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KHANIJ SAMACHAR

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KHANIJ SAMACHAR



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Gold Demand Fell 3% in '22 on High Price, Global Cues

Sutanuka.Ghosal@timesgroup.com

Kolkata: Gold demand in India fell 3% to 777 tonnes in 2022, amid high prices of the metal and global economic uncertainty. According to figures released on Tuesday by the World Gold Council (WGC), while jewellery demand was down by nearly 2% to 600.4 tonnes from 610.9 tonnes in 2021, demand for gold as investment fell about 7% to 173.6 tonnes in 2022 from 186.5 tonnes the year before.

According to the WGC, India imported 673.3 tonnes of gold in 2022 compared with 924.6 tonnes in 2021, a fall of 27%. High import duty on gold may have discouraged import of gold through the official route.

The WGC believes 2023 would be a good year for gold demand, resetting it to the long-term annual average of 800-850 tonnes subject to certain factors, particularly monsoons and a near-term recovery in rural demand.

Total gold recycled in India in 2022 was 97.6 tonnes as compared to 75.2 tonnes in 2021, an increase of 30%.

In the October-December quarter, India noted a sharp increase in recycling, which rose nearly 40% from a year earlier and 6% sequentially. This surge was mainly due to the increase in rupee-denominated gold prices, which was up 3% quarter-on-quarter. The Reserve Bank of India continued its gold purchases, adding 33.5 tonnes in 2022, less than half the 77.5 tonnes it purchased the year before.

Demand for gold in India in the fourth quarter of 2022 was 276.1 tonnes, down 20% from a year earlier. Jewellery demand in the quarter fell 17% to 219.7 tonnes, while investment demand dropped a faster 29% to 56.4 tonnes.

Somasundaram PR, WGC's regional chief executive, India, said demand remained "surprisingly resilient" despite a relatively subdued trade and consumer sentiment at the beginning of the year, hike in duty and sharp rise in prices.

Critical Minerals the Next Oil? Policy, Strategic Reserves Must

TEAM ET

New Delhi: Terming the availability of rare earth elements and critical minerals (CM) as the possible next "geopolitical battleground" just as crude oil has been over the last 50 years, the Economic Survey 2022-23 has prescribed a "carefully crafted multi-dimensional mineral policy".

It also underlined the need to create "strategic mineral reserves" along the lines of strategic petroleum reserves to ensure a continuous supply of minerals so that the country is self-reliant and successfully effects the clean energy transition.

Critical minerals such as cobalt, copper, lithium, and nickel, as well as rare earth elements (REEs) are critical for producing electric vehicles and batteries and harnessing solar power and wind energy. They are required in larger quantities than the fossil fuel-based systems.

"While the demand for critical minerals is set to increase because of the



global preference and emphasis towards renewable energy, the global supply chain of the critical minerals is highly concentrated and unevenly distributed," the survey said.

"The skewed distribution of the resource poses a supply risk in the face of its enhanced demand."

JSPL Profit Plunges 72% in Dec Quarter

Q3 show hit as input costs increased while steel prices stayed under pressure

Our Bureau

Mumbai: Jindal Steel and Power on Tuesday reported a sharp dip in profit for the December-quarter compared with the preceding year, as input costs surged while steel prices were under pressure, but the performance improved sequentially in line with the domestic steel industry.

JSPL reported a consolidated profit of ₹518 crore, down 72% on-year but more than double compared to the preceding quarter. Revenue remained flat YoY, but was sequentially lower by 8% at ₹12,452 crore.

Earnings before interest, tax, depreciation and amortisation (EBITDA) came in at ₹2,377 crore, down 28% on-year but sequentially higher by a similar quantum. EBITDA margin narrowed 734 bps on-year to 19.1%.

The stock gained 1.91% on BSE to close at ₹584.9.

The quarter began with low steel prices as market for the alloy was under pressure globally. But prices improved there on through the quarter as domestic consumption improved.

"Flat steel prices trended down at the beginning of the quarter as global HRC prices corrected. Long steel prices also trended down," the company mentioned in a press statement. "Much awaited pick-up in construction demand started towards the end of Q3 leading to improvement in steel prices."

Meanwhile, key input costs of iron ore and coking coal were significantly higher compared to last year.

BUSINESS LINE DATE:1/2/2023 P.NO.11

'As exports slowed down, local demand bolstered steel sector'

Abhishek Law
New Delhi

While steel export is expected to "remain subdued" because of a global slowdown, the Economic Survey 2022-23 released on Tuesday said the Centre's thrust on infrastructure projects, pick-up in construction activities, and demand from real estate and automobile sectors augur well for domestic demand.

The survey pointed out that iron and steel exports moderated in the first eight months of the current fiscal "owing to a slowdown in the global economy, particularly in Europe and China," and also due to a levy in "export duty to enhance domestic availability".

A report by the Ministry of Steel said, for April-December

period, export of finished steel was 4.74 million tonnes, down 54 per cent, while imports increased 27 per cent to 4.4 mt.

GLOBAL VOLATILITY

According to the Survey, the volatile international commodity prices and supply disruptions in raw materials "can weigh on industrial growth in the wake of new disruptions at the global level".

"The strength and duration of the recovery in commodity prices will be a function of many factors, such as the pace of China's economic recovery and growth outlook in North America and Europe. Notwithstanding such open questions, industrial output in India should continue to grow steadily based on resilient domestic demand," the Survey said.

According to the survey, in April-December of the current fiscal, steel sector's cumulative production was 88 mt and consumption 86 mt. This was higher than the corresponding period when production was 85 mt and consumption 80 mt.

DOMESTIC DEMAND

"The growth in finished steel production is aided by double-digit growth in consumption (11 per cent on a y-o-y basis), bolstered by a pick-up in the infrastructure sector significantly driven by increased Capex of the government," it stated. The (PLI for manufacture of speciality steel saw 67 applications, from 30 companies that were selected, and attract a committed investment of ₹42,500 crore. The scheme aims at increasing capacity by almost 26 mt.

At 7.4%, core sector output hits a 3-month high in December

POSITIVE PICTURE. 7 out of 8 sectors performed well

KR Srivats
New Delhi

Much in tune with the Economic Survey of 2022-23, which has painted an optimistic picture of the economy, the output of the country's eight core industries grew to a three-month high of 7.4 per cent in December.

Their overall performance was bolstered by a strong show from coal, steel, cement and electricity sectors, official data released on Tuesday showed. This performance was much higher than the 4.1 per cent growth recorded in December 2021 and also the revised 5.7 per cent growth in November 2022.

The eight core industries are coal, fertilizers, steel, cement, electricity, crude oil, natural gas and refinery products.

MOVERS AND SHAKERS

For the month under review, seven of the eight core sectors were in positive territory. Only crude oil saw a contraction of 1.2 per cent.

Output growth recorded by coal stood at 11.5 per cent, fertilizers at 7.3 per cent, steel at 9.2 per cent, cement at 9.1 per cent and electricity at 10 per cent. While natural gas saw an



ON THE RISE. Coal output growth was the highest at 11.5%

output growth of 2.6 per cent, refinery products output grew 3.7 per cent.

For the April-December 2022 period, the eight core industries' output grew 8 per cent, lower than 12.6 per cent growth recorded in the same period last year. The Commerce and Industry Ministry has also now revised upwards the final growth rate of eight core industries for September 2022 to 8.3 per cent from 7.9 per cent earlier. Last month, the Ministry had revised upwards the core output for August 2022 to 4.2 per cent.

Madan Sabnavis, Chief Economist, Bank of Baroda, said, "With 7.4 per cent growth in core industries, which have a share of around 40 per cent in the IIP, the latter (IIP) may be expected to increase by 4-5 per cent this month

(December)." He highlighted that crude oil production has been affected due to volatile prices as well as limited investment in new fields.

STRONG ACTIVITY

"Steel and cement have grown by 9 per cent which signals strong infra activity as well as private construction. The former is more in the government domain," he said.

Aditi Nayar, Chief Economist, ICRA said, "The core sector growth improved further in December 2022, which augurs well for the IIP performance in that month."

Fertilizer production has grown by 7.3 per cent on top of 3.5 per cent last year and is part of restocking being done by companies, Sabnavis said.

Need to create strategic mineral reserves for continuous supply

Rishi Ranjan Kala
New Delhi

Emphasising that the shift to clean energy entails a significant growth in requirement for critical minerals (CM), the Economic Survey on Tuesday said the availability of CM and rare earth elements (REE) will be the next "geopolitical battleground", after crude oil.

"As we are aware, REE and CM are essential for generating renewable energy (RE). The problem is that they are produced in a few countries and processed in even fewer countries. A globally synchronised energy transition to non-fossil fuels might be difficult to pull off if adequate REE and CM are not available. That would leave fossil fuel-based assets stranded for many countries' economies," it added.

EV PRODUCTION

Cobalt, copper, lithium, nickel and REEs are critical for producing electric vehicles (EVs) and batteries and harnessing solar power and wind energy. Solar photovoltaic (PV) plants, wind farms and EVs generally require more minerals than their fossil fuel-based counterparts.

For instance, a typical electric car requires six times the mineral inputs of a conventional car, and an onshore wind plant re-



UNEVEN SPREAD.The skewed distribution of resources poses a supply risk in the face of enhanced demand for them

quires nine times more mineral resources than a gas-fired plant.

GROWING DEMAND

The Survey pointed out while the demand for CMs is set to increase because of the global preference and emphasis towards RE, the global CM supply chain is highly concentrated and unevenly distributed. The skewed distribution of resources poses a supply risk in the face of enhanced demand for them.

CMs such as lithium, nickel, cobalt, manganese and graphite are crucial to battery performance, longevity and energy density, while REEs are essential for permanent magnets that are vital for wind turbines and EV motors.

Electricity networks need a huge amount of copper and aluminium, with copper being a cornerstone for all electricity-related technologies.

"A carefully crafted multi-dimensional mineral policy would reduce our dependence and address the problems for the fu-

ture. The country has resources of nickel, cobalt, molybdenum, and heavy REEs, but further exploration would be needed to evaluate the quantities of their reserves," the Survey said.

INTERNAL RESEARCH

There is a need to create strategic mineral reserves along the lines of strategic petroleum reserves to ensure a continuous supply of minerals.

Also, policies should consider investing in internal research including technological innovation for mineral exploration and processing and the development of Recycling, Reusing, and Repurposing (R3) technologies, it added.

Q4 gold demand dips 20% as prices surge



BACK IN ACTION. In 2022, gold demand was down 3 per cent to 774 tonnes

Our Bureau
Mumbai

The country's gold demand in 2022 dropped three per cent with the fall being a sharp 20 per cent in the fourth quarter, data released by the World Gold Council (WGC) showed.

Demand for the yellow metal in the December quarter slipped to 276 tonnes against 344 tonnes in the same period a year ago, mainly due to a surge in prices.

