because of weak demand from steel-makers". Sales stood at 7.8 mt for the quarter. Decline in sales and a fall in iron ore prices saw NMDC's Q1 revenues fall 27 per cent y-o-y.

BUSINESS LINE DATE :9/08/2022 P.NO.8

MCX zinc: Go long on dips at ₹298 and ₹293

COMMODITY CALL

GURUMURTHY K
BL Research Bureau

The short-term outlook for the zinc futures contract traded on the Multi Commodity Exchange (MCX) is bullish. The contract has risen sharply over the last two weeks, breaking above the crucial resistance level of ₹290. It is currently trading at ₹307.5 per kg. Though the broader outlook is bullish, a key resistance is coming up at ₹315. This level can be tested in the coming days. However, it might hold and cap the upside for now.

Traders with a short-term perspective can wait for dips. Go long at ₹298 and accumulate at ₹293. Keep the stop-loss ₹286. Trail the stop-loss up to

₹301 as soon as the contract moves up to ₹306. Move the stop-loss further up to ₹308 as soon as the contract touches ₹311. Book profits at ₹313.

There is a good chance the contract will consolidate in the ₹290-315 range for a few weeks. A breakout on either side of this range will then determine the next leg of move. A break above ₹315 can take the contract up to ₹340. On the other hand, a break below ₹290 will increase the downside pressure and drag the contract down to ₹275.

BUSINESS LINE DATE :9/08/2022 P.NO.9

Ex-Coal Secretary HC Gupta gets 3-year term in mine allocation case

PRESS TRUST OF INDIA
New Delhi, August 8

A Delhi court on Monday awarded three-year jail term to former Coal Secretary HC Gupta in a coal scam case related to irregularities in allocation of a coal block in Maharashtra, a lawyer associated with the case said.

Special Judge Arun Bhardwaj also awarded two year imprisonment to former joint-Secretary in the Ministry of Coal, KS Kropha and imposed a fine of ₹50,000, while Gupta was asked to pay a fine of ₹one lakh.

The court had convicted both for criminal conspiracy, criminal breach of trust, cheating and corruption in the case relatin to allocation of Lohara East coal block.

The court, meanwhile, awarded four year jail term to Mukesh Gupta, the director of

convicted company, Grace Industries Ltd. (GIL), for criminal conspiracy and cheating and imposed a fine of ₹two lakh, while the company was also directed to pay a fine of ₹two lakh separately.

Both were convicted for criminal conspiracy and cheating.

Earlier convictions

The trial was conducted by senior advocate RS Cheema, Deputy Legal Advisor for the CBI Sanjay Kumar and senior public prosecutor AP Singh.

HC Gupta was earlier convicted in three other coal scam cases and his appeal against those convictions is pending before the Delhi High Court. He is currently on bail along with other convicted persons in the case.

According to the CBI, between 2005 and 2011, the accused hatched a criminal conspiracy and cheated MoC, Government of India by dishonestly and fraudulently inducing the MoC to allocate 'Lohara East Coal Block' in favour of GIL on the basis of false information about net worth, capacity, equipments and status of procurement and installation of plant.

The Supreme Court had on August 25, 2014 cancelled the entire allocations of coal blocks. This is the 11th conviction in coal scam cases secured by prosecution.

BUSINESS LINE DATE :11/08/2022 P.NO.2

Hindalco Q1 net up 47% on lower base, higher realisation

Revenue spikes 40%; company to repay ₹4,500-crore debt in the next few months

OUR BUREAU
Mumbai, August 10

Hindalco Industries reported the highest-ever consolidated net profit, up 47 per cent at ₹4,119 crore in the June quarter against ₹2,787 crore logged in the same period last year, largely due to lower base effect and higher realisation.

Revenue increased 40 per cent to ₹58,018 crore (₹41,358 crore). EBITDA in aluminium upstream business was up 41 per cent at ₹3,272 crore (₹2,317 crore) on higher LME prices. However, it dipped 13 per cent on a sequential basis. Downstream aluminium EBITDA increased over three times year-on-year to ₹158 crore (₹39 crore) while that of copper more than doubled to ₹565 crore (₹261 crore). Overall EBITDA increased to ₹8,640 crore (₹6,790 crore).

Satish Pai, Managing Director, Hindalco Industries, said the upstream aluminium business will continue to face pressure due to falling LME prices on the back of slowing Chinese economy but the impact would be moderated by falling raw material prices.

Satish Pai, MD, Hindalco Industries

No plan to cut capex

The company does not plan to cut capex plan of ₹3,000 crore in this fiscal despite talks of a global recession.

