



खनिज समाचार
KHANIJ SAMACHAR
Vol. 6, No-9

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खनिज समाचार

KHANIJ SAMACHAR



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VOL. 6, NO - 9 , 1st – 15th MAY 2022

Risk low for buyers

Mint ratio now favours silver

AKHIL NALLAMUTHU

BL Research Bureau

Strong dollar continues to be a concern for the bullion as the prices of gold and silver declined last week. Dollar is now trading at a crucial level and there is a possibility for it to see some moderation, at least in the short term. So, further decline in bullion prices might not occur in the next one or two weeks.

In the global spot market, gold fell by 1.7 per cent to end the week at \$1,897.3 per ounce whereas silver depreciated by 5.6 per cent to close at \$22.79 an ounce.

Similarly, on the Multi Commodity Exchange (MCX), gold futures dropped nearly 1 per cent and silver futures declined by 4.5 per cent to end the week at ₹51,754 (per 10 grams) and ₹64,349 (per kg) respectively.

MCX-Gold (₹51,754)

The June futures of gold on the MCX was on a decline for most part of the week. Although it made some recovery on Friday, it ended the week with a loss of nearly 1 per cent. The contract recovered after making a low of ₹50,828 and thus, the support at ₹50,800 holds true. That also means the trend has not turned bearish and the gold futures might appreciate from here. It could face hurdles at ₹52,700 and ₹53,600.

Since it made a low of ₹50,828 last week, our longs would have hit the stop-loss at ₹51,000. But because the trend has not turned bearish and the risk-reward ratio looks good, traders can initiate fresh long positions. That is, buy at current level of ₹51,750 with



GETTY IMAGES/ISTOCKPHOTO

stop-loss at ₹50,700. This is a short-term trade. Tighten the stop-loss to ₹51,600 when the contract surpasses resistance at ₹52,700. Liquidate the longs at ₹53,600.

MCX-Silver (₹64,349)

Silver futures (July expiry) broke below the key supports at ₹66,800 and ₹65,000 and posted a loss of 4.5 per cent last week to close at ₹64,349. The nearest support is at ₹62,500 below which the price band of ₹60,000-60,700 can act as a support band. Ideally, the breach of ₹65,000 should attract more sellers reinforcing the downward momentum. However, the gold/silver ratio (mint ratio) is now at a critical resistance. That gives room for the silver to outperform gold in the short run. But the contract could fall to ₹62,500 before making a recovery. So, traders can initiate fresh longs in silver futures when price declines to ₹62,500 with a stop-loss at ₹60,800. Liquidate the longs when price rises to ₹66,000. Note that this is a short-term position and so, stick to the stop-loss and target levels strictly. Thereafter, for new positions, the reaction of contract to ₹66,800 level should be closely monitored.

NAVBHARAT

DATE : 1/5/2022 P.N.9

122 खदानों की नीलामी प्रक्रिया शुरू

दिल्ली. कोयला मंत्रालय ने कहा कि उसने वाणिज्यिक नीलामी प्रक्रिया के तहत 122 कोयला और लिग्नाइट खदानों की नीलामी की प्रक्रिया शुरू की है. नीलामी के 5वें चरण की शुरुआत करते हुए केंद्रीय कोयला, खान और संसदीय कार्य मंत्री प्रल्हाद जोशी ने कहा कि अब तक 42 कोयला खदानों की सफलतापूर्वक नीलामी की जा चुकी है.

Coal India's supply to power sector rose 16% in April

Company plans to augment dispatches further

PRESS TRUST OF INDIA
NEW DELHI

Coal India Ltd. (CIL) on Monday said coal supply to the power sector rose 15.6% to 49.7 million tonnes last month in the wake of high demand for the dry fuel from electricity generating plants. It stressed that it was planning to augment its dispatches further, especially to power plants in the coming months.

The statement comes at a time when several parts of the country are grappling with a power crisis.

"With the intense demand for coal continuing unabated driven by an up-



ward spiral in electricity generation, CIL pushed up its supplies to power plants of the country to 49.7 million tonnes (MT) in April 2022. This is 6.7 MT more supply compared to April 2021," the company said.

With higher output, CIL is

aiming to increase its dispatches further, especially to power plants, in the coming months. Coal India, which accounts for more than 80% of domestic coal output, is one of the major suppliers of the fossil fuel to the power sector.

On an average, the PSU supplied 1.66 MT of coal per day to power utilities in April which increased to 1.73 MT during last week. Average supply per day is at par with what was programmed by CIL for this sector during the first quarter of FY23.

Coal production also rose 27.6% to 53.5 MT last month from a year earlier.

Tata Steel to stop Russia coal imports on supply uncertainty

'Supplies from U.S., other markets to make up for shortfall'

SPECIAL CORRESPONDENT
MUMBAI

Tata Steel Ltd., one of the major importers of Russian coal in recent months, has decided to stop procurement from the country citing 'uncertainties' over supplies following international sanctions imposed on it after Ukraine invasion.

"To ensure business continuity, we have sourced alternative supplies of raw materials, as transactions with Russian suppliers and bankers at present come with a lot of uncertainties as a result of international sanctions imposed on Russia," a Tata Steel spokesperson said in a statement.

Though companies from India were still procuring



crude oil and coal at discounted prices from Russia to meet their requirements, payments to Russian suppliers through the prevailing banking channels remained a concern owing to the economic sanctions.

Even though there has been no ban on coal imports from Russia, Tata Steel is believed to have taken the decision to sustain its operations

through reliable supplies from overseas at a time when shortage of coal is threatening to disrupt energy generation in India.

'Diversified supplies'

"We believe that impact will not be there as the company has a very diversified procurement mechanism with supplies coming from Mozambique to Australia," Kamlesh Bagmar, deputy head of research at Prabhudas Lilladher said.

"Increased supplies from U.S. and other markets are likely to make up for the shortfall, if any."

Tata Steel shares gained 1.84% to ₹1,295.10 apiece on the BSE on Monday when the Sensex slid 0.15%.

SCCL coal production falls short of target

Shortage of raw material for explosives main reason, say officials

B. CHANDRASHEKHAR
HYDERABAD

Huge demand for coal in the market to handle the growing energy crisis in the country aside, Singareni Collieries Company Ltd (SCCL) has struggled to reach the target of coal production in the first month of the new fiscal with about half a million tonnes of short production.

Against the target of mining 5.84 million tonnes in April, the company could achieve 5.32 million tonnes with the coal company authorities blaming it on shortage of explosives required for the coal mining. The company has ambitious plans to produce/mine at least 2.1 lakh tonnes of coal every day or about 6.3 million tonnes a month, including 1.7 lakh tonnes to power plants, but the average daily production in April was just about 1.77 lakh tonnes.

However, coal production in April was 9.61% higher compared to last April (4.86 million tonnes), when the economic activity in the country was yet to return to normalcy. "Some raw material for the explosives' manufacturing was being sourced mainly from Ukraine till the break-out of war over two months back. The war has affected the supply-chain and created shortage of explosives for all mining activities in the

country and not just coal mining," a Singareni official said. SCCL requires about 610 tonnes of explosives every day to remove about 15 lakh cubic meters of overburden. However, the company was struggling to meet hardly 75% of the requirement with suppliers (other companies) as well as its own units facing the shortage of raw material.

Shortfall in the planned production during April has also affected supplies to thermal plants which have coal linkage with Singareni. The company planned to supply at least 4.8 million tonnes coal to NTPC units, mostly in the South, and Gencos of Telangana, Andhra Pradesh, Karnataka, Tamil Nadu and Maharashtra in April but it stopped short of the target with shortage of railway rakes being one more reason.

Of the targeted production of 70 million tonnes coal for 2022-23, Singareni has plans to supply about 57 million tonnes to thermal power units having coal linkage with it.

Meanwhile, a social media post by Telangana Minister for IT and Industries K.T. Rama Rao on shortage of coal being faced by thermal power plants in the country linking it with "lack of vision to the Prime Minister" has drawn support for his view.