However, Somasundaram PR, Regional CEO, India, World Gold Council, said Indian gold demand was once again lifted by a good fourth quarter, reflecting the importance of post-harvest incomes and sentiments.

Despite a relatively subdued trade and weaker consumer sentiment at the beginning of the year, hike in duty and sharp rise in prices in amidst the season, demand was surprisingly resilient, he said.

Notwithstanding a record high price for gold in the domestic market, jewellery demand was only two per cent lower compared with last year, he said.

Jewellery demand dipped 17 per cent to 220 tonnes (265 tonnes), while for investments it slipped 29 per cent to 56 tonnes (79 tonnes), the data released on Tuesday showed.

In terms of value, gold demand dropped 15 per cent to ₹1.25-lakh crore (₹1.49-lakh

crore), while that of jewellery plunged 13 per cent to ₹1-lakh crore (₹1.15-lakh crore) and investment was down 25 per cent at ₹25,730 crore (₹34,130 crore).

Gold imports slipped to 165 tonnes (208 tonnes) but its recycling increased to 30 tonnes (20 tonnes).

FULL YEAR DEMAND

In 2022, gold demand was down three per cent to 774 tonnes (797 tonnes), while jewellery and investment demand slipped to 600 tonnes (611 tonnes) and 174 tonnes (186 tonnes), respectively.

The value of jewellery demand increased four per cent to ₹2.73-lakh crore (₹2.61-lakh crore) and investment demand was down one per cent at ₹78,860 crore (₹79,720 crore).

With sharp spike in prices, gold recycling increased 30 per cent to 98 tonnes (75 tonnes) and gold imports were down 27 per cent at 673 tonnes (925 tonnes).

RBI PURCHASES

The Reserve Bank of India continued its gold purchases adding 33.5 tonnes last year, 57 per cent lower than in 2021 when it had purchased 77.5 tonnes.

"We believe gold demand this year will range between 800 and 850 tonnes subject to a few short-term factors, more particularly monsoon and near-term revival of rural demand," Somasundaram said.

Capex hike to lift steel, cement demand

THE BIG PUSH. Increased capital expenditure for the infra sector will spur investments and job creation

Our Bureau
Mumbai

The government's decision to raise the capital expenditure by 33 per cent to ₹10-lakh crore in the next fiscal year will boost steel and cement consumption and help the capex-intensive sector.

The government's capital expenditure would be 3.3 per cent of GDP and almost three times the outlay in 2019-20.

Besides the central government investment, the continuation of the 50-year interest free loan to States for one more year and to incentivise them for complementary policy actions, with a significantly enhanced outlay of ₹ 1.3-lakh crore will spur investments in the infra sector.



DEMAND BOOST

Jayanta Roy, Senior Vice-President, ICRA, said the strong push for infrastructure-led growth with large capex is positive for the long steel and pipe manufacturers.

The extension of waiver of customs duty on ferrous scrap, raw materials used in the manufacturing of Cold Rolled Grain Oriented (CRGO) and nickel cathode is good for development for steel manufacturers.

Dilip Oommen, President of In-

political support. Sajjan Jindal, Chairman, JSW Group, said the government has been giving a huge push to the infrastructure upgradation of the nation and an increase in spending on road and rail infrastructure is a testament to their philosophy.

Jayakumar Krishnaswamy, MD, Nuvoco Vistas Corp, said the significant boost for the infrastructure sector will facilitate growth of the economy and the cement industry will play a vital role.

The Government's focus on green capital expenditure will help address the industry's energy needs, he said.



GREEN POWER. The Government's focus on green capital expenditure will help address the industry's energy needs

dian Steel Association, and CEO of AM/NS India, said the highest ever investment of ₹2.40-lakh crore for railways will translate

into robust domestic steel demand, thus spurring private investments and job creation.

First- and last-mile connectiv-

ity for sectors like steel, ports, coal, etc with an investment of ₹75,000 crore will improve logistics efficiency, he added.

Bullion loses sheen as duty on silver bars, dores hiked

Our Bureau
Mumbai

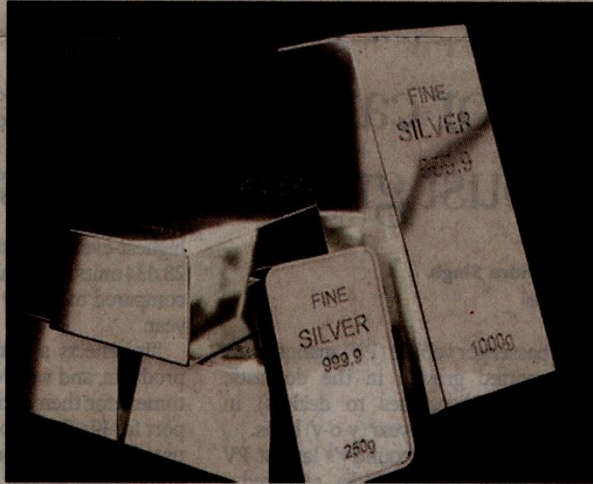
The government has hiked import duty on silver dore (raw form of silver), bars and articles in line with gold and platinum to 14.35 per cent from 9.21 per cent.

Late last year, the government increased the import duty on gold bars and gold dore. Tabling it, it decided to increase the duty on articles made from gold, silver and platinum to bridge the duty differential. The move is expected to push up prices in the domestic market when demand has dipped due to high prices. Vipul Shah, Chairman, GJEPC, said while the increase in duty on jewellery made of precious metals such as gold, silver and platinum is a relief, the import duty on dores which are the raw material in character for manufacture of jewellery needs a clarification from the government.

SMUGGLING

The current duty hike will push up the duty by 5 percentage points for silver resulting in an increase of price for silver products domestically, he said.

The Council will continue to pursue the same with the government for the overall



TURNING DEAR. The hike will push up duty by 5 percentage points, resulting in an increase in rate of silver products

welfare of the industry, he added.

Saiyam Mehra, Chairman, All India Gem and Jewellery Domestic Council, said the industry had expected a cut in gold custom duty as the industry was severely hampered due to smuggling and grey market. The hike in duty on silver will adversely affect the masses. GJC will continue to represent this important issue of the Industry at the meeting with FM on Saturday, he said.

Somasundaram PR, Regional CEO, India at World

Gold Council, said high taxes will impede efforts of the industry to make gold an asset class, particularly at a time when gold prices have risen globally. Moreover, the thriving grey market has diluted efforts to reduce cash transactions and penalises organised and compliant players, he said.

Though the Finance Minister had cut the basic duty on gold bars to 10 per cent from 12.5 per cent, it has increased the Agri Infrastructure Development Cess to 5 per cent from 2.5 per cent.

Tax clarity on EGRs to buoy gold recycling, cut imports

Suresh P. Iyengar
Mumbai

Finance Minister Nirmala Sitharaman has proposed the exclusion of the conversion of the physical form of gold into EGR and vice versa by a SEBI-registered Vault Manager from the purview of "transfer" in a bid to boost trading in Electronic Gold Receipt (EGR). As per the proposal, the conversion will not attract capital gain tax anymore. The clarity on tax treatment is expected to boost recycling of gold and bring down imports in long run.

The Budget has also proposed that the cost of acquisition of the EGR for the purpose of computing capital gains will be deemed to be the cost of gold in the hands of the person in whose name the EGR is issued, and the holding period for the purpose of capital gains, would include the period for which gold was held by the assessee prior to its conversion into EGR.

Where an EGR issued by a Vault Manager, becomes the property of the person as consideration of a transfer, as referred in the newly in-



EASY OPTION. EGRs can be bought by using a demat account just like stocks

serted Section 47, the cost of acquisition of the asset for the purpose of the said transfer, will be deemed to be the cost of gold in the hands of the person in whose name the EGR is issued.

EFFECTIVE 2024

The amendments will take effect from April 1, 2024, and apply from the assessment year 2024-25 and subsequent assessment years.

In Union Budget 2021-22, the government had entrusted SEBI to regulate EGR of the proposed gold exchange. Accordingly, SEBI has come out with a detailed regulatory framework for spot trading in gold on existing stock exchanges through the instrument of EGR.

Somasundaram PR, Regional CEO, India at World Gold Council, said the conversion of physical gold to Electronic Gold Receipt will not attract any capital gains. Thus, providing an overall digital boost to the industry and promoting investments in electronic equivalent of gold. Directionally, this year's budget can be considered positive for the industry."

Colin Shah, Managing Director, Kama Jewelry said the move to not impose any capital gains on the conversion of physical gold to EGR and vice versa will help further gold monetisation and help to reduce the import of gold.

Last October, BSE was the first stock exchange to launch EGRs on its platform after receiving SEBI nod in February 2022.

It introduced two new products of 995 and 999 purity during the Muhurat trading on Diwali. These are now traded in multiples of 1 gram and deliveries in multiples of 10 grams and 100 grams.

EGRs can be bought by using a Demat account just like stocks and can be converted into physical gold when needed.

A new cut to lab-grown diamonds

ADDING SHEEN. Customs duty abolished on imports of seeds used for rough LGD manufacturing

Rutam Vora
Ahmedabad

Responding to the demands of the diamond sector, Union Finance Minister Nirmala Sitharaman abolished the customs duty on imports of seeds used for rough lab-grown diamonds (LGDs) manufacturing.

Also, she assured a research and development grant to one of the Indian Institute of Technologies (IITs) for a period of five years to encourage indigenous production of LGD seeds and machines and to reduce import dependency. The custom duty rate on LGD seeds has been cut to nil from 5 per cent.

The gems and jewellery sector termed it as a move "to take on the global challenges as well as for stimulating exports."

Colin Shah, MD, Kama Jewelry and former chairman of Gems and Jewellery Export Promotion Council (GJEPC), said, "It will ensure India's end-to-end world leadership in rough to finished lab-grown diamond and jewellery manufacturing."

The support for the relatively nascent LGD sector came at a time when conventional natural diamond business faced headwinds due to recession in the West, escalating costs

of rough diamonds due to depleting reserves and the rising cost of production.

MUCH-NEEDED ECOSYSTEM

Dinesh Navadia, diamantaire and former chairman of Gems and Jewellery Promotion Council (GJEPC) — Gujarat region, said the latest support for LGD will help build a much-needed ecosystem. "There is a saturation of growth in traditional natural diamond consumption. The latest trend is for the lab-grown diamonds.

This will boost value-addition and employment generation," said Navadia.

LGD is a technology- and innovation-driven emerging sector with high employment potential. These environment-friendly diamonds have optically and chemically the same properties as natural diamonds. LGDs are made using two methods — high pressure high temperature method (HPHT) and chemical vapour deposition (CVD) method. Most of Indian LGDs are made through CVD, while China commands leadership in HPHT diamonds.