Depending on how soon the expansion plans are finalised on the ground, the company will be allocating about ₹2,500 crore in the next three months, he said.

The coal supply for non-power sector has improved and this should ease the cost pressure going ahead, added Pai.

Novelis results

Novelis reported its highest-ever quarterly adjusted EBITDA of $561 million ($555 million), primarily due to higher product pricing, favourable product mix and higher recycling benefits. Its net income was up 1 per cent at $307 million, mainly driven by higher EBITDA, unrealised derivative gains and a lower tax provision in the current year.

Revenue was up 32 per cent at $5.1 billion ($3.9 billion), driven by higher global aluminium prices.

Debt picture

With the ensuing recession trend in the US and Europe, Pai said he is cautiously optimistic on global business while demand in India is expected to be strong given the good monsoon, falling inflation and dip in raw material prices.

Hindalco will also repay debt of ₹4,500 crore in the next few months.

Net debt of the company increased to ₹42,193 crore against ₹39,096 crore in the March quarter due to higher drawings for working capital. Shares of the company were up 5 per cent at ₹442 on Wednesday.

BUSINESS LINE DATE :11/08/2022 P.NO.2

Coal India net jumps 178% on higher e-auction realisation

Net sales on a consolidated basis grew nearly 40% to ₹32,498 crore

OUR BUREAU

Kolkata, August 10

Riding on the back of higher value sales, particularly from e-auction route, Coal India Ltd registered nearly 178 per cent rise in consolidated net profit to ₹8,834 crore for the quarter ended June 30, as compared with ₹3,174 crore same period last year. This is far higher than street expectations, which anticipated 35-40 per cent jump in profit.

Net sales on a consolidated basis grew nearly 40 per cent to ₹32,498 crore (₹ 23,294 crore).

Volumes sold

The state-owned miner witnessed a 29 per cent rise in production at 159.75 million tonne (mt) (123.98 mt). Coal offtake was up around 11 per cent at 177.49 mt (160.44 mt).

While the volume of coal sold through e-auction was lower at 20.91 mt this year (30 mt), the average realisation was more than double at ₹4,339.97 a tonne (₹1,569 a tonne)

CIL sold close to 153.80 mt of coal through FSA (fuel supply agreement) route in Q1 this year (128 mt), clocking net sales of around ₹22,188 crore. The average realisation per tonne was ₹1442.67.

While the volume of coal sold through e-auction route was lower at close to 20.91 mt this year (30 mt), the average realisation was more than double at ₹4,339.97 a tonne (₹1,569 a tonne). CIL clocked net sales of around ₹9,074.65 crore through e-auction route (₹ 4,736 crore).

Moderation in prices

According to Rupesh Sankhe, analyst at Elara Capital India, the jump in profit came primarily on the back of the strong prices in e-auction platform. "Though the volume sale on e-auction was lower, the average realisation was much higher this year. We expect e-auction prices to moderate in the next two-to-three quarters as players are getting Russian coal at much cheaper rates," Sankhe told *BusinessLine*.

Other income increased nearly 46 per cent at ₹995 crore (₹681 crore). Total income increased 39 per cent at ₹36,081 crore (₹25,963 crore). Total expenses went up nearly 11 per cent at ₹23,985 crore. Employee benefit expenses, however, came down nearly 3 per cent at ₹10,073 crore (₹10,394 crore). The company's scrip closed up 2.02 per cent on the BSE on Wednesday.

NAVBHARAT DATE :11/08/2022 P.NO.5

अवैध खनन के 339 मामले दर्ज

जयपुर.राजस्थान में अवैध खनन गतिविधियों के खिलाफ पुलिस एवं प्रशासन की संयुक्त कार्रवाई में पिछले 19 दिनों में 339 प्राथमिकी दर्ज की गई हैं और 164 व्यक्तियों को पकड़ा गया है. इस दौरान राज्य भर में 4 करोड़ 36 लाख रुपये से अधिक का जुर्माना वसूला गया है. खनन विभाग, पुलिस विभाग, वन विभाग और स्थानीय प्रशासन के सहयोग से अवैध खनन के खिलाफ सख्त कार्रवाई की जा रही है.

THE ECONOMIC TIMES DATE : 11/08/2022

Hindalco Posts Record June Quarter Profit at ₹4,119 crore

Robust performance by US arm Novelis boosts bottom line, revenue jumps 40% in Q1

Our Bureau

Mumbai: Aditya Birla Group's aluminium arm Hindalco on Wednesday reported record profit for the second consecutive quarter on the back of superior performance from US-subsidiary Novelis even as high input costs resulted in sequentially lower margins and profits at the India unit.