Shortage of explosives required for mining has resulted in Singareni Collieries Company Limited not achieving the target of coal production. • FILE PHOTO

NMDC output, sales increase 1% in April

Firm eyeing 50 MT, says CMD Deb

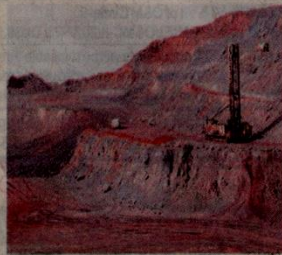
SPECIAL CORRESPONDENT
HYDERABAD

India's largest iron-ore producer NMDC reported 3.15 million tonnes (MT) of production and 3.12 MT sales in April, recording an almost 1% increase each, compared with the year-earlier period.

Iron ore production in April 2022 was 0.6% more than the output in the year earlier, while sales were 0.9% higher. It continues to register growth in its performance, NMDC said.

This was the highest production in April in NMDC's history. It came in the backdrop of the the firm producing over 42 MT in 2021-22.

"FY23 has started on the right note for us and is a re-



flexion of the team's hard work aligned with the company's strategic posture," CMD Sumit Deb said.

"Our adoption of new technology and digital initiatives is strengthening our supply chain and making NMDC future ready,"

"We are confident that NMDC will grow to become a 50 MT mining company in the near future," he added.

Behind power crisis: Genco dues to coal cos another cog

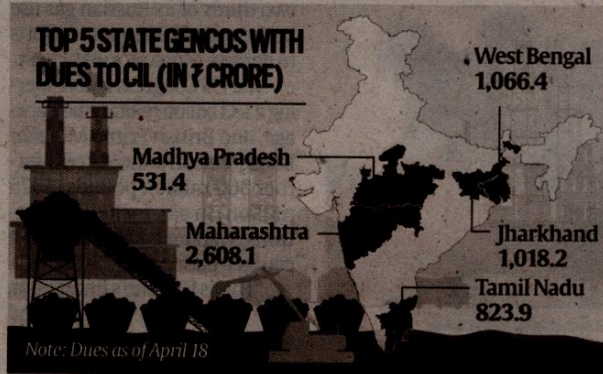
KARUNJIT SINGH
NEW DELHI, MAY 3

LARGE OUTSTANDING dues of power generation companies (gencos) to coal companies may be playing a role in the current power crisis as state gencos had total outstanding dues of about Rs 7,918.7 crore to Coal India, as of April 18. Sources said Coal India reduces supply of coal to power houses from states with high dues when there is inadequate production or there are not enough railway rakes to meet demand.

Low coal stocks at a majority of India's thermal power plants have led to power outages across several states including Uttar Pradesh, Maharashtra, Madhya Pradesh, Rajasthan, Haryana, Tamil Nadu, Karnataka, Punjab, Jharkhand, and Bihar. High demand for power due to the economic recovery post-Covid and sweltering heat across major parts of India, in addition to low power supply from imported coal-based plants due to high international prices, have strained India's domestic coal supply chain. Coal-based power is currently meeting about 73 per cent of India's power demand. On Sunday, 102 of 173 thermal power plants that are monitored daily had critically low inventory levels.

"When there are fewer rakes available (than required) Coal India reduces the supply to states with large outstanding dues," said a source aware of developments.

Coal India did not respond to



an emailed request for comment.

The Coal Ministry has maintained that the stock of domestic coal in the country is sufficient to meet the demand for power generation. The Indian Railways, which is the primary transporter of coal to power houses, has cancelled 753 train trips till May 25 to prioritise the delivery of coal for power generation.

According to government sources, the Maharashtra State Power Generation Company alone has outstanding dues of Rs 2,608.1 crore. The West Bengal Power Development Corporation Ltd has dues of Rs 1,066.4 crore, Tenughat Vidyut Nigam Ltd (a government of Jharkhand undertaking) has dues of Rs 1,018.22 crore. Other state gencos with large dues to Coal India include Tamil Nadu's TANGEDCO (Rs 823.9 crore), Rajasthan's RRVUNL (Rs 429.5 crore) and Madhya Pradesh's MPPGCL (Rs 531.42 crore).

The ongoing power crisis has

led to long power outages in several states. On Friday, India had an energy shortage of 214.12 million units and a peak shortage in power generation capacity of 8,120 MW. In the last week of April, Jharkhand was the state worst affected by electricity shortage with supply failing to meet 16.8 per cent of power demand in the state while Rajasthan (13.3 per cent), Haryana (12.3 per cent), Bihar (7 per cent) and Punjab (6.9 per cent) also faced shortages of over 5 per cent of total electricity demand. The Union Territories of Jammu & Kashmir and Ladakh faced a shortage of 12.4 per cent of demand.

Sources said while state-owned Coal India Limited and Singareni Collieries Company Ltd had just about met production targets for coal in April, captive coal mines of several state power generation companies had fallen short of their target by about 3.5 million tonnes. The ability of power generation companies to make pay-

Coal output up

New Delhi: Coal output soared 28 per cent to 66.1 million tonnes in April amid high demand from thermal power plant, as per a PTI report. Meanwhile, as per a Power Ministry letter, the Centre has asked state and private sector utilities to ensure delivery of 19 mt of coal from overseas by end-June, noted a Reuters report. **PTI & REUTERS**

ments to coal companies is also hampered by the poor financial performance of power distribution companies (discoms), which had total dues of Rs 1,05,513 crore to generation companies including Central Public Sector Enterprises, independent power producers and renewable energy producers on April 28.

Maharashtra has overdue payments of Rs 18,143 crore to gencos, Jharkhand has Rs 3,721 crore and Rajasthan Rs 11,245 crore.

Meanwhile, the Ministry of Power has also asked states to import coal to augment stocks and blend up to 10 per cent of imported coal at thermal plants that use the domestic dry fuel. The Ministry has also asked states to use a tolling facility to allow up to 25 per cent of their coal allocation to power houses closer to mines so that electricity can be transmitted from closer to the source, thereby reducing the requirement for railway rakes.

Tata Steel Q4 Net Rises 37% as Volumes Pick Up

Co logs ₹9,835 cr profit in Q4, also posts record consolidated Ebitda of ₹63,830 cr for FY22

Our Bureau

Bengaluru: Tata Steel on Tuesday reported a consolidated net profit of ₹9,835 crore, up 37% year-on-year during the fourth quarter of FY22 on the back of improved sales volume across its business.

"Our Indian business showed broad-based growth across our chosen segments due to our sustained focus on customer relationships, our distribution network and our portfolio of brands supported by our agile business model," said TV Narendran, chief executive officer of Tata Steel.

The company reported its highest-ever consolidated earnings before interest, taxes, depreciation and amortisation (Ebitda) of ₹63,830 crore with an Ebitda per tonne of ₹21,626 for FY22. For the entire fiscal, profit after tax stood at ₹41,749 crore.

"Coking coal prices touched \$500 a tonne and steel market continues to be volatile... In India, steel demand rose by 4% QoQ (quarter on quarter). The performance was broad-based with all seg-

ments doing well in terms of demand," Narendran said during the media conference on Tuesday.

The company's European operations delivered better-than-expected performance as the transformation programme undertaken helped to leverage the strong business environment, Narendran said.

European operations reported an Ebitda per tonne of ₹18,135. Overall revenues for the EU operations increased by 54% on-year to ₹3,876 million.

The company's gross debt stood at ₹75,561 crore at the end of FY22 with net repayments of ₹15,232 crore. Net debt declined



In India, steel demand rose by 4% quarter on quarter. The performance was broad-based with all segments doing well in terms of demand

TV NARENDRAN
CEO, Tata Steel

ned to ₹51,049 crore and net debt-to-Ebitda improved to 0.80 times, the company said in a prepared statement. Its consolidated free cash flow was at ₹27,185 crore.

The company's capex for FY22 was around ₹10,522 crore, which was within the guidance of ₹10,000-12,000 crore.