POWER CONSUMPTION

"The US is the biggest market for LGDs. Recently we are also seeing domestic demand coming up. So,



SHINING BRIGHT. The gems and jewellery sector has termed it as a move "to take on the global challenges as well as for stimulating exports" INTERNATIONAL GEMOLOGICAL INSTITUTE

this is a timely decision," Navadia said.

Surat-based diamantaire and exporter Ravi Dholakia of Radhe Shyam Diamonds said, "LGD is the future. Currently, it has only 2-3 per cent share in overall diamond market. But the challenge lies in the process to manufacture and getting the chemical compound right." Surat alone houses some 1,000 LGD machines.

Besides sourcing the seeds, which is imported mainly from Singapore, Switzerland and China, the electricity consumption is another heavy cost component in the production process.

Notably, in Gujarat, where a large number of LGD units are coming up, the government had recently abolished the electricity duty on the production process of lab-grown diamonds from 15 per cent for high

tension (HT) connections per cent for low tension (LT) connections. The move was aimed at proving competitiveness of made LGDs against Chinese.

The way India has mastered art of cutting and polishing natural diamonds with contribution about three-fourths of the turnover by value, the latest seen as new impetus to the sector with a futuristic goal.

MOIL's profit up by 55% in Q3

RECENTLY the Board of Directors of MOIL approved financial results for the quarter and nine months ended on December 31, 2022. In the third quarter, profit after tax (PAT) of the city-based company was at Rs 39.52 crore, higher by 45 per cent than the second quarter of FY'23.

The company has produced 3.37 lakh tonnes as against 2.41 lakh tonnes of manganese registering growth of 40 per cent during the same period.

Sales of manganese ore also increased by 44 per cent from 2.06 to 2.97 lakh tonnes in comparison to the second quarter of FY'23.

Revenue from operation has shown improvements of 28 per cent during the same period. On the occasion, Ajit Kumar Saxena, CMD MOIL, said that the company was geared up to register much better performance in the coming months.

NAVBHARAT DATE:3/2/2023 P.NO.6

MOIL का शुद्ध लाभ 55% बढ़ा

■ नागपुर, बिजनेस कनेक्ट. मैंगनीज ओर इंडिया लि. (मॉयल) के निदेशक मंडल की बैठक में तीसरी तिमाही के रिजल्ट को मंजूरी दी गई. इस दौरान कंपनी का शुद्ध लाभ 55 फीसदी बढ़ा है. कर पश्चात लाभ 39.52 करोड़ पर पहुंचा जो दूसरी तिमाही से 45 फीसदी अधिक है. कंपनी के सीएमडी अजीत कुमार सक्सेना ने कहा कि कंपनी का उत्पादन इस दौरान 3.37 लाख टन रहा जो 2.41 लाख टन से अधिक है.

इसमें भी 40 फीसदी का विकास दर्ज किया गया है. बिक्री भी 44 फीसदी बढ़कर 2.06 लाख टन के स्तर को छू गया. राजस्व भी 236 करोड़ से बढ़कर 302 करोड़ पहुंच गया, जो 28 फीसदी ज्यादा है. 9 माह के दौरान उत्पादन 5 फीसदी बढ़ा है और यह 9 लाख टन रहा. 3 रुपये प्रति शेयर अंतरिम लाभांश देने की घोषणा भी की गई है. उन्होंने भरोसा जताया है कि मॉयल नई ऊंचाइयों को छुएगा.

Use dips to go long in zinc futures, stop loss at ₹278

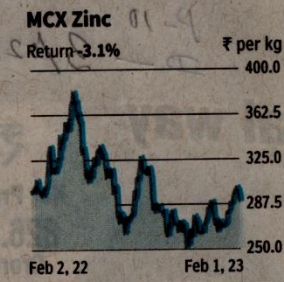
COMMODITY CALL

Akhil Nallamuthu
bl. research bureau

The zinc futures on the Multi Commodity Exchange (MCX), after marking a high of ₹304.55 last week, have seen a price correction. The nearest contract i.e., February expiry is currently trading at ₹290, testing a support.

We expect the price region of ₹286-290 to hold true and the bulls are likely to take advantage of it. The contract will most likely rebound from the current level. On the upside, it could touch ₹325 in two to three months.

That said, in case the support at ₹286 is decisively breached, the contract might drop to the support at ₹275, where the lower boundary of a rising channel is likely to coincide. A breach of ₹275 can shift the outlook bearish and we could see more fall, prob-



ably to ₹262 at first and then possibly to ₹250. Nevertheless, for the short-term, traders can stay bullish on the back of the support at ₹286.

Last week, we recommended buying zinc futures at an average price of ₹295 with stop-loss at ₹278. Hold these positions. One can also consider going long now at around ₹290 if you have not bought earlier with the same stop-loss of ₹278.

Move the stop-loss up to ₹292 when the contract rallies past ₹310. Further, when the contract rises to ₹320, tighten the stop-loss further ₹310. Exit the longs at ₹325.

India's coal production rises 13 per cent in Jan

Business Bureau

THE country's coal production increased by 12.94 per cent to 89.96 million tonnes in January 2023.

The country's coal output stood at 79.65 million tonnes (MT) in the corresponding month of the previous fiscal.

As per provisional data of the coal ministry, Coal India Ltd (CIL) registered a production growth of 11.44 per cent in January, whereas SCCL and captive mines, and others posted a growth of 13.93 per cent and 22.89 per cent, respectively.

Of the top 37 coal producing mines, production of 28 was more than 100 per cent, while the output of three mines stood between 80 and 100 per cent during last month.

At the same time, coal despatch increased by 8.54 per cent to 81.91 MT last month compared to 75.47 MT in January last fiscal.

"The power utilities despatch has increased by 8.01 per cent to 67.72 MT during Jan'23 as compared to 62.70 MT in Jan'22," it said.

Coal India Ltd accounts for over 80 per cent of domestic coal output.



'Govt to push primary steel producers to use 50 pc of input from recycled steel by 2047'

KOCHI, Feb 4 (PTI)

UNION Steel Minister Jyotiraditya Scindia on Saturday said his Ministry will push primary steel producers to use 50 per cent of their input from scrapped/recycled steel by 2047 to help achieve the government target of moving into a circular economy.

Currently, the level of recycled steel usage in primary steel production is only around 10 per cent even though recycled steel contributes to 22.5 per cent of the domestic total steel production of 140 million tonnes, the minister said while addressing the last day of the three-day international conference of material recycling here.

The 10th conference is being organised by the Material Recycling Association of India and is attended by over 2,000 delegates



Jyotiraditya Scindia

from 38 countries. Noting that recycling is the key cog in the wheel of manufacturing as economies move into a circular model of development, he said, "Going forward the industry should focus on the 6Rs philosophy of reduce (exploitation of natural resources), recycle, reuse, recover, re-design and reinforce."

He said the Government is committed to reducing CO2 emissions in the steel sector by 5 per cent by 2030 from the current 2.85 to 1.4 CO2/tonne of crude steel, and to achieve this recycling scrap steel is an extremely important source.

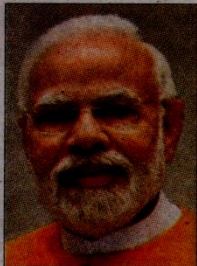
"Today, scrap usage is only 15 per cent in primary steel production. We will push the steel industry to increase this to 25 per cent in the next five years, and by 2047, this should double to 50 per cent. This means that the primary steel producers consume only 50 per cent of iron ore by then," Scindia said. This is needed as the natural resources are finite and the demand looks infinite, he said, adding the steel industry has the biggest role to play in the whole process.

The country currently produces 25 million tonne of scrap steel and annually imports 5 million tonne of scrap steel with zero import duty, he added. The recycling industry is highly unorganised and is worth about USD 50 billion now. There are over 25,000 recycling units in the country.

प्रधानमंत्री मोदी ने स्टील अथॉरिटी ऑफ इंडिया की सराहना की

एजेंसी | नई दिल्ली

प्रधानमंत्री नरेन्द्र मोदी ने स्टील अथॉरिटी ऑफ इंडिया (सेल) की जनवरी में ढलुआ धातु, कच्चे इस्पात और बिक्री योग्य ठोस इस्पात का सर्वाधिक मासिक उत्पादन करने पर सराहना की है। इस संबंध में इस्पात मंत्रालय ज्योतिरादित्य सिंधिया के ट्वीट के प्रत्युत्तर में प्रधानमंत्री ने ट्वीट किया, "भारत के आत्मनिर्भर बनने के लिये महत्त्वपूर्ण सेक्टर से उत्साहवर्धक समाचार।" सेल ने जनवरी 2023 में अब तक का सर्वाधिक मासिक उत्पादन दर्ज किया।" इस्पात मंत्रालय की एक विज्ञप्ति के अनुसार महारत्न सार्वजनिक उपक्रम सेल ने जनवरी 2023 में अब तक का सर्वाधिक मासिक उत्पादन दर्ज किया है। इस साल जनवरी 2023 के दौरान अब तक का सर्वाधिक 17.2 लाख टन कच्चे इस्पात का मासिक उत्पादन दर्ज किया गया, जो मार्च 2022 के पिछले सर्वाधिक मासिक उत्पादन की तुलना बहुत ही प्रभावशाली वृद्धि है। सेल ने मार्च 2022 के पिछले सर्वाधिक मासिक उत्पादन की तुलना में, इसी जनवरी 2023 महीने के दौरान अब तक का सर्वाधिक 18 लाख टन हॉट मेटल और 16.1 लाख टन विक्रय स्टील का सर्वाधिक मासिक उत्पादन हासिल किया है।



Correction to extend

BULLION CUES. Silver could underperform gold

Akhil Nallamuthu

bl. research bureau

The international spot gold and spot silver depreciated 3.2 and 5.1 per cent to close the week at \$1,865.5 and \$22.35 per ounce, respectively.

Similarly, on the Multi Commodity Exchange (MCX), gold futures (April contract) and silver futures (March expiry) declined about 1.2 per cent each to end the week at ₹56,585 (per 10 gram) and ₹67,576 (per kg), respectively.



GETTY IMAGES/ISTOCKPHOTO

slips below ₹56,125. Book profits at ₹55,400.

MCX-GOLD (₹56,585)

The April gold futures saw a downtrend last week. Along with a price fall, the cumulative Open Interest (OI) of gold futures on the MCX dropped to 20,674 contracts on Friday compared with 21,093 contracts by the end of preceding week. This shows long unwinding.

The chart hints at more correction, possibly to ₹55,400. Subsequent support is at ₹54,000.

Trade strategy: Traders can go short at the current level of ₹56,585 and add more shorts if price rises to ₹57,600. Place stop-loss at ₹58,200 at first. Move it down to ₹56,800 when the price

MCX-SILVER (₹67,576)

Although March silver futures closed within the price band of ₹67,000-70,000 after witnessing a volatile week, in terms of dollar, it has slipped below a support. This can weigh on MCX silver.