The company reported a consolidated top line of ₹58,018 crore for the April-June period, up 40% year-on-year. The consolidated profit improved by 27% to ₹4,119 crore, the company's highest-ever in a quarter.

Earnings before interest, tax, depreciation and amortisation (Ebitda) improved by 27% year-on-year to ₹8,640 crore.

But India unit reports sequentially lower margins on high input costs

However, higher input prices and a correction in metal prices on the London Metal Exchange meant that Ebitda margins narrowed 153 basis points to 14.9%.

Reacting to the earnings, the Hindalco stock closed 4.41% higher on the BSE at ₹440.05. Benchmark Sensex ended the session marginally lower. The Hindalco stock has gained over 23% in the past month but lost almost 8% since the beginning of this year.

"Novelis had an excellent Q1. Most of their markets did well," Satish Pai, the managing director of Hindalco, said during a press call Wednesday evening.

The US-based subsidiary reported a sharp expansion in Ebitda both year-on-year and sequentially to ₹4,334 crore. In contrast, Ebitda at the aluminium upstream business in India expanded year-on-year but narrowed sequentially to ₹3,272 crore.

The fortunes of the Indian upstream aluminium business closed followed the prices of the metal. The prices of aluminium on the LME declined from around $3400 to $2600 per tonne through the June quarter compared to a peak of almost $4000 in March.

Metal & Mining Stocks to Face Headwinds as China's Export Glut Weighs on Prices

Lower prices to dent realisations and margins; Tata Steel, JSW Steel, Hindalco still top picks

Rajesh.Mascarenhas
@timesgroup.com

Mumbai: Investors must brace for limited gains in shares of metal and mining companies as earnings could come under pressure in the coming quarters on weakening prices, said analysts. With Chinese steelmakers flooding the global market, analysts expect prices to be under pressure for now. Tata Steel, JSW Steel, Hindalco, and Vedanta remain top picks though analysts warn against sharp upside in the near-term.

Nomura said Indian steel mills cut HRC (hot rolled coil) prices for August by ₹3,500 per tonne to ₹58,500 from the previous month and CRC (cold rolled coil) by ₹2,500 per tonne to ₹66,000. The government in May had slapped an export duty of 15% on various steel products and imposed a 45% duty on iron ore pellets to rein in the prices.

"Lower steel and iron ore prices are expected to severely impact realisation and margins of steel and iron ore companies and resultantly would put pressure on earnings in FY23," said Abhijeet Bora, analyst at Sharekhan. "Weak earnings would in turn impact growth capex and valuations."

The Nifty Metal index rallied 20% in the last one month compared to an 8% rise in the Nifty index. Stocks such as Hindalco, Tata Steel, JSW Steel, and Hindustan Copper have gained more than 20% in one month. Reports of the government mulling a partial withdrawal of export duty on steel contributed to the improved sentiment in steel stocks.

Edelweiss Securities said sustained high levels of steel and aluminium exports from China are concerning. This could add pressure to metal prices globally.

"Robust steel and aluminium exports from China are cause of concern," said Amit Dixit, analyst, Edelweiss Securities. "While regional steel prices are already at their lowest level since November 2020 and the LME alumimium price has remained range-bound, we remain circumspect of the ferrous space owing to the twin-trouble of higher export volume and lower prices from China."

Continued on ▸▸ Smart Investing

Feeling the Heat

Stock	CMP (₹)	1 Month Return (%)	YTD Return (%)	PE
JSW Steel	669.85	16.11	0.41	10.38
Tata Steel	109.25	19.70	-4.43	3.42
Hindustan Zinc	272.80	0.48	-14.64	10.74
Hindalco Industries	440.05	23.54	-7.92	7.20
Vedanta	256.64	11.87	-27.42	5.02
Jindal Steel	396.30	12.91	2.84	5.25
NMDC	116.05	6.47	-14.23	4.45
SAIL	79.84	10.12	-27.45	2.69
APL Apollo Tubes	1,051.15	18.31	10.74	50.88
NALCO	79.90	8.49	-22.46	4.97

BUSINESS LINE DATE :11/08/2022 P.NO.8

Go short on copper futures

COMMODITY CALL

AKHIL NALLAMUTHU
BL Research Bureau

After falling sharply between March and mid-July this year, the continuous futures of copper on the Multi Commodity Exchange (MCX) started to recover after marking a low of ₹602.15. That is, the contract has been on a recovery since the past month and is currently trading at around ₹665.