"We are estimating of guidance of around ₹12,000 crore for FY23... around ₹8,500 crore will be for India operations and the rest for EU operations," said Narendran.

The company's India operation achieved the highest-ever annual crude steel production of 19.06 million tonnes

(MT), with year-on-year growth of 13%. The company reported the highest ever deliveries of 18.27 MT during the financial year under review.

"Automotive sales were up 27% YoY, branded products and retail was up 11% YoY while industrial products and projects were up 11% YoY," the company said in the statement.

Tata Steel said that the 6 MTPA (million tonnes per annum) pellet plant at Kalinganagar will be commissioned in third quarter of FY23 followed by the cold roll mill complex and the 5 MTPA expansion.

The company was the highest bidder for state-owned Neelachal Ispat Nigam (NINL) and acquired it for an enterprise value of ₹12,100 crore. The acquisition will enable the company to achieve 40 MT of steel production by FY30, Narendran said.

"Onboarding Neelachal Ispat into our operations is progressing well. We expect to close the acquisition by this quarter. It is a strategic development for us to expand long product capacity in India," said Narendran during the conference.

Titan Net Profit Falls 7% to ₹527 cr in Fourth Quarter

Press Trust of India

New Delhi: Tata Group firm Titan Company on Tuesday reported a 7.21% decline in its consolidated net profit at ₹527 crore in the fourth quarter ended March 2022. It had posted a net profit of ₹568 crore in the January-March quarter of FY21, Titan said in a regulatory filing.

Its total income was up 4.25% to ₹7,872 crore during the period under review.

The company's revenue from sales of products was down 1.14% to ₹7,267 crore in the fourth quarter of FY22 as against ₹7,351 crore a year ago.

Titan's total expenses were at ₹7,165 crore in Q4 of FY22, up 5.04% from ₹6,821 crore a year ago. "Q4 FY22 ended with a satisfactory performance despite partial lockdowns, volatility in gold

prices and uncertainty in a fragile geopolitical situation," said Titan, adding, "Excluding billion sale, revenue declined 1.2% compared to Q4 FY21."

Titan's revenue from jewellery segment stood at ₹6,843 crore in the January-March quarter of FY22, up 2.47% against ₹6,667 crore in the corresponding quarter a year ago.

Revenue from watches and wearables also increased 11.8% to ₹6 crore against ₹5.59 crore in the same period of previous fiscal.

Eyecare revenue was at ₹1 crore, up 5.51% against ₹127 crore in Q4 FY21.

The company also reported 63.57% increase in its revenue from others segment in the January-March quarter at ₹29 crore as against ₹140 crore a year ago.

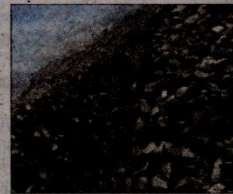


अप्रैल में कोयले का कुल उत्पादन 6.62 करोड़ टन

एजेंसी | नई दिल्ली

तेज गर्मी में बिजली की भारी मांग के बीच देश का कुल कोयला उत्पादन अप्रैल 2022 में 6.62 करोड़ टन रहा। कोयला मंत्रालय ने मंगलवार को एक बयान में कहा कि अप्रैल में देश की सबसे बड़ी कोयला कंपनी कोल इंडिया लिमिटेड (सीईएल) और इसकी अनुषंगी कंपनियों ने 5.44 करोड़ टन और सिंगरेनी कोलियरीज कंपनी लिमिटेड (एससीसीएल) ने 53.23 लाख टन उत्पादन किया। कैपटिव (खुद के इस्तेमाल के लिए) खानों का उत्पादन 73.61 लाख टन रहा। बयान के मुताबिक अप्रैल 2022 में कोयले का कुल उठाव 7.09 करोड़ टन रहा, जिसमें से बिजली क्षेत्र को 6.17 करोड़ टन कोयले की आपूर्ति की गयी। अप्रैल में कोल इंडिया ने बिजली घरों को 4.97 करोड़ टन कोयला भेजा। वित्त वर्ष 2021-22 में कोयले का कुल उत्पादन 8.55 प्रतिशत की वृद्धि के साथ 77.70 करोड़ टन (त्वरित अनुमान) रहा जोकि इससे पिछले वित्त वर्ष में 71.60 करोड़ टन था। वित्त वर्ष 2021-22 में कोयले के उठाव में 18.43 प्रतिशत दर्ज की गयी और यह 81.80 करोड़ टन

रहा, वित्त वर्ष 2020-21 में यह आंकड़ा 69.01 करोड़ टन था। कोल इंडिया ने इस बार अप्रैल में 6.02 प्रतिशत की वृद्धि के साथ 5.44 करोड़ टन कोयले का रिकॉर्ड उत्पादन किया। कोल इंडिया का वित्त वर्ष 2021-22 में कोयले का उत्पादन



4.43 प्रतिशत की वृद्धि के साथ 62.21 करोड़ टन रहा जोकि वित्त वर्ष 2020-21 में 59.60 करोड़ टन था। इस अवधि में कंपनी का कुल उठाव 66.11 करोड़ टन रहा जोकि वित्त वर्ष 2020-21 में 57.30 करोड़ टन था। एससीसीएल के कोयला उत्पादन में वित्त वर्ष 2021-22 के दौरान 28.55 प्रतिशत की वृद्धि देखी गयी जोकि इस अवधि में 6.50 करोड़ टन रहा। पिछले वित्त वर्ष में कंपनी का कोयला उत्पादन 5.01 लाख टन था। कैपटिव (खुद के इस्तेमाल के लिए) खानों का कोयला उत्पादन वित्त वर्ष 2020-21 में हुए 6.90 करोड़ टन के मुकाबले वित्त वर्ष 2021-22 में 8.91 करोड़ टन रहा।

Zinc: Exit longs when price rallies to ₹360

COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

The continuous futures of zinc on the MCX (Multi Commodity Exchange) closed at ₹332.8 on Monday, down 13 per cent from the recent high of ₹383.4 made in mid-April.

Notably, it hit an intraday low of ₹323 on Monday.

While we cannot reject the possibility of a further decline from the current levels, there is a good chance that the contract will see a corrective rally, possibly towards ₹360 in a couple of weeks, before breaking below ₹310.

This can happen on the



Traders can risk going long in MCX zinc futures at the current level of ₹332.

Short-term outlook

Consider adding longs if the price dips to ₹320 so that the average buy price is around ₹326. Keep stop-loss at ₹310 and exit the longs when the price rallies to ₹360.

But note that this is a short-term trade recommendation. For further trades, the reaction of the contract to ₹360 should be closely monitored.

Participants with a low risk appetite can stay away from executing this trade. Note that a decisive break below ₹310 can drag the contract swiftly to ₹294, and possibly to ₹280.

back of support at ₹320. Also, around this price level, the rising trendline meets the 50 per cent Fibonacci retracement of the prior rally, which occurred between November last year and April this year, making it a significant support.

So, there is a likelihood of the contract revisiting ₹360 levels and then falling, if more is left on the downside.

Tata Steel Q4 net up 37% on higher realisation

Will continue to invest in technology, digitisation to drive productivity: MD

OUR BUREAU

Mumbai, May 3

Tata Steel's net profit in the March quarter was up 37 per cent at ₹9,835 crore, against ₹7,162 crore logged in the same period last year, largely due to better realisation.

Revenue from operations increased 39 per cent to ₹69,323 crore (₹50,028 crore). Overall expenses were up 44 per cent to ₹57,636 crore (₹40,103 crore).

The board has approved a dividend of ₹51 per fully-paid equity shares and ₹12.75 per partly paid shares.

Sub-division of shares

The company has also ap-

proved a proposal to sub-divide one equity share of the company with face value of ₹10 each into 10 equity shares having face value of ₹1 each, subject to necessary approvals.

The record date for the sub-division of equity shares will be decided by the board and intimated to the exchanges separately, it said in a statement on Tuesday.