The contract is expected to decline to ₹64,000. A breach of this can result in a fall to ₹62,200.

Trade strategy: Sell silver futures now. Short more if price moves up to ₹69,000. Place stop-loss at ₹70,500 at first. Tighten it to ₹67,500 when price goes below ₹66,000.

Further, alter the stop-loss to ₹66,000 when price touches ₹65,000. Exit at ₹64,200.

Crude Steel Output Grows to over 124 MT in 2022: SteelMint

PTI

New Delhi: India's crude steel production rose by 5.80 % to 124.45 million tonne (MT) in 2022, according to SteelMint. The country had produced 117.63 MT crude steel in 2021, the market research firm said.

The production of finished steel was at 110.03 MT, up from over 104.54 MT a year ago, SteelMint said in its latest report.



The consumption of finished steel rose to 106.48 MT, as against 98.39 MT in 2021, a year-on-year rise of 8%. SteelMint attributed the increase in output and consumption to "continuous focus of the government on the infrastructure sector." According to the report, the exports in 2022 have registered a fall over the previous year, while the Imports have grown in the year ended December 31.

At 4.77 MT, the imports were 21% higher against 3.94 MT in 2021.

The exports registered a sharp fall of 44 per cent to 10.37 MT in 2022 compared to 18.5 MT a year ago. The import of raw material coking coal was almost flat at 55.94 MT in 2022, the report said.

Steel prices see Rs 55,000/tonne mark

■ Business Bureau

EVEN as the steel prices are showing volatility in the domestic markets, dealers and experts believe that the commodity would here onwards enjoy good demand and the prices would go northwards. They also felt that the conditions are favourable to push the prices in days to come.

After touching the recent high of Rs 56,000 per tonne (plus 18% GST extra) in mid January, the prices came down to a level of Rs 54,000 per tonne (plus 18% GST extra) on Sunday. The price of 8 mm TMT bars was Rs 55,000 per tonne (plus 18% GST extra) and 10-25 mm TMT bars was Rs 54,000 per tonne (plus 18% GST extra) on Sunday which is about Rs 2,000 per tonne less than the prices about 15-20 days back.

Many steel manufacturing units in Odisha's Rourkela were shut down in December, 2022 in order to maintain a clean

LOCAL STEEL PRODUCER PRICES	
TMT Bar	Prices per tonne + GST
8 mm	Rs 55,500 + 18% GST
10-25 mm	Rs 54,000 + 18% GST



environment during the FIH Hockey World Cup. The domestic markets responded to it and immediately the steel prices went up. However, as the production resumed in these

plants, the prices saw correction of about Rs 2,000 per tonne.

President of Steel and Hardware Chamber Rajesh Sarda, told *The Hitavada* that

the price rise is mainly due to increased demand of the commodity. "Though there was marginal correction in steel prices, we strongly believe that it will further rise. The commodity enjoys good demand during the summer season because of increased construction activities," he said.

It is important to note that Government has earmarked huge funds for building infrastructure projects which will create huge demand for steel and cement, he added.

Another dealer, on the condition of anonymity, said that the demand of the commodity will witness sudden rise in March. "Government contractors normally buy huge quantity of steel in the month of March in order to complete their projects before the financial year. Apart from this, other consumers also speed up their projects during the season and thus we see rise in prices," he added.

NAVBHARAT DATE:6/2/2023 P.NO.11

कच्चे इस्पात का उत्पादन 12.4 करोड़ टन

■ दिल्ली, न्यूज एजेंसियां। भारत में कच्चे इस्पात का उत्पादन 2022 में 5.80 प्रतिशत बढ़कर 12.44 करोड़ टन हो गया। बाजार शोध फर्म



स्टीलमिंट ने यह जानकारी दी। देश में 2021 में 11.76 करोड़ टन कच्चे इस्पात का उत्पादन हुआ था। स्टीलमिंट की ताजा रिपोर्ट में कहा गया कि तैयार इस्पात का उत्पादन एक साल पहले के 10.45 करोड़ टन से बढ़कर 11 करोड़ टन हो गया। तैयार इस्पात की खपत 2022 में आठ प्रतिशत बढ़कर 10.64 करोड़ टन हो गई जो 2021 में 9.83 करोड़ टन थी।

BUSINESS LINE DATE:6/2/2023 P.NO.3

'Crude steel output up by 5.8% in 2022'

Press Trust of India
New Delhi

India's crude steel production rose by 5.80 per cent to 124.45 million tonne (mt) in 2022, according to SteelMint.

The country had produced 117.63 mt crude steel in 2021, the market research firm said.

The production of finished steel was at 110.03 mt, up from over 104.54 mt a

year ago, SteelMint said in its latest report. The consumption of finished steel rose to 106.48 mt, as against 98.39 mt in 2021, a year-on-year rise of 8 per cent.

SteelMint attributed the increase in output and consumption to "continuous focus of the government on the infrastructure sector."

According to the report, the exports in 2022 have registered a fall over the previous year, while the imports have grown in the year

ended December 31.

At 4.77 mt, the imports were 21 per cent higher against 3.94 MT in 2021.

Govt Against \$3b Vedanta Intl Zinc Biz Sale to HZL

Says deal may hit Hindustan Zinc share price, upset divestment plans

Anuradha.Shukla@timesgroup.com

New Delhi: The government has raised objections to Vedanta Resources' proposal to sell its international zinc assets for nearly \$3 billion to Indian subsidiary Hindustan Zinc Ltd (HZL), people aware of the development told ET. Valuation of the assets is among several concerns flagged by the government, which holds a 29.54% stake in HZL that was privatised more than two decades ago.

Officials say proposed deal will erode HZL valuation in a market that is already volatile

Officials said the proposed deal could affect HZL's share price and upset the government's plan to meet its divestment targets by selling a part of the stake through a public offer.

The government stake in HZL is worth nearly Rs 42,300 crore at the company's stock price Monday on the BSE, where it closed 2.1% lower at Rs 338.85.

"There are many problems with the deal. First, it was done at a valuation which is questionable; this will put pressure on Hindustan Zinc," a senior official told ET, adding that the deal had been proposed by ignoring minority shareholders.

The proposed deal will erode the valuation of Hindustan Zinc in a market that is already volatile and will have an adverse impact on the divestment target of the government, the official said.

The official said the government representative on the Hindustan Zinc board had raised objections to the plan.

NAVBHARAT DATE:7/2/2023 P.NO.7

101.7 करोड़ टन कोयला उत्पादन का लक्ष्य

दिल्ली. देश में कोयला उत्पादन अगले वित्त वर्ष 101.7 करोड़ टन रहने का लक्ष्य रखा गया है. यह जानकारी संसद को सोमवार को दी गयी. कोयला मंत्री प्रह्लाद जोशी ने राज्यसभा में एक प्रश्न के लिखित जवाब में कहा कि खदान विकासकर्ताओं और परिचालकों (एमडीओ) को साथ लेकर देश में कोयला उत्पादन बढ़ाने के लिए केंद्र की तरफ से कदम उठाए जा रहे हैं. मंत्री ने कहा वित्त वर्ष 2023-24 में अखिल भारतीय कोयला उत्पादन का लक्ष्य 101.7 करोड़ टन निर्धारित किया गया है.

NAVBHARAT DATE:7/1/2023 P.NO.7

33वां खनिज संरक्षण सप्ताह



■ **नागपुर, बिजनेस कनेक्ट.** भारतीय खान ब्यूरो भारत सरकार के तत्वावधान में एवं प्रादेशिक खान नियंत्रक, नागपुर क्षेत्रीय कार्यालय के आरआर डोंगरे के संरक्षण में 33वां खान पर्यावरण एवं खनिज संरक्षण सप्ताह 2022-23 आयोजित किया गया. आयोजन की जिम्मेदारी इस वर्ष महाराष्ट्र राज्य खनिकर्म महामंडल को सौंपी गई. समारोह के अंतर्गत नागपुर क्षेत्र में कार्यरत 36 खानों का इसमें सहभाग रहा. नवंबर में सभी खानों का खनिज संरक्षण और विकास

नियम 2017 के अंतर्गत विभिन्न निरीक्षक दलों द्वारा निरीक्षण किया गया. गुणवत्ता के आधार पर सप्ताह के समापन एवं पुरस्कार वितरण समारोह का आयोजन किया गया. समारोह में अनेक उच्चाधिकारी, भू वैज्ञानिक, अभियंता शामिल हुए. कार्यक्रम के प्रमुख अतिथि मुख्य खान नियंत्रक पीयूष शर्मा और पंकज कुलश्रेष्ठ, व्यवस्थापकीय संचालक एमजे प्रदीप चंद्रन, अभय अग्रवाल, पीवाई टेंभरे, अशोक पाटिल, विलास जोगी उपस्थित थे.

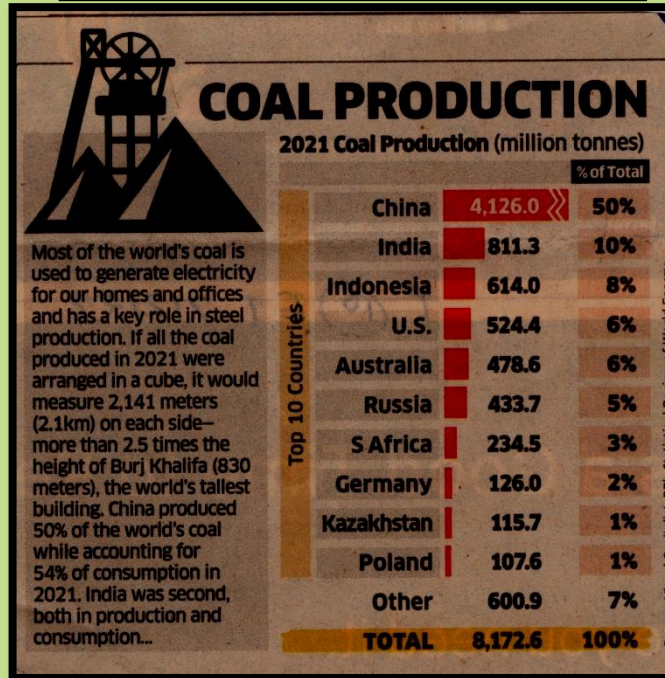
33वें खान पर्यावरण एवं खनिज संरक्षण सप्ताह का समापन