Although the price has been moving up, the overall bias remains bearish and we expect the upside to be limited. The contract might reverse from either ₹670 or ₹700 and resume its downtrend. In that case, the price could slip below the support at ₹600 and decline towards the support band of ₹530-550. A fall below this is less likely.

On the other hand, if the contract manages to rally past ₹700, it might turn the trend bullish, wherein the price could rise to ₹740.

That said, the resistance at ₹700 holds true as of now and the trend remains bearish.

Go short in copper futures when the price touches ₹670. Add more shorts if it rallies further to ₹700, and place an initial stop-loss at ₹745. When the contract reverses downside, as we expect, and dips below ₹600, lower the stop-loss to ₹670. Liquidate all the

THE HINDU DATE :11/08/2022 P.NO.8

Hindalco Q1 net rises 48% to ₹4,119 crore

SPECIAL CORRESPONDENT
MUMBAI

Hindalco Industries Ltd. reported first quarter consolidated net profit grew 48% to ₹4,119 crore.

EBITDA grew 27% to ₹8,640 crore. Revenue rose 40% to ₹58,018 crore.

The results were driven by better macroeconomic indicators, robust performance of aluminium downstream and copper businesses, along with better operating efficiencies, Hindalco said.

"Our performance was backed by strong operational efficiencies and pre-emptive sourcing of critical raw materials, thus ensuring stable operations and higher margins," Managing Director Satish Pai said.

THE HINDU DATE :12/08/2022 P.NO.16

NMDC raises iron ore prices

SPECIAL CORRESPONDENT
HYDERABAD

Mining major NMDC has increased iron ore prices by ₹200 per tonne of lump ore and ₹100 for the same quantity of fines.

Effective August 11, the new prices are ₹4,100 for lump ore and ₹2,910 for fines, the State-owned company said on Thursday. This is the first upward revision by NMDC this fiscal. From ₹6,100 for lump ore and ₹5,160 for fines on April 1, the prices had been on a decline. During the previous revision on July 12 they were set at ₹3,900 and ₹2,810 respectively. The prices, however, had firmed up in the first quarter of CY22. The April prices for the lump and fines were ₹1,200 and ₹1,100 more respectively than the ₹4,900 and ₹4,060 fixed on December 28.

BUSINESS LINE DATE :12/08/2022 P.NO.2

Higher expenses drag SAIL consolidated net down 79%

Slack demand, too, weighs on numbers

OUR BUREAU

New Delhi, August 11

PSU steel-maker SAIL saw a 79 per cent fall in consolidated net profit to ₹805 crore for the quarter ended June 30, dragged down by an increase in expenses. The net profit was ₹3,897 crore in the April-June period of 2021-22 fiscal, Steel Authority of India Limited (SAIL) said in a regulatory filing.

The company's total income rose to ₹24,200 crore, 17 per cent y-o-y. Total income in the comparable period last fiscal was ₹20,755 crore. Expenses grew 50 per cent, y-o-y, to ₹23,295 crore. "The first quarter of FY23 saw twin challenges of higher input costs and subdued market demand, both globally and in the domestic arena, impacting the performance of the company," it said in a statement.

For Q1FY23, the crude steel production was 4.3 million tonnes, up 15 per cent over the same period last fiscal

High cost of production due to an increase in imported coking coal prices had an impact on the bottomline, it further explained, adding that the decline in global demand and steel prices "had a direct bearing on the domestic market and price realisation".

Since peaking in April 2022, the price for steel has continuously remained under pressure during the quarter. "Construction and infrastructure projects have gained momentum which will boost the demand for steel products," it said in the statement.

The SAIL management said they were confident of improved performances in the second half of the fiscal as there has been a significant reduction in the price of imported coal and " an uptick in demand" for steel.

BUSINESS LINE DATE :12/08/2022 P.NO.9

Despite global dip in prices, steel firms pay higher royalty on iron ore

Bureau of Mines has not revised prices after May; CII wants pricing formula rejigged

SURESH P IYENGAR

Mumbai, August 11

The delay in fixing the average selling price of iron ore by the Indian Bureau of Mines (IBM) has put steel companies in a spot as they have to pay higher royalty even as iron ore prices are on a downtrend.

IBM announces average selling price of iron ore every month after taking into account the selling price of merchant miners. Captive miners including Tata Steel and JSW Steel have to pay royalty of 15 per cent of the average price to the government.

Export halted

Royalty is the payment of tax to the government for the privilege granted for extraction and processing of minerals. The Mines Bureau has announced the average iron ore price only up to May. Most of the merchant miners have stopped producing iron ore after the steep fall in iron ore prices and the levy of an unprecedented export duty of 50 per cent on low-grade iron ore and 45 per cent on iron ore pellets. This has completely stopped shipments of this key raw materials to the international markets.