Tata Steel reported consolidated EBITDA of ₹15,174 crore (₹14,290 crore), while per tonne it was up at ₹19,832 (₹17,797).

Production during the quarter was down 5 per cent at 7.62 million tonnes (mt),



against 8.02 mt recorded in same period last year, while sales increased 2 per cent to 8.01 mt (7.83 mt).

The company expects to commission the 6 million tonne per annum pellet plant at Kalinganagar in the December quarter, followed by the Cold Roll Mill complex. TV Nar-

endran, Managing Director, Tata Steel, said amid heightened complexity in the face of Covid and geopolitical tensions, the company has pursued several initiatives to de-risk the business, particularly across procurement and supply chains, and will continue to invest in technology and digitisation to drive productivity.

The acquisition of Neelachal Ispat Nigam will be closed by the end of June and be scaled up to drive expansion of high-value retail business, he added.

Tata Steel generated free cash flows of ₹27,185 crore last fiscal, despite higher working capital, taxes and capex. The company has repaid debt of ₹15,232 crore to bring down the gross debt to ₹75,561 crore, while the net debt declined to ₹51,049 crore.

STOCK FALLS 2.6% ON CONCERNS OF RISING INPUT COSTS

Tata Steel's Q4 Feats Fail to Excite Investors

Quarterly Performance (₹cr)

	Mar'22	Dec'21	Mar'21
Production*	7.6	7.8	8
Deliveries*	8	7	8
Revenue	69,234	60,783	50,028
Raw Material cost + inventory change	27,630	20,126	15,023
Adj. EBIDTA	15,891	15,890	13,933
Adj. EBIDTA/tonne	19,832	22,663	17,797
Net Profit	9,835	9,598	7,162

Source: Company data, ETIG
*(million tonnes)

Jwallit.Vyas@timesgroup.com

ETIG: Tata Steel's highest ever quarterly operating profit before depreciation and amortisation (EBITDA) in the March quarter, falling net debt, a 10:1 stock split, and a dividend yield of 4% failed to enthuse investors. The stock fell by 2.6% on the BSE on Wednesday from the previous trading session on concerns of rising input costs especially in the European business amid Russia-Ukraine conflict.

In a call with the investors, the company said that prices of coking coal, a key raw material, have risen sharply which could impact the profitability. Although it has raised product prices, demand at elevated price points may not remain as strong.

According to the company management, coking coal prices per tonne were up \$50 in India and

€53 in Europe. This, along with higher energy prices impacted the overall profitability in the fourth quarter despite record sales volume and revenue. Revenue and volume grew by 14% each year-on-year to ₹69,234 crore and 8 million tonnes respectively. However, adjusted EBIDTA remained flat at ₹15,891 crore.

The cost per tonne is expected to increase by another \$ 100 in India and €60 in Europe for the current quarter. Against this, the price increase is estimated at ₹8,000 (around \$105) in India and €60 in Europe.

The prices, especially in Europe are expected to remain volatile due to demand-supply imbalances amid Russia-Ukraine war. The company said it will look at different geographies to keep sales realisation high. It expects demand to remain broadly robust in the calendar year.

MCX-Lead: Accumulate longs on dips at ₹180



GURUMURTHY K

BL Research Bureau

The lead futures contract on the Multi Commodity Exchange (MCX) remains sideways between ₹179 and ₹198 per kg since September last year. After a low of ₹180.60 per kg on Monday, it is attempting to bounce back and is currently trading at ₹182.5.

Intermediate resistance is at ₹188. A strong break above it will pave way for a test of ₹198 – the upper end of the range.

Traders can go long at current levels. Accumulate longs on dips at ₹180. Keep the stop-loss at ₹177. Trail the stop-loss up to ₹186 as soon as the contract moves up to ₹190. Move the stop-loss further up to ₹191 as soon as the contract touches ₹194.

Book profits at ₹196. The outlook will turn bearish only if the contract makes a decisive break below ₹179. Such a break will mark the end of the strong uptrend that has been in place since April 2020. It will then drag the MCX lead futures contract down to ₹171-₹170 initially.

From a medium-term perspective, the break below ₹179 can increase the danger of the contract falling to ₹160-₹155 in the coming months. On the other hand, for the current uptrend to resume, a decisive break above ₹198 is needed. Such a break can take the contract up towards ₹214.

Gold Extends Gains on Fed Cues, Inflation Concerns

Reuters

Gold rose more than 1% on Thursday as investors sought cover from soaring inflation, with bullion also extending gains after the US Federal Reserve signalled a relatively less hawkish stance on interest rate hikes.

The Fed on Wednesday raised its benchmark overnight interest rate by 50 basis points, the biggest jump in 22 years, while Chair Powell added the bank was not considering 75-basis-point moves in the future.



Spot gold rose 0.6% to \$1,892.34 per ounce by 10:04 a.m. ET (1404 GMT), having earlier hit its highest level

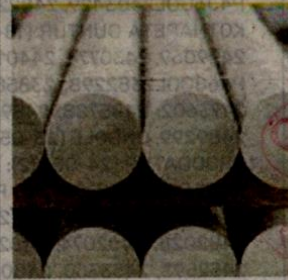
since April 29. U.S. gold futures climbed 1.4% to \$1,895.50.

"I don't think a whole lot changed in overall Fed policy from yesterday's meeting, but it just gave gold and silver traders an excuse to rally the market after the recent strong selling pressure," said Kitco senior analyst Jim Wycoff. "The whole scenario in Europe with its energy supplies being constrained having banned some energy imports from Russia, that's leading to instability in the European marketplace, that's prompting safe haven demand for gold, prompting higher inflation in the eurozone," Wycoff added.

Spot silver fell 0.5% to \$22.85 per ounce, yet earlier reached \$23.27, the highest in nearly a week. Platinum fell 1.3% to \$978.56 while palladium fell 1.5% to \$2,223.14.

Gold's advance came despite gains in the dollar index, and benchmark US 10-year Treasury yields.

Go short on MCX aluminium



GURUMURTHY K

BL Research Bureau

The short-term outlook is bearish for the aluminium futures contract traded on the Multi Commodity Exchange (MCX). The contract made a high of ₹325.4 per kg in the first week of March and declined sharply from there. It is currently trading at ₹248. Though the contract has bounced from the low of ₹238 recently, the overall trend continues to remain up. This bounce from ₹238 will just be a corrective rise. Resistance is at ₹260. A further rise from here if seen can be capped at ₹260.

Traders can go short now. Accumulate shorts on a rise at ₹258. Keep the stop-loss at ₹263. Trail the stop-loss down to ₹245 as soon as the contract falls to ₹239. Move the stop-loss further down to ₹238 as soon as the contract touches ₹234. Book profits at ₹232. The contract will have to breach ₹260 decisively in order to ease the pressure. Such a break can take the contract up to ₹270 initially.

A further rise past ₹270 will turn the outlook bullish completely. Also from medium-term perspective, the support at ₹230-228 is a strong trend support. As such the chances are high for the current downtrend to end here. A strong bounce from the ₹230-228 support zone could mark the beginning of a fresh rally.

आदिवासीबहुल कुसुंबीची खाण अल्ट्राटेकसाठी 'केजीएफ'

लाईमस्टोन उत्खननाकडेच लक्ष : कुसुंबीवासीयांचा मुलभूत हक्कासाठी वर्षानुवर्षे लढा



राजेश भोजेकर/आशिष देरकर
लोकमत न्यूज नेटवर्क

गडचिरोली (चंद्रपूर) : जिवती तालुक्यातील कुसुंबी येथील आदिवासींची अल्ट्राटेक सिमेंट कंपनी माणिकगड युनिटशी अस्तित्वासाठी लढाई सुरू आहे. जमिनीसाठी दोन्ही घटकात न्यायालयीन लढाई सुरू असली तरी संवेदना जागृत ठेवून अल्ट्राटेक सिमेंट कंपनीने कुसुंबी येथील आदिवासींसाठी अनेक सायाभूत सुविधांसह इतर कार्य करणे अपेक्षित होते. मात्र, कुसुंबी येथील लोकांच्या मूलभूत प्रश्नांकडे कानाडोळा करून केवळ येथील जमिनीचा सिमेंट बनविण्यासाठी लागणारा लाईमस्टोन काढण्यासाठी वापर अल्ट्राटेक सिमेंट कंपनीकडून



कुसुंबी येथील अल्ट्राटेकची लाईमस्टोन खाण.