विजेता खानों को पुरस्कारों का वितरण



नागपुर | भारतीय खान ब्यूरो, भारत सरकार के तत्वावधान एवं आर.आर. डोंगरे, प्रादेशिक खान नियंत्रक, नागपुर क्षेत्रीय कार्यालय की संरक्षता में 33वें खान पर्यावरण एवं खनिज संरक्षण सप्ताह-2022-23 समारोह के आयोजन की जिम्मेदारी इस वर्ष महाराष्ट्र राज्य महामंडल मर्यादित को सौंपी गई समारोह अंतर्गत नागपुर क्षेत्र में कार्यरत 36 खानों का इसमें समावेश रहा। 14 नवंबर 2022 तक सभी खानों का खनिज संरक्षण और विकास नियम 2017 अंतर्गत विभिन्न निरीक्षक दलों द्वारा निरीक्षण किया गया। गुणवत्ता के आधार पर सप्ताह समापन व पुरस्कार वितरण समारोह का आयोजन 4 फरवरी 2023 को वनामती ऑडिटोरियम, वीआईपी रोड, गिरीपेट में

किया गया। खान ब्यूरो के अनेक उच्चाधिकारी, भू-वैज्ञानिक, अभियंता आदि, शामिल खानों के कार्यकारी अधिकारी, उच्चाधिकारी, व्यवस्थापक, भू-वैज्ञानिक, अभियंता, अन्य अधिकारीगण, महिला तथा पुरुष कामगारों की उपस्थिति में कार्यक्रम में सभी विजेता खानों को प्रमुख अतिथि पीयूष शर्मा, मुख्य खान नियंत्रक, भारतीय खान ब्यूरो तथा पंकज कुलश्रेष्ठ, मुख्य खान नियंत्रक, भारतीय खान ब्यूरो एवं एम.जे. प्रदीप चंद्रन, व्यवस्थापकीय संचालक, म.रा.ख.म.मर्यादित, अभय अग्रवाल, खान नियंत्रक (मध्यांचल), भारतीय खान ब्यूरो एवं आर.आर. डोंगरे, प्रादेशिक खान नियंत्रक के हस्ते पुरस्कारों का वितरण किया गया।



EBITDA MARGINS DOWN 75%

Tata Steel Reports Loss in Q3 as Europe Show Flops

Co logs ₹2,502-cr loss in Dec quarter as high input costs and lower prices choke the sector

Our Bureau

Mumbai: Tata Steel slipped into the red during the December quarter as poor performance in Europe became a drag on the legacy steel company's consolidated financials during a quarter when high input costs and lower steel prices globally reversed the fortunes of steelmakers compared to the year-ago period.

The company reported a consolidated loss of ₹2,502 crore. This included a one-time expense of ₹2,150 crore. Tata Steel had reported a bottom line of ₹9,598 crore in the corresponding quarter last year. The consolidated revenue was down 6% year-on-year to ₹57,084 crore. Earnings before interest, tax, depreciation and amortization (Ebit-



da) was down 75% to ₹4,048 crore. Ebitda margin declined to 7.1% from 26.1% a year ago.

"Recession concerns weighed on steel prices, which coupled with elevated energy costs affected our performance," managing director TV Narendran said about Europe operations in a press statement. The company's stock lost 2.08% to close at ₹117.6 on the BSE on Monday compared to a 0.55% dip in benchmark Sensex.

Performance in India during the quarter was better than Europe as the domestic market remained the

only bright spot in the inflation-hit global steel industry. The company recorded quarterly crude steel production of 5 million tonnes for the first time ever as newly acquired Neelachal Ispat Nigam plant commenced production. Tata Steel reported a domestic top line of ₹32,325 crore, down 4% year-on-year. This includes revenues from both the standalone entity and Tata Steel Long Products, which is to be merged into the company.

The India operations reported a net profit of ₹1,918 crore, declining sharply compared to ₹7,787 crore last year as steel prices corrected over the year while input costs surged. Ebitda came in at ₹4,412 crore after adjusting for forex movement and intercompany debt and receivables.

"In India, steel prices were subdued even as raw material costs moved lower. While this increased margins at standalone operations from around 16% in 2Q to (around) 18% in 3Q, European operations witnessed margin compression due to lower realisations and elevated input costs," CFO Koushik Chatterjee said.

PROFITABILITY to be driven by steel prices which are on uptick; net debt at comfortable level Tata Steel Offers a Positive Outlook in a Sign Q3 Pain Unlikely to Linger

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Tata Steel reported a loss for the first time post-pandemic, as the company struggled with its European operations amidst economic slowdown and higher production costs. Indian operations, where the company enjoys higher profitability thanks to captive iron ore mines, also suffered from lower realisations.

However, the management has given a positive outlook for the coming quarters, indicating improved performance.

For financial performance, it is more appropriate to compare the company's performance on a sequential basis

over a year-on-year basis, given the cyclical nature of the industry. While the economic situation remained volatile, total production remained flat at 7.56 million tonnes



Earnings Review

on a sequential basis. In India, it touched the highest production of 5 million tonnes in the quarter, thanks to the Neelachal Ispat Nigam facility beginning its operations. However, the deliveries fell both in India as well as overseas.

Total deliveries fell by 1% during the quarter. Total realisations, fell by 4%, while Indian realisations by 2%, thus impacting the overall performance for the quarter.

At the net level, Tata Steel reported a loss of ₹332 crore, against a profit of ₹1,438 crore in the September quarter and ₹9,242 crore in the corresponding quarter previous year. Adjusted Ebitda (earnings before interest tax and depreciation) less than halved to ₹2,727 crore from the preceding quarter. Revenues were down 4.7% quarter on quarter to ₹57,084 crore.

Despite the loss, the company's net debt levels remain at a comfortable level. At net debt of ₹71,706 crore, the net

debt to Ebitda remains below 2.

The company continued its focus on India capex and spent ₹3,632 crore during the quarter. At Kalinganagar, phased commissioning of the 6 million tonnes per annum (MTPA) pellet plant has begun. Work on the 2.2 MTPA cold roll mill complex and 5 MTPA expansion is ongoing, which will also start showing in the revenues over the coming quarters. However, profitability will continue to be influenced by steel prices, which seem to have picked up over the last two months after the opening up of the Chinese economy. Steel prices across have rebounded by nearly 20% with the opening up of China, the world's largest steel consumer. However, they are still 35% below their peak prices of May 2022. It needs to be seen if the current gains can sustain as the Chinese government is now focusing more on consumer-focused growth than infrastructure investment-led growth.

Buy copper futures if prices fall to ₹760

COMMODITY CALL.

Akhil Nallamuthu
bl. research bureau

Copper futures on the MCX faced stiff resistance at ₹800 and have declined over the past week. Specifically, the February futures could not rally beyond ₹790 and has moderated to the current level of ₹772.

However, the overall trend remains bullish and the recent corrective decline is likely to be arrested between ₹750 and ₹760. We anticipate February copper futures to rebound anywhere within this price region and appreciate to ₹800. There is a good chance for the contract to rally beyond this level and rally to ₹825 in two to three months' time.

A breach of the support, however, at ₹750 can turn the outlook bearish where

MCX Copper



the contract can see a quick decline in price to ₹720 and possibly to ₹700. Although the overall trend is bullish, the contract could extend the corrective decline from the current level of ₹772 to ₹760. So, wait for the price to soften to ₹760 and then initiate fresh long positions. Stop-loss can be placed at ₹740 at first and revise it to ₹785 when the contract crosses over ₹800. When the price touches ₹810, move the stop-loss further up to ₹795. Exit the longs at ₹820.

Govt opposes HZL's plan to buy out Vedanta's mines

Abhishek Law
New Delhi

The Centre has opposed Hindustan Zinc's move to buy out Vedanta's global zinc assets (mines) at a deal valued at nearly \$3 billion. The Centre is a minority shareholder with a 29.5 per cent stake in the company and has plans to divest its stake in the miner.

The Ministry of Mines has reportedly expressed unhappiness over the valuation of the deal and plans to raise the issue at available fora, said sources.

UNLOCKING VALUE

It was said government nominees — who are also on the Board — raised objections during the Board meeting in January. Objections were on

grounds that the decision went against the interest of minority shareholders.

Hindustan Zinc management had argued the supposed deal would unlock value, monetise international zinc assets and create substantial synergies.

It is now being said the company has gone ahead with exchange filing. *businessline* has reached out to Hindustan

Zinc for comments. Till the time of press, the company was yet to respond.

"This (the buyout) is approved by the Board. And of course, the Board approval follows approval or recommendations by the audit committee. And for further course of actions, all due approvals will be sought wherever required as per the law," the management said at an analyst call.

Tata Steel reports net loss of ₹2,502 cr on lower realisation

BRIGHT SPOT. Despite volatile environment, domestic sales were up: TV Narendran, MD

Our Bureau
Mumbai

Tata Steel has reported a net loss of ₹2,502 crore in the December quarter against a net profit of ₹9,598 crore logged in the same period last year, on the back of lower realisation and higher inventory in Europe.

Overall costs increased to ₹57,172 crore (₹48,666 crore).

RECESSION CONCERNS

EBITDA was down 83 per cent at ₹2,727 crore during the quarter against ₹15,890 crore logged in the same period last year, on margin compression in Europe.

Sales were up 2 per cent at 7.15 million tonnes (7.01 mt). The company has started production at the recently acquired Neelachal Ispat Nigam unit and it is being ramped up to the rated capacity of around



PRICE OUTLOOK. Looking ahead, there is a visible pick up in steel prices across key regions, says the company AFP

1 mtpa, it said. Tata Tiscon re-bars are being made from billets from the Neelachal unit.

Despite the volatile operating environment, the company increased domestic sales, said TV Narendran, Managing Director.

In Europe, he said recessionary concerns weighed on steel prices, which coupled with elevated energy costs, affected performance.

Looking ahead, there is a visible pick up in steel prices across key regions on improved China demand outlook and sustained spending on infrastructure in India, said Narendran.

SUBDUED PRICES

The company generated a free cash flow of ₹1,588 crore largely due to favourable movement in working capital. The company has spent ₹3,632 crore on capex during the quarter and has begun phased commissioning of 6 mtpa capacity at Kalinganagar.

Gross debt of the company was flat at ₹87,649 crore. It had a cash balance of ₹15,943 crore leading to net debt of ₹71,706 crore.

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COMMODITY CALL.

Bet short in lead futures

Akhil Nallamuthu
bl. research bureau



Three weeks ago, lead futures on the Multi Commodity Exchange (MCX) faced resistance at ₹193 and reversed the trend downwards. Thus, the resistance band of ₹192-195 held well in blocking the bulls.

Currently trading at around ₹185, the price action hints at more decline. While ₹180 is a minor support, we expect the bears to drag the contract below this level, possibly to ₹173. A breach of this support can turn the medium-term trend bearish where the price could fall to ₹160.

That said, if the contract regains positive momentum and breaks out of ₹195, it can rally past ₹200 to touch ₹210.

TRADE STRATEGY

Given that the resistance band of ₹192-195 successfully stopped the bulls and stayed valid since September 2021, the likelihood of a decline is high.

Traders can consider going short on lead futures at the current level of ₹185 and add more shorts if the price goes up to ₹188. Place stop-loss at ₹195 initially. Tighten the stop-loss to ₹184 when price slips below ₹180. Exit the shorts at ₹175.