Unlike captive miners, merchant miners – who have been allotted mines on a discretionary basis – have no obligation to produce certain quantity of iron ore monthly. The suspension of production by these mines has led to shortage or iron ore in the domestic market and jump in iron ore prices even as prices are falling globally.

The Indian Bureau of Mines announces average selling price of iron ore every month after taking into account the selling price of merchant miners

Iron ore lumps (65 per cent iron content) prices in India has fallen 33 per cent to ₹4,100 a tonne in August from ₹6,100 a tonne logged in May while that of fines had plunged 44 per cent to ₹2,910 a tonne against ₹5,160 a tonne in the same period.

IBM had in May fixed the average selling price of iron ore (65 per cent iron content) at ₹8,027 a tonne while that of fines at ₹5,440 a tonne.

Seshagiri Rao, Joint Managing Director, JSW Steel said "Since the IBM has not lowered prices based on current trend, we have to pay higher royalty based on the last declared price which is higher. We have requested the government to correct this anomaly," he added.

CII's representation

Meanwhile, the Confederation of Indian Industry has urged IBM to exclude the royalty, contribution to district mineral fund (DMF) and the national mineral exploration trust (NMET) from the price collated from merchant miners before calculating the monthly average selling price of iron ore.

In a recent representation to the Ministry of Mines, the CII has claimed that there has been double taxation in respect of charging of premium, royalty, contribution to DMF and NMET, leading to an overcharge of about 20 per cent on miners.

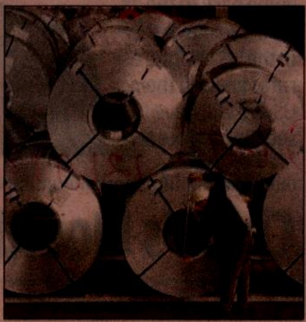
Adani Planning $5.2-billion Alumina Refinery in Odisha

Project in Rayagada to have an annual capacity of 4 m tonnes

Bloomberg

Adani Enterprises plans to invest $5.2 billion in setting up an alumina refinery in the eastern Indian state of Odisha, as Gautam Adani, Asia's richest man, adds one more business to his rapidly-expanding empire.

The flagship company of the Adani Group got the approval to build the refinery and a captive power plant in Rayagada for an investment of $5.2 billion, according to a Twitter post on Wednesday by the office of the state's chief minister, Naveen Patnaik. The refinery will have an annual capacity of 4 million tonnes, according to another statement by the local government.



A representative for Adani Enterprises declined to comment on the Odisha project or the company's plans for its fledgling aluminum business.

Billionaire Adani had set up a wholly owned subsidiary - Mundra Aluminium - in December, signaling his aspirations in a sector that is dominated by heavyweights such as the Aditya Birla Group and the London-based Vedanta Resources. The tycoon, with the world's biggest wealth gain this year to $126 billion, built his empire on agri-trading and ports but has speedily diversified into airports, data centers and renewable energy, often moving in lockstep with the Indian government's policy priorities.

Adani had scaled up his nascent cement business overnight by acquiring Holcim's India units for $10.5 billion in May, less than a year after setting up a cement subsidiary. He is now steadily building up his group's metals portfolio after announcing plans for steel and copper plants earlier in the year.

In June, Adani Enterprises raised ₹6,070 crore in a syndicated club loan for a 500,000 tonnes new copper refinery complex in Gujarat. The company also announced a tie up with South Korean steel major Posco in January to explore business opportunities in India, including the setting up of a green steel mill.

Coal India Turns Biggest Gainer in Nifty, Rally may Continue in Sept Quarter

HIGH PERFORMER CIL rallied with nearly 50% return in year-to-date period among all stocks in the index

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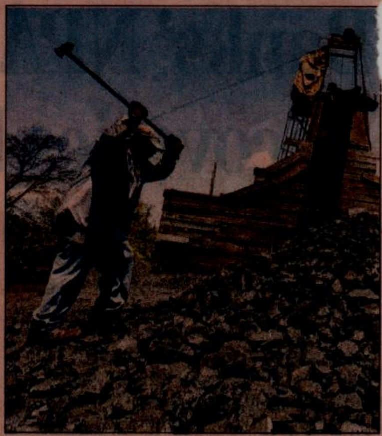

ET Intelligence Group: Coal India (CIL), one of the least preferred stocks until a year ago, has turned out to be the top gainer with nearly 50% return in the year-to-date period among the Nifty 50 stocks. In the June quarter, the company reported record earnings beating the Street's expectations by a wide margin. Despite the recent rise, the stock still trades at an attractive dividend yield of 9% on expected FY23 dividends.