सातबारा अचानक कंपनीचे नाव कसे?

सन १९७९पासून २०१३पर्यंत ३४ वर्षे माणिकगड सिमेंट कंपनीचे नाव कुसुंबी येथील आदिवासींच्या सातबारा उताऱ्यावर भोगवटदार किंवा इतर अधिकारात नव्हते. मग कंपनी २०२२मध्ये सातबारा उताऱ्याची मालक कशी झाली, असा प्रश्न तलाठी विनोद खोब्रागडे यांनी विचारला आहे.

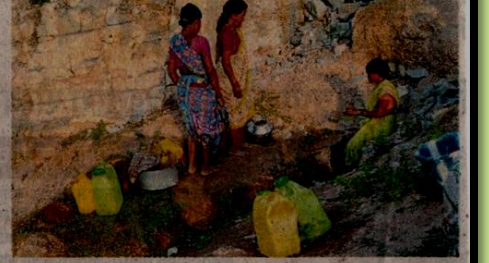
सुरू आहे. कुसुंबी येथील लाईम स्टोनची खाण अल्ट्राटेकसाठी केजीएफ बनली आहे.

१०० टक्के आदिवासींची लोकसंख्या असलेला कुसुंबी गाव आहे. हा गाव पैसा कायदांतर्गत येतो.

पैसा ग्रामपंचायतीने ग्रामसभेत घेतलेला निर्णय शासनाला मान्य करावा लागतो. माणिकगड सिमेंट कंपनीने जमिनी घेताना ग्रामसभेत ठराव झाला की नाही तेसुद्धा महत्त्वाचे असून, त्याबाबत चौकशी झाली पाहिजे. आदिवासींना



मूलभूत सुविधांपासून वंचित कुसुंबी येथील नागरिकांना असे झग्याचे पाणी प्यावे लागत आहे.



कुसुंबीवासीयांना नां घरे, ना रस्ता, ना वीज, ना पाणी

कुसुंबीच्या आजूबाजूला विपुल लाईमस्टोनची खनिज संपत्ती आहे. गावाच्या खालीसुद्धा मोठ्या प्रमाणात लाईमस्टोन आहे. त्यासाठीच कुसुंबी गावाला येथून हटवण्याच्या हालचाली अल्ट्राटेक कंपनीच्या माणिकगड युनिटकडून सुरू आहेत. या गावात एकही पायाभूत सुविधा नसून गावकऱ्यांपर्यंत शासनाचे एकही घर पोहोचले नाही. शिवाय गावात जायला साधा रस्ता नाही, वीज तर नाहीच नाही. पिण्याच्या पाण्याचीही व्यवस्था नाही.

त्यांची संस्कृती व त्यांच्या संपत्तीपासून अलिप्त करता येत नाही, हे पैसा कायदा सांगतो. त्यामुळे आदिवासींच्या शेतजमिनी माणिकगड सिमेंट कंपनीने घेण्यापूर्वी राज्यपालांची परवानगी घेणे अनिवार्य होते.

माणिकगड सिमेंट कंपनीच्या खाणीमुळे कुसुंबी येथील तीन पिढ्या प्रभावित झाल्या असून, ३६ वर्षांपासून २४ आदिवासी कुटुंबांच्या पुनर्वसनाचा प्रश्न अधांतरित आहे. कंपनी प्रशासनाकडून जमिनीचा मोबदला

दिल्याचे सांगण्यात येते. मात्र, त्याचे ठोस पुरावे मिळत नाहीत. भोगवटदार म्हणून सातबारा उताऱ्यावर अजूनही आदिवासींची नावे आहेत. कुसुंबी येथील जमीन लाईमस्टोन काढण्यासाठी २०३१ लीजवर कंपनीला दिली असल्याचे जिल्हा खनिकर्म अधिकारी सुरेश नेताम यांनी लोकमतला सांगितले. लीज दिल्यानंतर नियमानुसारच उत्खनन होत आहे वा नाही, याचे या विभागालाही काही घेणे-देणे असल्याचे दिसून येत नाही.

Coal mining and poaching endanger wildlife in J'khand

Abhijit Sen | TNN

Hazaribag: Wildlife in Hazaribag (west) forest division is facing threat from both poachers and mining operations of the NTPC.

“Increased poaching, forest fire incidents and mining by the National Thermal Power Corporation (NTPC) have posed an existential threat to the wildlife in the 50,000-hectare forests of Barkagan and Keredari range,” RN Mishra, divisional forest officer of Hazaribag division, told TOI.

Around a fortnight ago, a barking deer strolled into human habitation at Darhi village under Keredari police station limits to quench its thirst. Five men killed the deer and had a feast on its meat. Forest officials recovered the hide and bones from the village

and registered an FIR against the five. However, the suspects are on the run.

Earlier this week, an adult cheetal (spotted deer) was found dead in a pond at Jorsag. “Jorsag is close to NTPC’s Chatti Bariatu project,” Mishra said. The Hazaribag west division is home to several endangered wildlife species such as hyenas, sloth bears, deer, and nilgai. A parcel of 128.92 acres of forest land had been released to the NTPC for its coal mining project.

“There is shortage of manpower. Against 136 sanctioned posts, we have 34 guards. There are three range officers against a requirement of six, while one forester against the need of 27,” Mishra added.

An NTPC official said, “Mining is being carried out following rules.”



Chinese Covid curbs dent copper, other metals

Overall, prices of metals down since April-end; recovery likely in second half

SUBRAMANI RA MANCOMBU
Chennai, May 6

From copper to aluminium, nickel and zinc and from iron ore to steel, lead and cobalt, all metals have declined over the past couple of weeks over the Chinese lockdowns to curb the spread of Covid pandemic.

This is because demand from the world's largest consumer of metals has decreased, resulting in a negative sentiment in the market.

But the metals market is expected to recover once the Communist nation recovers from Covid, say analyst and research firms.

How metals have fallen

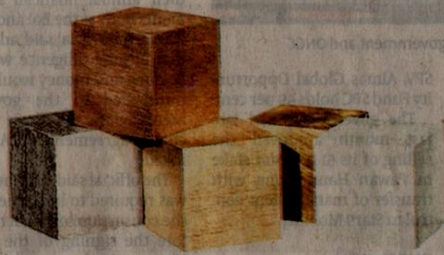
According to the Trading Economics Website, prices of copper have dropped by 9 per cent in the past month, aluminium by 14.5 per cent, nickel by 10 per cent, zinc by over 8.5 per cent, lead by 5.5 per cent and tin by over 5 per cent.

Among other key metals, prices of lithium have slipped

by 6.8 per cent, steel by almost one per cent, iron ore by 7.75 per cent and palladium by 7 per cent. "Metal prices have been under immense pressure of late due to lockdowns in the world's largest metal consumer, China, that is impacting demand from end-use industries as well as sentiment towards the complex," said US research agency Fitch Solutions Country Risk and Industry Research, a unit of the Fitch group.

"The sentiment quickly deteriorated when China appeared to be falling into a wider and longer lockdown. We thought there would be snap lockdowns in Shanghai, similar to what had happened earlier in Shenzhen, which lasted only seven days.

"Instead, the city remains under lockdown as of early May. Even worse is that the capital city of Beijing has also fallen into partial lockdown, along with some other smaller cities in China," said Wenyu Yao, senior commodities strategist at ING Think, the



Prices of copper have dropped to around \$9,500 a tonne on the London Metal Exchange from over \$10,000 three weeks ago

research and financial analysis wing of Dutch multinational financial services firm ING.