LOKMAT DATE: 8/1/2023 P.NO.2

खाण पर्यावरण, खनिज संरक्षण सप्ताह

नागपूर : भारतीय खाण ब्यूरो, भारत सरकारच्या तत्वाधानात आणि नागपूर



क्षेत्रीय कार्यालयाचे प्रादेशिक खाण नियंत्रक आर. आर. डोंगरे यांच्या संरक्षणामध्ये ३३ वा खाण पर्यावरण व खनिज संरक्षण सप्ताह समारंभ आयोजनाची

जबाबदारी या वर्षी महाराष्ट्र राज्य खनिकर्म महामंडळाकडे देण्यात आली. समारंभात नागपूर क्षेत्रामध्ये कार्यरत ३६ खाणींचा सहभाग राहिला. १४ ते २० नोव्हेंबर २०२२ पर्यंत सर्व खाणींचे खनिज संरक्षण आणि विकास नियम २०१७ अंतर्गत विभिन्न निरीक्षक दलांद्वारे निरीक्षण करण्यात आले. गुणवत्तेच्या आधारे ३३ वे खाण पर्यावरण व खनिज संरक्षण सप्ताहाचा समारोप आणि पुरस्कार वितरण समारंभ ४ फेब्रुवारीला वनामती सभागृहात पार पडला. विजेत्या खाणीचे प्रमुख अतिथी भारतीय खाण ब्यूरोचे मुख्य खाण नियंत्रक पीयूष शर्मा व पंकज कुलश्रेष्ठ, म.रा.ख.म. मर्याचे व्यवस्थापकीय संचालक आर. आर. डोंगरे, खाण नियंत्रक अभय अग्रवाल, प्रादेशिक खाणनियंत्रक आर. आर. डोंगरे यांच्या हस्ते पुरस्कार वितरण करण्यात आले. प्रास्ताविक महाव्यवस्थापक पी. वाय. टेंभरे, सहायक भूवैज्ञानिक अशोक पटेल यांच्या हस्ते पुरस्कार वितरण समारंभ झाला आणि खाण व्यवस्थापक विलास जोगी यांनी आभार मानले.

Acquisition of Vedanta's zinc assets approved by board: Hindustan Zinc

Our Bureau
New Delhi

Hindustan Zinc on Tuesday said the acquisition of Vedanta's global zinc assets was "approved by the Board of Directors" at the meeting held on January 19, "on the recommendation of the audit committee".

The approvals are also subject to receipt of requisite regulatory approvals, including shareholders' approval, as may be necessary, it added.

Hindustan Zinc, a Vedanta subsidiary, will be acquiring zinc mines of the holding company in a cash buyout pegged at nearly \$3 billion.

However, the Centre, which is a minority shareholder with over 29 per cent stake in the zinc company, has raised objections to the deal. Representatives of the Centre, particularly from the Ministry of Mines, had objections to the deal citing issues of valuation.

PROPOSED TRANSACTION

The statement to the bourses said the proposed transaction gives access to combined reserves and resources of over 1,000 mt of ore and over 65 mt of metal across India and Africa. "The zinc assets have the potential to produce 1 mt of zinc at first quartile of global cost curve and to be the largest zinc producer in Africa," said the statement.

'Mines Environment and Mineral Conservation Week' concludes



Business Bureau

THE Maharashtra State Mining Corporation recently observed 33rd Mines Environment and Mineral Conservation Week 2022-23 wherein 36 mines of the Nagpur Region took active part. The event was conducted under the aegis of Indian Bureau of Mines and guidance of R R Dongre, Regional Controller of Mines.

Inspections of all these mines was conducted as per the Mineral Conservation & Development Rule -2017 between November 14, 2022 and November 20, 2022. Based on the results, the senior officers and others were felicitated

at a valedictory function held at Vanamati Auditorium here in the city. Piyush Sharma, Chief Controller of Mines, IBM; and Pankaj Kulshrestha, Chief Controller of Mines, IBM; M J Pradeep Chandran, Managing Director of Maharashtra State Mining Corporation; Abhay Agrawal, Controller of Mines, and R R Dongre, gave awards to the winners.

P Y Tembhare, GM (O) Maharashtra State Mining Corporation, gave the introductory remarks while Ashok Patel, Assistant Mining Geologist; conducted the proceedings of the function. Vilas Joshi, Mine Manager, proposed the vote of thanks.

Ambuja Net up 13% on Better 'Operational Efficiencies'

Our Bureau

Mumbai: Ambuja Cement, which was recently acquired along with its subsidiary ACC by the Adani Group, has reported a 13% growth in consolidated profit for the October-December period despite higher input costs, which the new owners attributed to the operational efficiencies brought in by them.

The company reported a consolidated profit of ₹488 crore compared to ₹431 crore in the corresponding quarter last year.

Consolidated revenue from operations grew by just under 4% to ₹7,907 crore. Meanwhile, expenses grew at 6% to ₹7,279 crore. Earnings before



interest, taxES, depreciation, and amortisation (ebitda) declined by 11% to ₹1,008.

"During the quarter, the cement sector saw higher production and capacity utilisation on account of pickup in demand,"

Ajay Kapur, CEO Ambuja Cement, said.

Sequentially, revenue was higher by 11%, while ebitda and profit grew almost 10-fold. Cost reduced by 5% sequentially to ₹5,026 per metric tonne, the company said.

"Ebitda margins expanded due to relentless focus on reduction in fuel and logistics costs by leveraging synergies with group companies," Kapur said, adding that initiatives taken by the new owners are expected to further bring down operating cost, reduce clinker factor, reduce logistics cost, improve sales of blended cement and expand ebitda margin.

The company remained debt free with cash and cash equivalents of ₹9,454 crore.

Looking ahead, Kapur said that he expects cement demand to continue growing in coming quarters on the back of increased infrastructure activities. "Our focus to ramp up capacity in efficient way to ensure to be one of the lowest cost producers is on track."

The company partially commissioned waste heat recovery systems projects at Bhatapara, Rauri, Suli during the quarter and will achieve full capacity of 39 megawatts by Q4FY23, as per a press release. About 14 megawatt of waste heat recovery system was fully at Marwar. Meanwhile, WHRS projects at Ambujanagar and Maratha of 28 megawatt were under implementation and progressing well, the company said.

Look to bet long on aluminium futures

COMMODITY CALL.

Akhil Nallamuthu
bl.research bureau

After rallying past the resistance at ₹220 in mid-January, aluminium February futures on the Multi Commodity Exchange (MCX) extended the upside to mark a high of ₹228.25. However, the bulls lost the momentum as the price level of ₹228 acted as a



resistance, preventing a rally beyond this level. The contract has now moderated to the resistance-turned-support level

of ₹220. A drop below this level is less likely. The candlesticks of the past two days (refer daily chart) show that there is good buying in the ₹219-₹221 price band as the candles have formed long lower wicks. Therefore, we might see a rebound off this level soon.

If the rally resumes as we expect, the price might rise towards the price band of ₹250-256, a resistance band. Subsequent resistance is at ₹272.

On the other hand, if the contract slips below ₹220, it might extend the decline to-

wards the price band of ₹205-210.

TRADING STRATEGY

In mid-January, we recommended long positions on aluminium futures at ₹220 with initial stop-loss at ₹210. Retain this trade. Traders looking for fresh opportunities can buy now.

When the contract moves above ₹232, shift the stop-loss to ₹220. Further, tighten the stop-loss to ₹232 when the price rallies above ₹240. Exit the longs at ₹250.

Hindalco sees Novelis turning around in Q4

Q3 SHOW. Profit falls 63% to ₹1,362 cr; worst is over, says company

Our Bureau
Mumbai

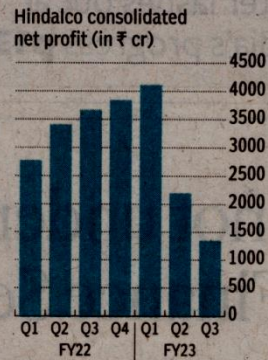
Hindalco Industries expects its subsidiary Novelis Inc to turnaround this quarter with a favourable metal price lag and an improvement in shipments of cans. For the India business, the rise in the prices of aluminium and copper and better coal availability are expected to boost performance.

“The worst is over,” said Satish Pai, MD, Hindalco, at a media briefing after announcing the results for the third quarter of this fiscal. He said metal prices had already started rising from late December and thus, he expected the fourth quarter to be better than the reporting quarter and 2023-24 to be a good year for the company overall.

In Q3, the company’s consolidated net profit fell 63 per cent y-o-y to ₹1,362 crore, dragged down by Novelis, which saw a steep fall in its net income to \$12 million from \$262 million a year ago.

Revenue in the reporting quarter rose 5.7 per cent y-o-y to ₹53,151 crore. Operating profit fell 48.5 per cent to

Over the quarters



₹3,930 crore. Novelis’ earnings were hit by lower average aluminium prices and lower shipments as its customers, saddled with high inventory in expectation of demand, were busy de-stocking.

Pai said can volumes were 60,000 tonnes lower than expected in the reporting quarter. He said the de-stocking would be completed in the current quarter and normal shipments would commence.

MAJOR TAILWINDS

The re-opening of the Chinese economy and resumption of demand as the

country removed all Covid-related restrictions, along with the strengthening of the US economy are the major tailwinds for Hindalco’s operations, said Pai.

The indications were favourable as already copper and aluminium prices were firming up, he said, adding that the only uncertain variable was the war in Ukraine which could disrupt supply chains.

DOMESTIC OPERATIONS

In Hindalco’s domestic operations, its aluminium upstream business came under pressure due to a surge in input cost and lower realisation.

This was partly offset by higher volumes. With coal availability improving and prices coming down, performance in the current quarter will see a turnaround, Pai said. The aluminium downstream business showed a better performance due to higher volumes and better pricing.

Operating profit in the aluminium downstream business rose about a fourth to ₹157 crore, while the operating profit per tonne at \$210 was up 7 per cent on year.

Zinc: Go long now

Akhil Nallamuthu
bl. research bureau

The zinc future on the Multi Commodity Exchange (MCX) is on a downtrend for the past couple of weeks.

It fell off the resistance at ₹300 and is now trading around ₹278.

COMMODITY CALL

For the contract, ₹272 is a good support as a rising trendline coincides with this at this level. So, there is a good chance for the contract to see a bounce. It could retest the resistance at ₹300 again in the near-term.

On the other hand, if the contract falls below the support at ₹272, the out-



look will turn bearish. In that case, we can see its price declining to ₹258, the nearest support.

Nevertheless, as the contract has a support, traders can risk going long.

TRADING STRATEGY

Buy zinc futures at the current level of ₹278 and place stop-loss at ₹270. When the contract rallies above ₹286, shift the stop-loss up to ₹275.

Book profits when the contract touches ₹300.