The earnings surprise was led by higher e-auction sales with highest ever realisation, which surged 177% year-on-year and 78% quarter-on-quarter on the back of sharp rise in international coal prices. For instance, Australian coal price quadrupled to over $400 per tonne from its previous year's low. It currently trades at nearly $350 per tonne.

A higher e-auction realisation compensated for a 24% drop in volume though the e-auction route due to higher demand from power companies amid torrid summer. There, the average realisation was one third of the average e-auction realisation of ₹4,840 per tonne for the quarter.

The momentum in the September quarter is also likely to remain robust given the e-auction booking at ₹8,000 per tonne in the previous three months. Its effect will be seen in the current quarter. Also, the volume in e-auction is expected to improve during the quarter.

Overall, the company's revenue increased by 8% sequentially to ₹35,092 crore in the June quarter. The operating profit before depreciation and amortisation (Ebitda) and net profit increased by 37% and 32% to ₹12,251 crore and ₹8,834 crore, respectively.

The company has a planned capex of ₹12,000 crore over the next three years amid cash reserves of ₹40,000 crore, which are expected to reach ₹50,000 crore by the end of FY23.

Higher interest income on cash in hand from rising interest rates will also add to the earnings. At Thursday's closing price of ₹218.6, the stock was traded at 7.9 times FY22 dividend yield and 7.6 times FY22 earnings. The stock is expected to remain on investors' radar given the strong business prospects.

BUSINESS LINE DATE :12/08/2022 P.NO.8

Bet short in lead futures

COMMODITY CALL

AKHIL NALLAMUTHU
BL Research Bureau

The continuous futures of lead on the Multi Commodity Exchange (MCX), which bounced off the support at ₹166 nearly a month ago, has been rallying since then. While there was a pause at around 180, the contract managed to appreciate to the current level of 182. Early this week it made a high of 185.65.

Note that 184 is a resistance. A falling trendline coincides at this level, making the resistance stronger. Therefore, we expect the contract to make a U-turn. It can fall below 180 and touch 175 in the near term. A breach of this level can potentially drag the contract to 157.

Last week, we had recommended initiating shorts positions at around 175 and suggested shorting more at 184. Those who executed these trades would now have shorts with average entry price at around 180 with a stop-loss at 192.

Trading strategy

When the contract falls below ₹166, modify the stop-loss to ₹182. Exit all your shorts at ₹157 because this is a key support against which the contract might witness a rebound. A move above ₹184 could also mean that the falling trendline resistance would have been nullified, making the case stronger for the bulls. Above ₹184, the resistances are at ₹195 and ₹200.

BUSINESS LINE DATE :12/08/2022 P.NO.9

Hindalco's smelter to use only green energy

In a first, company ties up with Greenko to power Aditya Aluminium's unit in Odisha

OUR BUREAU
Mumbai, August 11

The Aditya Birla Group company Hindalco Industries has entered into an agreement with Greenko Energies, an energy transition company to set up renewable energy project to supply 100 MW power to Aditya Aluminium smelter in Odisha.

The arrangement covers development of about 400 MW solar power in phase-I and 1,000 MW in Phase-II with cumulative investment of $950 million (₹7,600 crore). Greenko will design, construct, partly own and operate the solar and wind facilities.

The RE project will be set up as a captive generation facility under a 25-year off-take arrangement. The carbon-free power will enable the smelter to reduce carbon-dioxide emissions by 6,80,000 tonnes annually.

Further discussions between the parties to execute a power purchase agreement along with the other supplementary agreements is expected to be completed soon, said both the companies in a statement.

World's first

The project will be one of the world's first for the aluminium sector with over 85 per cent reliability from the solar and wind power without dependence on grid electricity. Hindalco will also

be the first aluminium company in India to use such round-the-clock carbon-free power for smelting.

Greenko will also make available appropriate storage capacity from its hydro pump storage project in Pinnapuram, Andhra Pradesh to ensure continuous power supply.

Satish Pai, Managing Director, Hindalco said, the agreement with Greenko is a significant step to reduce carbon footprint and cement the company's status as the world's most sustainable aluminium producer. "We are guided by our long-term commitment of becoming net carbon-neutral by 2050," he said.

Going green

Anil Kumar Chalamalasetty, Managing Director, Greenko said, the RE project along with Greenko's pumped storage project will ensure firm and predictable supply even at individual time block level without any banking support from the grid for Hindalco.