Fears are mounting over demand destruction, which has been further reinforced by the latest macro data, including manufacturing PMI and property and car sales in China, she said.

Fitch Solutions said it expects further contractionary readings in both Chinese manufacturing and non-manufacturing PMI in the remaining two months of the current quarter, at least. "Further lockdowns, either district-wide or full, have been imposed in more than two

dozen cities around the country, with the capital Beijing having undergone three rounds of mass testing since late April. We continue to see downside risks to our 4.5 per cent growth forecast for 2022, depending on further developments around lockdowns," the research agency said.

Shanghai prices weaken

The Chinese lockdown has, in particular, hit copper hard. Prices of copper have dropped to around \$9,500 a tonne currently on the London Metal Exchange from over \$10,000 three weeks ago.

"Shanghai (futures exchange) prices have

weakened against its peer in London (LME), creating a window of opportunity for China to export the red metal. And these exports have started to hit LME warehouses, which further weighs on sentiment," said the ING commodities strategist.

Concerns of skyrocketing inflation and hike in interest rates have also affected consumer sentiments in developed nations, she said, adding that in the medium term the situation could revive once China eases its Covid curbs.

Inflation and interest rates have been hiked mainly in view of the Russia-Ukraine war with crude oil prices flaring up and leading to rise in prices of other commodities, including agricultural produce. The Reserve Bank of India has said inflation would continue to be high over the next few months.

Chinese fiscal policies

Economists see inflation staying high until the War ends since supplies of crude oil, metals such as nickel, and agricultural produce such as wheat, sunflower oil and

maize have been affected. Russia is a key supplier of crude oil, nickel and wheat, while Ukraine is the top sunflower oil supplier besides exporting a significant volume of maize to the global market.

Fitch Solutions said: "We continue to expect Chinese authorities to maintain loose fiscal and monetary policies throughout the year in 2022, in order to stimulate economic activity and growth, which should help to boost demand for metals. We expect demand from the construction sector in particular to support Chinese ferrous metal demand."

The research agency said it will hold on to its metal price forecasts for this year as rates are still ruling higher than the levels seen before February 24, when the Russia-Ukraine conflict intensified. "We expect Chinese demand to eventually pick up in H2 (second half) that will work to stabilise prices," Fitch Solutions said.

ING Think also said it would keep its price forecast unchanged for this year, though it sees the potential for the upside in prices delayed till late in the second quarter or the second half.

Domestic steel outlook firm amid concern of global demand contraction

■ Business Bureau

THE Indian steel sector outlook, on the back of strong domestic demand from Government and private sectors, is likely to remain firm amid concern of global demand uncertainties in the current fiscal.

Tata Steel expects that demand and prices will remain strong as China will no longer be adding 50-60 million tonnes to its capacity annually and that country may not export significantly higher quantities to disrupt steel prices globally.

However, India Ratings and Research (Ind-Ra) has maintained a "neutral outlook" on the steel sector for FY23 in view of high raw material inflation that would result in elevated prices and moderation of volume and margin.

The world's second-largest steel producer ArcelorMittal has projected a contraction in global steel demand.



Ind-Ra also expects that infrastructure spending by the government will support steady domestic consumption.

"The Government has allocated Rs 111 trillion for the National Infrastructure Pipeline (NIP) to be spent over the next five years while for the private sector capital expenditure, housing and consumer durables end-user segment, the demand growth would remain muted due to elevated prices," the rating agency said.

According to Ind-Ra research, steel players may find it challenging to pass on the cost inflation completely. Although this could moderate

absolute EBITDA, it would remain higher than the pre-pandemic levels, it said.

"Lower Chinese production and exports, and an increase in quota limit for exports to European markets, due to the ongoing Ukraine-Russia war, Indian steel players are likely to benefit. As such, the margin in exports sales mix is likely to be higher in FY23, cushioning the profitability," Ind-Ra said.

In the March 2022 quarter, Tata Steel's sales volume from European operations had decreased by 2.8 per cent on a YoY basis. But, net realizations on a sequential basis were higher by Euro 53/ton as prices rose.

ArcelorMittal, in its latest projection, said global steel consumption may contract by up to one per cent due to geopolitical disruptions and supply chain issues, stoking inflation, China's Covid-19 lockdowns dampening economic activity.

It expects steel consumption in Europe -- where the company has its main assets -- to decline 2-4 per cent in 2022, compared to its prior outlook for a 0-2 per cent growth, the steelmaker said.

"We are cautious on steel demand in India at current steel prices. We are keeping a neutral view on Tata Steel," an analyst with brokerage firm Motilal Oswal said.

However, Tata Steel expects to maintain India's EBITDA margin during Q1FY'23. Even coking coal costs will rise by USD 100 per tonne in the country, it will be offset by an Rs 8,000-8,500 per tonne hike in average selling price, the company told analysts.

Bullish about strong demand, the domestic steel major has embarked on a major capacity growth journey in India over the next few years and will double the capacity to 40 million tonnes by 2030.

AKHIL NALLAMUTHU
BL Research Bureau

Silver's total demand hit through the roof in 2021 as global economic activity improved post the Covid pangs. Silver ETFs (Exchange Traded Funds) were launched in India in early 2022 to provide retail investors an opportunity to take exposure to this precious metal. What are the factors driving silver prices and what's in store? And what should investors take note of when it comes to putting money on this white metal? Here's answering these questions.

Shining fundamentals

Fundamentals of silver look solid at this juncture. Total demand was up by 19 per cent year-on-year (y-o-y) to 1,049 million ounces (Moz) in 2021, according to data by the Silver Institute (compiled by Metal Focus). Demand for the metal has come from across the board with the largest contributor being electrical and electronics segment with nearly half of the total i.e., 508 Moz, up by 9 per cent for the year. Bar and coin segment saw the sharpest rise as the consumption in this form increased by 36 per cent for the year to 279 Moz. These factors have led to a supply deficit (first time since 2015) of nearly 52 Moz in 2021.

In 2022, the demand is projected to be solid where the industrial usage is expected to go up by 6 per cent to nearly 540 Moz. Apart from the global GDP growth, application in green technologies in auto and renewable energy sectors are likely to be a boost. Interestingly, electric vehicles have higher silver loadings than the internal combustion engine equivalents and there has been steady demand for photovoltaics (PVs) in recent years. PVs are nothing but solar cells used to construct solar panels. Consumption for PVs stood at nearly 114 Moz, up by 13 per cent y-o-y. It was at 93 Moz in 2018.

Jewellery demand is anticipated to rise by 11 per cent to 202 Moz on the back of lower prices and further recovery from Covid, although net physical demand for bars and coins is likely to stay flat in 2022.

Overall, the Silver Institute projects

**BL PORTFOLIO
PODCAST**

Akhil Nallamuthu and Parv Shah discuss the factors that will determine the outlook for silver



<https://tinyurl.com/silverpodcast>

Also available on Spotify, Apple Podcasts and Google Podcasts

SILVER IN A SWEET SPOT

Multiple factors would decide the direction of price movement in future. Beyond near-term challenges, there could be a fresh uptrend.



GETTY IMAGES/ISTOCKPHOTO

the demand to outpace supply in 2022 as well, potentially increasing the deficit to 72 Moz. So, the requirement for the white metal is set to stay strong this year. Even the long-term prospect remains intact as electrification of vehicles and investments in green energy can keep the demand healthy. Also, there are new and emerging uses like in nanotechnology where silver nanoparticles play an important role because of its physical and chemical properties.

Challenges to sparkle

However, silver prices haven't been reflecting the strong fundamentals. After gaining 47 per cent in 2020, silver lost 11 per cent in 2021. By closing at \$22.36 last Friday, it has dropped 3.9 per cent year-to-date.