Copper will likely rule at elevated levels in 2023

Subramani Ra Mancombu
Chennai

Copper prices are expected to rule at elevated levels this year despite a dip during the Chinese Lunar New Year holidays. Global political unrest could result in further upside for the red metal faces significant risks, analysts say.

According to Shanghai Metal Market (SMM) News, Chinese copper cathode production in January was 41,700 tonnes lower than the expected 8.95 lakh tonnes output — down 1.9 per cent from December.

This month, based on production schedules, the output is expected to be 5.39 per cent higher month-on-month at 8.99 lakh tonnes.

RECOVERY HOPES

“We expect copper prices to remain elevated in 2023, averaging \$8,500/tonne. Copper prices had rallied in recent weeks following



RED HOT. Increase in demand after removal of Covid curbs by China, and political unrest may buoy the base metal

Mainland China's pivot away from its zero-Covid strategy,” said Fitch Solutions Country Risk And Industry Research, a unit of Fitch Group.

After rising to \$9,430 on January 18 though prices cooled, Fitch Solutions said it was “optimistic about a recovery of copper demand from Mainland China in the coming months”. Currently, the 3-month copper futures contract is ruling at

\$8,892.50 a tonne and the price for cash delivery is \$9,005.50. The base metal prices are recovering after having dropped to \$8,863 on February 7.

INVENTORY BUILD-UP

The Trading Economics website said the latest data point to a bigger-than-usual inventory build-up in China over the Lunar New Year holiday. Copper inventories in SHFE warehouses jumped by

61.8 per cent since January 20 to 226,509 tonnes on February 3, despite lower imports.

SMM News said domestic consumption in China is expected to recover gradually with the Covid curbs being relaxed. A series of support policies announced at the end of 2022 will help prop up demand.

The improvement in Chinese consumption this year will keep copper prices at a higher level, while high prices might hit the offtake. “In other words, the actual terminal consumption is of ultimate concern,” it said.

SUPPLY UNDER STRESS

Fitch Solutions said China's growth is expected to be 5 per cent in 2023 and this could result in high demand for the red metal and support for prices.

On the other hand, copper supply is under stress particularly due to political development in Peru, where the Las Bambas mine halted pro-

duction on February 1 mine accounts for 2 per cent of the metal worldwide had been operating at a reduced rate since December.

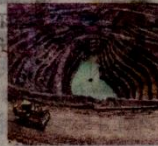
“We expect social unrest in Latin America to remain a near-term threat to copper production as mining operations are disrupted. Incoming government intervention in mining operations creates uncertainty over the region's production outlook,” Fitch Solutions said.

ING Think, the financial and economic analysis of Dutch multinational financial services firm ING First Quantum Minerals suspended loading operations at the Cobre Panama port after it failed to reach an agreement over tax payments with the government.

Fitch Solutions said: “A combination of a faster-than-expected recovery in Chinese demand and a Latin American supply crunch amidst low inventories drive copper prices higher than our current forecast.”

जम्मू-कश्मीर के रियासी में 59 लाख टन का भंडार देश में पहली बार लीथियम मिला

■ दिल्ली, एशिया देश में पहली बार लीथियम का भंडार मिला। इसकी कैपेसिटी 59 लाख (5.9 मिलियन) टन है। लीथियम के साथ ही सोने के 5 ब्लॉक भी मिले हैं। लीथियम (जी3) की यह पहली साइट है जिसकी पहचान जियोलॉजिकल सर्वे ऑफ इंडिया ने जम्मू-कश्मीर के रियासी में की है। लीथियम एक ऐसा नॉन फेरस मेटल है जिसका उपयोग मोबाइल-लैपटॉप, इलेक्ट्रिक व्हीकल समेत अन्य चार्जबल बैटरी बनाने में किया जाता है। यह एक रेयर अर्थ एलिमेंट है। भारत लीथियम के लिए अभी पूरी तरह दूसरे देशों पर निर्भर है। भारत अपनी जरूरतों का बड़ा हिस्सा आयात करता है। 2020 से भारत लीथियम आयात करने के मामले में दुनिया में चौथे नंबर पर रहा। भारत अपनी लीथियम-आयन बैटरियों का करीब 80% हिस्सा चीन से मंगाता है। देश इस क्षेत्र में आत्मनिर्भर बनने के लिए अर्जेंटीना, चिली, आस्ट्रेलिया और बोलिविया जैसे लीथियम के धनी देशों की खदानों में हिस्सेदारी खरीदने पर काम कर रहा है।



'Tata Steel Will Use Its Internal Cash Flows to Finance Future Acquisitions'

Co won't add incremental debt; fresh capital raised to be used for refinancing debt, says TV Narendran

Nehal Challawala & Deborshi Chaki

Mumbai: Tata Steel will fund any future acquisitions through internal accruals and will not add any incremental debt, the company's managing director, TV Narendran, told ET in an interview.

The company, which is exploring bidding for Rashtriya Ispat Nigam Visakhapatnam, will fund the acquisition from its own reserves if it emerges as the successful bidder.

"Honestly, if we were to raise (ca-

pital), it would only be for refinancing," Narendran said about the company's capital market plans. "From our own growth ambitions, we want to grow as well as reduce our debt."

At the end of December, Tata Steel had a net debt of ₹71,706 crore, translating to a net debt to ebitda ratio of 1.76. It has committed to keep the ratio under 2 over the medium term across commodity price cycles.

Tata Steel is taking comfort in future cash flows that it expects upon liquidation of expensive coal inventory accumulated over the course of this year. Meanwhile, the company's enhanced manufacturing capacity in India will ensure higher sales and thus better cash flows, Narendran said.

The company expects to tap into the accruals from these cash flows to fund its expansion plans.

According to Narendran, Tata

Steel could comfortably make ₹10,000-15,000 crore of capital expenditure from its cash flows in a normal year and still pay dividends as well as deleverage further. "So, the India business can take care of its own growth ambition without borrowing anymore from existing cash flows," he said. In the company's Europe business, the Netherlands unit could also similarly take care of its expenses, Narendran said. But Tata Steel's UK unit may need support

from India, he added. On inorganic expansion, Narendran said Tata Steel is not dependent on acquiring more assets to meet growth ambitions. The company has decided against bidding for NMDC's Nagarnar Steel Plant, which is expected to be put on block by the government.

...We want to grow and reduce debt. India business can take care of its own growth ambitions without borrowing from existing cash flows

TV NARENDRAN
MD, Tata Steel



THE HITAVADA

DATE:12/2/2023 P.NO7

NALCO profit up 61% in Q3

NEW DELHI, Feb 11 (IANS)

THE National Aluminium Company Ltd (NALCO), a Navratna CPSE under Ministry of Mines, posted a net profit of Rs 274 crore for the third quarter ending December 31, 2022, as against Rs 170 crore in the preceding quarter, the company said in a statement.

गुड न्यूज : भारतात सापडला लिथियमचा खनिज

इलेक्ट्रिक वाहने होऊ शकतात स्वस्त; भारत आयातदार नव्हे, तर निर्यातदार होणार

लोकमत न्यूज नेटवर्क
वी दिल्ली : स्मार्टफोन, लॅपटॉपपासून ते इलेक्ट्रिक वाहनांच्या टरीसाठी आवश्यक असणारा लिथियम या दुर्मीळ खनिजाचा ५९ लाख टनांचा साठा जम्मू आणि काश्मीरच्या रियासी जिल्ह्यात सापडला आहे. याची एकूण किंमत ३८४ अब्ज इतकी प्रचंड आहे.

यामुळे इलेक्ट्रिक वाहने अधिक गाने आणि स्वस्तात उतरवण्याच्या सरकारच्या योजनेला बूस्टर मिळणार

आहे. सध्या भारत लिथियमसाठी ऑस्ट्रेलिया आणि अर्जेंटिनावर अवलंबून आहे. भारतीय भूवैज्ञानिक सर्वेक्षणाचा (जीएसआय) हा शोध देशासाठी अत्यंत मोलाचा आहे.

भारत लिथियमची मोठ्या प्रमाणात आयात करतो. २०२० पासून लिथियम आयातीच्या बाबतीत भारत जगात चौथ्या क्रमांकावर आहे. भारत लिथियम-आयन बॅटरीसाठी लागणारी ८० टक्के सामग्री चीनकडून आयात करतो.



८०%

लिथियम-आयन सामग्री भारत चीनकडून आयात करतो. याचा उपयोग बॅटरीसाठी होतो.

आगामी हंगामात सागरी उत्खनन प्रकल्प बँकॉकीदरम्यान आगामी हंगामासाठीच्या (२०२३-२४) प्रस्तावित वार्षिक कार्यक्रमाचे चर्चा करण्यात आली. आगामी वर्ष २०२३-२४ दरम्यान जीएसआय १२ सागरी खनिज उत्खनन प्रकल्पांसह ३९८ खनिज उत्खनन उपक्रम राबवणार आहे.

या क्षेत्रात स्वावलंबी होण्यासाठी भारत अर्जेंटिना, चिली, ऑस्ट्रेलिया

किंमत ३,३८४ अब्ज

का म्हटले जाते पांढरे सोने?

१ लिथियम एक चांदीसारखा पांढरा रासायनिक धातू आहे, जो खूप हलका आहे. गेल्या काही वर्षांत लिथियमचा वापर बॅटरी बनविण्यासाठी होत आहे.

२ लिथियमचा वापर आता स्मार्टफोन आणि लॅपटॉपपासून इलेक्ट्रिक वाहनांपर्यंतच्या बॅटरीमध्ये केला जात आहे. यामुळे जगभरातील कंपन्या लिथियमच्या मागे लागल्या आहेत.

३ लिथियम हे जगाच्या ऊर्जेच्या गरजेचे भविष्य मानले जात आहे. भविष्यात, पेट्रोल-डिझेल, कोळसा या जीवाश्म इंधनांच्या घटत्या उपलब्धतेमुळे पर्याय म्हणून जग स्वच्छ ऊर्जेकडे वाटचाल करत आहे.

सोन्याच्या ५

■ सेंट्रल जिओलॉजिकल सर्वेक्षण विभागाच्या अहवालात ५ खाणी सोनोपॉटॅश, मॉलिब्डेनम ३

■ जम्मू-काश्मीर, अरुणाचल प्रदेश, कर्नाटक, मध्य प्रदेश आणि तेलंगणा या राज्यांमध्ये ७८९.७० टक्के लिथियम साठ्यांमध्ये १७ टक्के लिथियम साठ्यात आले

या व बोलिव्हिया यासारख्या लिथियम समृद्ध देशांमधील खाणीत गुंतवणूक

Guguldoh minefield: Animals or ore?