In March, the world's largest steel producer, ArcelorMittal had tied up with Greenko Group to source 975 MW of round-the-clock green power to cut carbon emission at its joint venture, ArcelorMittal Nippon Steel India. The $600 million project, which will be supported by Greenko's hydro pumped storage project, will be owned and funded by ArcelorMittal.

THE HITVADA DATE :14/08/2022 P.NO.5

Hindustan Copper net profit rises 25% in Q1

NEW DELHI, Aug 13 (PTI)

HINDUSTAN Copper Ltd on Saturday posted a 25 per cent rise in consolidated net profit to Rs 57.08 crore for the quarter ended on June 30, 2022 on the back of higher income.

It had posted a consolidated net profit of Rs 45.63 crore in year-ago period.

NMDC targets 46 mn tonnes of iron ore production in FY23

HYDERABAD, Aug 13 (PTI)

STATE-OWNED miner NMDC Ltd targets to achieve 46 million tonnes of Iron ore production in the current fiscal, 10 per cent higher than that of last year, Chairman and Managing Director, Sumit Deb said.

The company achieved production of 42.19 MT and sales of 40.56 MT in FY22 with a turnover of Rs 25,882 crore.

"On the back of the developments mentioned above at the Bacheli mine, Kumaraswamy mine and other mines, we target production of 460 lakh tonnes of iron ore in FY23. This volume is about 10 per cent higher than in FY22 and would provide a cushion against possible pressure on pricing and we hope to maintain and surpass the top line again in FY23," Deb said in the latest annual report.

He also said the company expects the demerger of its three-MT steel plant in Chhattisgarh to complete in the current year as its application for demerger has been accepted by the Ministry of Corporate Affairs and as directed by them, NMDC also held the meetings of unsecured creditors and Shareholders of our company in June 2022.

"We have obtained the no objection certificate from the stock exchanges... We expect to complete the demerger within FY23," he said.

He further said NMDC has appointed new consultant for the fifth line of screening and the downhill conveyor augmentation project at Bacheli mine, which is expected to be ready in the current year and add about 2.5 MT of production.

Though the outlook for the iron ore market is not encouraging in short term, long-term demand for iron is expected to be positive, he said on the global demand for iron ore.

BUSINESS LINE DATE :14/08/2022 P.NO.6

Gold could shine

MCX futures now testing a key hurdle

AKHIL NALLAMUTHU
BL Research Bureau

Gold gained for the fourth consecutive week as the dollar remained weak. In the international spot market, the yellow metal appreciated 1.5 per cent to end the week at $1,801 per ounce. Similarly, in the domestic market — on the MCX (Multi Commodity Exchange) the gold futures contract went up 1.4 per cent and closed the week at ₹52,585 per 10 gram.

Silver also gained. It was up 4.6 per cent in the international market and ended the week at $20.8 an ounce. The silver futures on the MCX rose 3.3 per cent to wrap up the week at ₹59,276 per kg.

On the fundamental side, imports of gold in India dropped 41 per cent year-on-year in July, as it stood at 42.5 tonnes due to weak retail demand, as per the World Gold Council (WGC). Yet, the demand seems to have been picking up in August, according to WGC. On the other hand, the Indian gold Exchange-Traded Funds witnessed a net outflow of nearly 1 tonne last month. However, the Reserve Bank of India added gold amounting to 13.4 tonnes to its kitty in July, increasing the total gold reserves to 783 tonnes.

MCX-Gold (₹52,585)

Gold futures extended the rally last week. Since it closed at ₹52,585, it has not moved out of the range of ₹50,000-52,600.

But there are some positive signs. The contract has gained for the fourth week in a row, hinting at good momentum. Also, the cumulative Open Interest (OI) of gold futures on the MCX has gone up to 18,937 contracts on Friday compared to 15,615 contracts a month ago. A rise in price along with an increase in OI is a bullish signal.


REUTERS

So, the chances are high for the contract to break above ₹52,600 this week. It can potentially rally to ₹54,000 quickly and even to ₹55,000. But if price declines, the contract can find support at ₹51,650 and ₹51,220 – its 50-day moving average (DMA).

MCX-Silver (₹59,276)

Although silver futures rallied last week and moved above a falling trendline barrier, it is still trading within the resistance band of ₹58,500-60,000. Unlike gold futures, Silver futures has witnessed short covering as the cumulative OI of silver futures declined to 15,923 contracts on Friday compared to 23,007 contracts a month ago. Therefore, the rally looks weak.