To combat Covid crisis, central banks pumped in liquidity and cut interest rates drastically. The US Fed cut the policy rate to zero and announced massive amount of QE (quantitative easing). Talks of the eventual interest rate hike in the US gained traction when the US Fed turned hawkish in their June 2021 meeting, weakening silver prices. Apart from this, treasury yields began rising from August, increasing investor preference for interest-yielding bonds over non-interest-yielding assets like precious metals. These factors outweighed the positive impact of rising inflation on the precious metals. As a result, silver, which possesses dual characteristics - as both a precious metal considered a safe haven, and as an industrial metal which does well on the back of economic growth - depreciated.

It remained suppressed for the rest of 2021 along with gold.

While the Ukraine war did give silver some impetus in February 2022, the rally was short-lived as the war triggered fresh growth concerns which could dent industrial demand. The IMF, in its World Economic Outlook in April, projects global growth at 3.6 per cent in both 2022 and 2023, down 0.8 and 0.2 per cent from January projections, due to uncertainties unravelled by the Ukraine war.

Moreover, headlines regarding the Fed and the rate hike continued to dominate throughout. Last week, the monetary authority of the US raised policy rate by 50 basis points, following a 25-basis point hike in March. This trend is likely

to go on through the year and this may not be good news as the opportunity cost of holding silver goes further up. Silver buying, as an inflation hedge, too, is not expected to pick up, as rate up-cycle can bring down inflation worries.

Thus, multiple factors can decide price movement. Perhaps, silver's strong fundamentals can be key in turning the tide in its favour slowly, if not immediately. Even if the demand falters and the recessionary concerns take centre stage because of the Fed tightening too aggressively, the safe-haven demand can shoot up and silver can be a beneficiary along with gold. Simply put, silver is now in a position where it can leverage the benefits of being dual-natured.

Silver demand

Source	2020	2021	2022*	Year-on-year growth (%)	
	in million ounces (Moz)			2021	2022*
Total industrial	464.9	508.2	539.6	9	6
<i>Electrical & electronics</i>	304.1	330	353.3	9	7
<i>... of which photovoltaics</i>	101	113.7	127	13	12
<i>Brazing alloys</i>	44.9	47.7	49.2	6	3
<i>Other industrial</i>	115.9	130.5	137.1	13	5
Photography	27.8	28.7	28.4	3	-1
Jewellery	149.8	181.4	201.8	21	11
Silverware	32.4	42.7	52.7	32	23
Bar & coin	205	278.7	279.2	36	0
Net hedging demand	-	9.4	-	-	-
Total demand	880	1,049	1,101.8	19	5

*Forecast

Source: Silver Institute, Metal Focus

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Trend uncertain

Gold futures may decline before a rally

AKHIL NALLAMUTHU
BL Research Bureau

Global gold ETFs (Exchange Traded Funds) registered net inflows of 43 tonnes in April. It is the fourth consecutive month of inflows showing steady demand. With that, the total global ETF tonnage has gone up to about 3,869 tonnes, which is just 1 per cent below the all-time high of 3,922 tonnes in November.

But last week, gold prices saw a marginal drop as dollar strengthened. Also, the volatility in treasury yields on the back of the Fed raising policy rate by 50 basis points had an impact. Thus, in the global spot market, gold fell by 0.7 per cent to end the week at \$1,883.4 per ounce. Similarly, on the Multi Commodity Exchange (MCX), gold futures dropped 0.8 per cent to close the week at ₹51,343 (per 10 grams). But charts, as it stands, do not offer clarity on the near-term trend.

Spot gold (\$1,883.4)

Gold, in the international spot market, opened on the back foot and it saw a decline on Monday. However, there was no follow through sell-off and for the remaining part of the week, it was largely trading sideways.

Although the price action suggests that gold could see a decline from here, it can be arrested at \$1,830 - a strong support. A rising trendline can also be seen which can potentially offer support between \$1,830 and \$1,840.

So, after a decline to \$1,830, gold can be expected to rally to \$1,915 initially and then possibly to \$1,960 in three to four months. But it should be noted



GETTY IMAGES/ISTOCKPHOTO

that a breach of \$1,830 can trigger a fall to \$1,770.

MCX-Gold (₹51,343)

The June futures of gold on the MCX declined on Monday and marked a low of ₹50,481, which was also the intraweek low. Thus, the stop-loss of our long recommendation at ₹50,700 was triggered. But then, the contract stayed sideways for the rest of the week. In fact, it attempted to rally towards the end of the week but was blocked by the price band ₹51,300-51,500.

However, there is likelihood of the contract depreciating to ₹50,000 in the short-term. An extension of the fall can drag gold futures to ₹49,000 where the 200-day moving average (DMA) lies. We do not expect the decline to go beyond this support. There might be a bullish reversal either at ₹50,000 or at ₹49,000.

On the upside, the price band between ₹51,300-52,200 is crucial as there is a confluence of resistances including the 50-DMA at ₹52,000. Therefore, considering the prevailing conditions, traders can stay on the sidelines. Fresh positions can be considered if the price falls to ₹50,000 or if the contract breaks out of ₹52,200.

Go short on MCX copper



GURUMURTHY K
BL Research Bureau

The outlook for the copper futures contract traded on the Multi Commodity Exchange (MCX) is bearish. The bounce from the low of ₹753 last week seems to lack momentum. It is currently trading at ₹753. The contract has struggled to breach ₹780. This leaves the chances high to see a break below ₹750 in the coming days.

Such a break can drag the contract down to ₹715 over the next two-three weeks. Traders with a short-term perspective can go short now. Accumulate shorts on a rise at ₹773. Keep the stop-loss at ₹791.

Trail the stop-loss down to ₹748 as soon as the contract falls to ₹732. Move the stop-loss down to ₹728 as soon as it touches ₹721 on the downside. Book profits at ₹717.

Important resistances are at ₹780 and ₹787. A strong rise past ₹787 is necessarily needed to ease the downside pressure and revisit ₹800 levels again. But that looks less probable.

On the charts, there are early signs that the broader uptrend that has been in place since March 2020 has got reversed. This could keep the prices below ₹787 as fresh and strong selling interest can come into the market on any bounce from current levels.

The expected fall to ₹715 mentioned above will strengthen the case of the trend reversal. A sustained break below ₹715 will confirm the same. Chances are high that ₹715 can hold on to its first test and produce a corrective bounce to ₹750-₹780. But the upside is likely to be capped and we prefer the MCX copper contract to fall below ₹715 eventually.



GOLD OUTLOOK

There is a likelihood of MCX Gold June futures contract depreciating to ₹50,000 in the short term

Vedanta Looking to Strike Gold at Maha, C'garh Mining Blocks

GOLD RUSH Go to also explore these sites for copper

Nehal.Challawala@timesgroup.com

ON DRILLING

Mumbai: The Vedanta Group is looking to add some glitter to its balance sheet by exploring for gold and copper at four blocks acquired by the listed parent company Vedanta while also increasing the production of silver this year at its subsidiary Hindustan Zinc.

For gold, Vedanta has four mining blocks—three near Chandrapur in Maharashtra and one near Raipur in Chhattisgarh. The company has received Stage 2 or final clearance from the Ministry of Environment, Forest and Climate Change for the Chhattisgarh block, Sunil Duggal, the chief executive of Vedanta told ET.

"We are about to start drilling. This mine has a potential of 60 million tonnes of R&R (reserves and resources) with around 1-1.2% of copper and 2 million ounces of gold," Duggal said. "The real story will be known once we start drilling."

Drilling is the process wherein samples are drilled from

We are about to start drilling. This mine has a potential of 60 million tonnes of R&R with around 1-1.2% of copper and 2 million ounces of gold

SUNIL DUGGAL
CEO, Vedanta

different depths beneath the surface to analyse the contents. In Maharashtra, the company has started drilling at one of the mines and discovered between 0.5-1% of copper concentration and "good" traces of gold, Duggal said. Forest clearance has been granted for a second mine in the state and drilling will start there soon, he said.

The company expects to get drilling permission for its third mine in Maharashtra in the next couple of months.

While the parent company is looking to strike gold, subsidiary

Hindustan Zinc is working overtime to increase its silver production. The company recovers silver as a by-product during lead production.



JSW Steel to put Italy plant on the block

Efforts to revive the Aferpi plant failed amid rising raw material costs

SURESH P IYENGAR

Mumbai, May 10

JSW Steel will soon put its subsidiary in Italy on the block on as many efforts by the company to revive the business have failed amid rising raw material costs and pressure mounting to make fresh investment to cut emission.

JSW Steel had acquired the once-prized and second largest steel plant at Aferpi for €55 million (₹451 crore) from Algeria-headquartered Cevital in 2018.

Costs pushed up

Having lost the battle with ArcelorMittal then for acquiring



Originally owned by Russia's Severstal, the plant has an annual steel production capacity of about two million tonnes.

a steel plant Ilva SpA, JSW Steel was then very bullish about revival of the stressed Aferpi. However, the plant could not be turned around despite huge investment to upgrade it and cut-down on cost.

The ongoing Ukraine crisis has made matters even worse by pushing up the cost all around, sources said. When contacted, JSW Steel declined to comment.

Originally owned by Russia's Severstal, Aferpi has an annual steel production capacity of about 2 million tonnes in Piombino and manufactures speciality steel used in railway, automobile and earth-moving vehicles.

The Italian unit has reported an EBITDA loss of €6.8 million in the December quarter against €6.1 million in the September quarter.

Govt PSUs told to surrender non-operational coal mines by July

As of Dec 2021, 45 out of 73 mines allotted to govt firms remained non-operational

RISHI RANJAN KALA

New Delhi, May 10

Central and State government companies have been given time till July this year to surrender their non-operational mines with the Coal Ministry.

On April 7, the government approved the policy for providing a one-time window to the Central and State PSUs to surrender non-operational mines without penalty (forfeiture of bank guarantee) and citing without any

reason. As of December 2021, 45 mines out of 73 allotted to government companies remained non-operational and due date of commencement of operations in case of 19 mines is already over.

Under this scheme, PSUs that have been allotted mines under the Coal Mines (Special Provisions) Act or the Mines and Minerals (Development and Regulation) Act, through allotment route, may surrender their non-operational coal block. It is for



cases where the mine opening permission could not be obtained by the allottee. The Ministry will return the performance bank guarantee upon surrender of the mine block. All pending show cause notices issued for delays would also be considered withdrawn.

However, in cases where the appropriation order has been issued, such an order shall not be waived and the corresponding amount of performance security shall be forfeited. Also, other payments made by the allottees such as upfront amount, compensation paid to prior allottees, shall not be returned.

Revenue share

On the rationale behind the move, the Coal Ministry said the revenue share payable by State or Central PSUs is fixed on a per tonne basis unlike the private sector which has to bid.

"Given the context of allocation of coal blocks at that point of time, conditions for timelines for operationalisation of coal blocks were very stringent and firm, leaving no wriggle room either to the successful allottee or the Nominated Authority. Penalisation for delay in operationalisation has resulted in disputes and court cases," it added.

Delays were due to reasons beyond the control of allottees, for example, law and order issues; enhancement in the area of forest from what was declared earlier; resistance of land-holders against acquisition; geological

surprises in terms of availability of coal resources. In the approval, good quality coal blocks which were allotted earlier can be quickly recycled back after removing technical difficulties and adjusting boundaries and offered to interested parties under the recently launched commercial coal mines auction policy. Early operationalisation of blocks will provide employment, boost investment, contribute to economic development of backward areas and promote ease of doing business, leading to reduction in import of coal, the Ministry noted.

Two options to go short on aluminium futures

COMMODITY CALL

AKHIL NALLAMUTHU

BL Research Bureau

Aluminium price has been under bears' influence for the past two months. Its continuous futures on the Multi Commodity Exchange (MCX) has seen a sharp price drop. Consequently, the contract has breached some key supports and is currently hovering around ₹233. We had suggested going short before a couple of weeks with target at ₹225. Traders can liquidate their shorts at ₹225 since the likelihood of a bounce from this level is high.

Nevertheless, the overall trend is bearish. So the recovery can be capped at ₹252 from where it can head south. Thereafter, the futures might slip below ₹225 to ₹200. But the corrective rally from ₹225 to ₹252 is not a given



one. Traders should plan fresh trades accordingly. Exit existing shorts at ₹225. For fresh shorts, decide based on how the contract reacts to ₹225. So, there are two options. One, initiate fresh short if the contract rallies to ₹252. Place stop-loss at ₹268. If it falls below ₹225, revise the stop-loss to ₹240. Exit shorts when price falls to ₹200. Two, if the contract breaches the support at ₹225 without a corrective move to ₹252, execute fresh shorts with stop-loss at ₹240. Liquidate the shorts at ₹200.

Novelis to Invest \$2.5 b to Set Up Aluminium Recycling Plant in US

Our Bureau

Mumbai: Aluminium producer Hindalco's US-based subsidiary Novelis will be investing \$2.5 billion to build a new low-carbon aluminium recycling and rolling plant in Bay Minette, Alabama, the company said Wednesday.

The new facility will have an initial capacity of producing 600,000 tonnes of finished aluminium goods a year and will be Aditya Birla Group's biggest greenfield project overseas. Work at the site has begun and the company expects to begin commissioning the plant in mid-2025.

"This investment marks the start of another transformational growth phase for No-

velis," Kumar Mangalam Birla, chairman of the Aditya Birla Group and Novelis, said in a statement.

"We continue to invest in each of the markets Novelis serves — from beverage can to automotive, aerospace and specialties — and in all geographies," he said. More than half of the capacity of the new facility will be used to serve the growing demand for aluminium beverage can sheet in

North America driven by consumer preference for more sustainable packaging, the company said. The plant will also serve the automotive market.

The facility will be Aditya Birla Group's biggest greenfield project overseas

कांग्रेस राज में कोल खदान लूट

कोलगेट ब्लॉक घोटाला आखिर हुआ उजागर

■ नागपुर, निज संवाददाता. पूर्व केन्द्रीय मंत्री हंसराज अहीर ने यूपीए अर्थात कांग्रेसनीत सरकार के समय मुफ्त में देश के कोल ब्लॉक्स बांट कर करोड़ों का घोटाला किया गया था जो अब उजागर हो गया. उन्होंने कहा कि यह देश का सबसे बड़ा



घोटाला है जिससे देश को 1.86 लाख करोड़ रुपयों का चूना लगाए जाने का सामने आ चुका है. अहीर प्रेस परिषद में बोल रहे थे. उन्होंने कहा कि 2012 में कैग ने भी अपनी रिपोर्ट में इसका खुलासा किया था. मोदी सरकार ने कांग्रेस काल में मुफ्त में बांटे गए कोल ब्लॉक को रद्द कर निलामी प्रक्रिया शुरू की. उसके बाद देश की खनिज सम्पत्ति की लूट रुकी. अब कोल ब्लॉक की निलामी से जिन्हें जरूरत है

ऐसे उद्योगों को आवश्यकतानुसार कोयला प्राप्त होगा. कोल उत्पादन के साथ ही रोजगार भी बढ़ेगा.

50 ब्लॉक की नीलामी

अहीर ने बताया कि मोदी सरकार ने 205 कोल ब्लॉक को रद्द कर दिया था जिसमें से 50 ब्लॉक की निलामी हो गई है. इससे सरकार को 30.35 लाख करोड़ का राजस्व प्राप्त होगा जबकि कांग्रेस राज में 1.86 लाख करोड़ रुपयों की लूट की गई. 50 लाख करोड़ से अधिक कीमत का कोयला मुफ्त बांट दिया गया. मोदी सरकार ने आते ही मुफ्त में बांटे ब्लॉक रद्द किये और 2015 से 2019 तक 50 ब्लॉक की निलामी की. इससे ही सरकार को 3.35 लाख करोड़ का राजस्व मिलेगा. वर्ष 2021 तक 7 लाख करोड़ रुपये राजस्व प्राप्त हो चुका है.