That said, if gold futures rally, it can have a positive impact on silver futures also leading to a breakout of ₹60,000. In such a case, the silver futures could move up to ₹63,500 and then possibly to ₹65,000. But if the contract declines from here, it can find support at ₹57,300 and ₹55,000.

NAVBHARAT DATE :15/08/2022 P.NO.7

13 खदानों की होगी नीलामी

सोना भरेगा देश का खजाना

■ दिल्ली, न्यूज एजेंसियां. सरकार इस महीने आंध्र प्रदेश और उत्तर प्रदेश की 13 सोना खदानों की नीलामी करेगी. देश के सकल घरेलू उत्पाद (जीडीपी) में खनन क्षेत्र के योगदान को बढ़ावा देने के प्रयासों के तहत सरकार सोने की खदानों की बिक्री की तैयारी कर रही है. आधिकारिक जानकारी के अनुसार आंध्र प्रदेश के 10 ब्लॉकों में से 5 की नीलामी 26 अगस्त को हो सकती है जबकि शेष 5 की नीलामी 29 अगस्त को होने की संभावना है. आंध्र प्रदेश में सोने की खदानों में

रामगिरी नॉर्थ ब्लॉक, बोक्समपल्ली नॉर्थ ब्लॉक, बोक्समपल्ली साउथ ब्लॉक, जवाकुला-ए ब्लॉक, जवाकुला-बी ब्लॉक, जवाकुला-सी ब्लॉक, जवाकुला-डी ब्लॉक, जवाकुला-ई ब्लॉक, जवाकुला-एफ ब्लॉक शामिल हैं. इन सोने की खदानों के लिए निविदा नोटिस मार्च में निकाला गया था.

BUSINESS LINE DATE :15/08/2022 P.NO.1

Steel exports decline in July again on export duty levy, global slowdown in demand

Alloys post 33% m-o-m rise though

ABHISHEK LAW

New Delhi, August 14

A combined impact of duty levy, seasonal weakness in demand and global slowdown in the commodity cycle saw finished steel exports from the country dip by 75 per cent year-on-year (y-o-y) in July. This is the fourth straight month of fall for Indian mills. Just 1.56 lakh tonnes were exported last month.

A month-on-month (m-o-m) comparison shows steel exports fell 41 per cent, indicating the continued pressure on demand, provisional data compiled by the Steel Ministry showed and accessed by *BusinessLine* showed. For the April-July period, the y-o-y fall was 49 per cent.

Finished steel includes non-alloyed offerings (like long and flat products, cold-rolled coils, and hot-rolled coils) and alloyed and stainless steel offerings. "Transactions for July were even lower than June. Export duty levy and poor demand in global markets led to the fall. If you see category-wise details, the fall in non-alloyed exports was a steep 70 per cent, m-o-m," a trade source said.

Non-alloyed steel worst hit

Non-alloyed steel exports have been worse hit. Data shows that the prime export offering witnessed an 89 per cent fall — its highest percentile fall in recent months — in July versus the same month last year. Exports in July 2021 were 13,82,000 tonnes. For the April-July period, around 20,41,000 tonnes were exported, down 57 per cent over the same period last fiscal (47,07,000 tonnes).

Interestingly, alloyed steel (which does not have an export

A month-on-month comparison shows steel exports fell 41%

duty levy) and stainless steel exports bucked the trend and saw a 33 per cent rise m-o-m and a 72 per cent jump y-o-y, respectively.

Data from the ministry showed that 2,23,000 tonnes of alloyed/stainless steel export were recorded in July 2022. In June, exports in the category were 1,68,000 tonnes, while in July 2021, they stood at 1,30,000 tonnes.

For the April-July period, Indian mills exported 5,29,000 tonnes of alloy/stainless steel, up 46 per cent y-o-y. In the year-ago period, sales were 3,61,000 tonnes. "So there has been some increase in demand for alloyed steel, but it is a very demand specific — select market, select buyer and so on," a trade source said.

Production numbers

On an m-o-m basis, finished steel production saw a rise of about 3 per cent to 96,56,000 tonnes.

Tata Steel saw a 15 per cent m-o-m rise to 16,50,000 tonnes — the highest among steel majors. Other players like AM/NS India, JSPL, and JSW together saw nearly 10 per cent rise to 2,264,000 tonnes. SAIL and RINL saw a 5 per cent and 3 per cent increase to 1,193,000 tonnes and 2,93,000 tonnes, respectively. Alloyed/stainless steel production remained near constant at 5,82,000 tonnes m-o-m, while non-alloyed steel production increased 3 per cent to about 90,00,000 tonnes in the period under review.

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