Locals Divided Over Govt's Mining Decision; Public Hearing For Env Clearance On Feb 14

Vijay Pinjarkar
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MINES VS FORESTS

► Shanti GD Ispat & Power, Raipur, was granted mine lease on June 5, 2018, for 50 years

► The opencast mine will produce 3.06 lakh TPA ore with use of machines

► As per the EIA, the manpower requirement for the mining project is estimated to be 42 persons

► Flow of drainage from the mine area will destroy Khindsi lake

► Within a 10km radius of the mine, 27% is forest while 55% is agriculture fields

► The EIA report has no mention of Schedule-I animals like tigers and leopards in the area



Pics: Aditya Joshi

Nagpur: Guguldoh, 70km from Nagpur in Ramtek tehsil, is a hidden treasure trove for wildlife but instead of protecting the last remaining natural wealth of the area, the state government wants manganese mining there for a royalty that can never be equated with the huge ecological loss the activity will cause.

Of the 105-hectare mining lease area, equivalent to 1,300 football fields, 100 hectares is a reserve forest in compartment number 293 of Guguldoh while only 5 hectares is revenue land.

The proposed site falls in the wildlife corridor between Pench and Navegaon-Nazira Tiger Reserves (NNTR).

The public hearing for environmental clearance to Raipur-based Shanti GD Ispat & Power Private Limited for extraction of over 3 lakh tonne ore from Guguldoh block at Manegaon (Ramtek) is slated for February 14.

At a time when man-animal conflict is at its peak in the state and 104 lives were

lost last year, rich wildlife habitats like Guguldoh are being diverted to a polluting industry.

A visit to Guguldoh (which may have got its name from deep mining pits) ahead of the public hearing found that a mining block in the 60s has turned into a high-density mixed forest with rich flora and fauna. The forested hills with water bodies around them have become a permanent home for tigers, leopards and many herbivores.

The freshwater Manega-

on lake spread in over 42 acres at the foothills of the proposed mining site will be the first casualty. Two years

ago, the state spent ₹15.55 lakh on desilting and deepening the lake.

The lake is a big source of drinking water for wildlife and farmers. On the edge of the lake bed were fresh leopard pugmarks and hoof marks of several herbivores like spotted deer, chowsingha, nilgais and wild boars. So-

me villagers were also seen collecting dry and dead wood indicating their dependence on the forest.

There were several medicinal and fruit-bearing trees in the proposed mine area.

Some of these species included saja, bija, kadam, movai, behada, dikamali, khair, rohan, tendu, char, bel, sitaphal, amaltas, shisam, jamun, kaith, banyan, peepal, mahua, mango, anjan, karanji, guava and other schedule tre-

es like teak.

The Environment Impact Assessment (EIA) report of Shanti Ispat doesn't mention presence of Schedule I animals in the forest area, but it admits that Mansingdeo sanctuary is 8.9km from the proposed mine, forest areas of Chorbahuli (2km), Tangla (2.5km), and South Bawanthadi (2.5km). All these locations have regular tiger movement being part of the functional corridor.

A ground survey deploying camera traps between 2019-2020 shows that the mining area has tigers, leopards, rattle, porcupines, wild dogs, jungle cats, nilgai, deer, sambar, civets, wild boars, peacocks and hares.

On December 7, 2020, a tiger was found dead in one of the abandoned mine pits in the area.

Not many villagers at Guguldoh were aware of the hearing. There were no notices or banners in the villages surrounding Guguldoh.

Locals said they have been invited to a programme to be attended by the district collector. People are divided

over allowing mining in the area. A gram panchayat member claimed that the mine will bring employment. "I agree that mine will spell doom for farmers and people due to pollution and depleting water table, but the only reason to reluctantly say 'yes' is that it will bring direct and indirect employment for youths. I'm not sure how many of them will get," said the member who seemed to be toeing the official line.

Senior citizens and several students were opposed to the mine as "it will cause noise, air, water and soil pollution and destroy agriculture fields, our only source of livelihood". "Besides, blasting will be a recipe for disaster," they said.

The EIA report admits that the proposed mine is likely to generate dust. The sources of gaseous pollutants from the proposed mining will include drilling & blasting operations, heavy earth moving equipment which mostly runs on diesel, loading operations, transportation of ore, and overburden in dumpers.

PLOUGHING INTO AN OASIS

Lithium reserve found in J&K's Reasi is of best quality: Official

JAMMU, Feb 11 (PTI)

THE country's first lithium reserve, found in Jammu and Kashmir, is of the best quality, a senior Government official said here on Saturday, as upbeat villagers expressed hope the discovery will bring them a bright future. The 5.9-million tonne reserve of lithium, a crucial mineral for the manufacturing of electric vehicles and solar panels, had been discov-

ered in Reasi district by the Geological Survey of India (GSI).

"Lithium falls in the critical resource category which was not earlier available in India and we were dependent for its 100 percent import. The G3 (advanced) study of the GSI shows the presence of best quality lithium in abundant quantity in the foothills of Mata Vaishno Devi shrine at Salal village (Reasi)," J&K Mining Amit Secretary Sharma told

PTI. He said against the normal grade of 220 parts per million (PPM), the lithium found in J&K is of 500 ppm-plus grading, and with a stockpile of 5.9 million tons, India will surpass China in its availability.

"India joined a select group of countries at the global level after this finding and it will fulfil the vision of Prime Minister Narendra Modi's 'Aatmanirbhar Bharat' (self-reliant India)," he said.

BUSINESS LINE DATE:13/2/2023 P.NO.2

Nalco seeks two more years' extension on linkages to Utkal D & E coal blocks

Rishi Ranjan Kala
New Delhi

State-run National Aluminium Company (Nalco) has sought an extension till March 2025 for the bridge linkage for Utkal D and Utkal E coal mines owing to delays in commencing production at the said blocks. The issue will come up at the meeting of the Coal Ministry's Standing Linkage Committee (Long Term), which is scheduled for February 17.

The aluminium manufacturer said that it is facing delays in starting production from the allotted coal mines and has not been able to stick to the commencement schedule due to factors beyond its control. The delays relate to obtaining forest and environmental clearances, land acquisition, revising boundary coordinates, besides

the delays owing to the Covid pandemic in the last three years. In September 2016, the SLC (LT) had granted bridge linkages from Coal India (CIL) to Nalco's Unit 9 and 10 (120 MW each) captive power plants (CPP) based on allotment of Utkal D & Utkal E coal blocks.

MULTIPLE EXTENSIONS

In December 2018, Nalco got the linkage extended up to March 2021 or from the actual date of start of production, whichever is earlier, and was again extended up to March 2023.

Nalco obtained the mine opening permission for the Utkal D coal mine in May 2021. Furthermore, the approved mine plan for Utkal D and E coal blocks were obtained in February 2022, however, coal production has not commenced due to land and other issues.

Lithium, A Welcome Energy Lodestone

The substantial lithium resource — 5.9 million tonnes of it — found in Jammu and Kashmir is good news for India's clean energy transition. Determining the size of the usable reserve, developing the mine and producing the lithium will take time. As it works on the J&K find, GoI must develop a critical minerals strategic plan that assesses needs, secures supplies, develops technologies for efficient extraction and recovery from secondary sources. It must invest in innovation, R&D of alternative energy storage solutions, substitute materials and designing high resource-efficient products. The requisite policy frameworks, incentives and leveraging public funds for investments must be put in place.



The J&K resource is the second find. In 2021, preliminary surveys on surface and limited sub-surface by the Atomic Minerals Directorate for Exploration and Research identified about 1,600 tonnes of lithium resources in Karnataka. In 2021-22, the Geological Survey of India took up five projects on lithium and associated minerals in Arunachal Pradesh, Andhra Pradesh, Chhattisgarh, J&K and Rajasthan. Critical minerals crucial for clean energy, automation and digitalisation are concentrated in few regions, and their processing in fewer still. Policy and institutional frameworks, and mechanisms for improved surveying are crucial. A robust set of environmental safeguards for mining is needed. Securing supplies for energy security is critical. Besides partnerships and agreements, a system of recovery from secondary sources through recycling is necessary.

Finding lithium should not foreclose other options. India must develop alternative energy storage options. This is crucial for energy security and an equitable clean energy transition.

With peak power demand set to rise, Govt to ensure adequate coal reserves

Our Bureau
New Delhi

With indications that the country's peak power demand is expected to grow in the range of 8-10 per cent y-o-y, the Coal Ministry has set a target of producing 1,017 million tonnes in the next financial year, beginning April 2023.

Sources said the Coal Ministry is coordinating with the Ministries of Power and Railways to ensure adequate reserves at the power plants.

"Coal demand in FY22 grew to 1,027.92 mt from 906.13 mt in FY21. For FY23, the demand is expected to be around 1,087 mt. The Ministry is, therefore, working with other ministries to en-



The Coal Ministry has set a target of producing 1,017 mt in the next fiscal

sure adequate supplies at plants ahead of the peak summer months," one of the sources said.

The official added, "As on January 11, the 183 gigawatt (GW) domestic coal-based capacity requires around 2.55

mt daily. The reserves at plants are around 31.33 MT. We are working with others to ensure 40-45 mt reserves by March 2023."

The target of all India coal production has been fixed at 1,017 mt for FY24. During the April-December period in FY23, the power demand has grown by around 10 per cent y-o-y.

According to the International Energy Agency (IEA), the robust post-pandemic recovery continued to support strong electricity demand of over 8.4 per cent in 2022. The power demand data published by the National Load Dispatch Center show that energy met in the country in January 2023 was at 126 billion units, which is an annual growth of 13 per cent.

Copper futures: Go long if prices dip to ₹750

Gurumurthy K

bl. research bureau

The copper futures contract on the MCX is still on a corrective fall.

The bounce from the low of ₹763 per kg last week failed to gain momentum. The contract made a high of ₹780 and has come down again. It is currently trading at ₹768 per kg.

The price action since September last year is in the form of a bull channel. Within this channel, copper has been coming down now. There is room for a further fall to ₹750 in a week or two. The level of ₹750 is the channel support. As such a fall beyond ₹750 is less likely. We expect copper to bounce back again from around ₹750. Such a bounce will have the potential to take copper up to ₹800 and higher levels. The bullish outlook will go wrong only if the contract



breaks below ₹750 decisively. In that case, copper can see an extended fall to ₹730-720 and even lower levels going forward. But our bias is positive. So, we expect copper to sustain above ₹750 and see a fresh leg of the rally from there. Traders can wait for dips and go long at ₹755. Keep the stop-loss at ₹745. Trail the stop-loss up to ₹760 as soon as the contract moves up to ₹768.

Move the stop-loss further up to ₹770 when copper touches ₹775 on the upside. Exit the long positions at ₹780.


Public hearing for mining in Guguldoh forest postponed

Notice Says 'Environ Angle'

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Nagpur: The public hearing as part of the process to get environment clearance for manganese ore mining in the Guguldoh reserve forest in Ramtek was on Tuesday surprisingly put off at the request of the project proponent.

Shanti GD Ispat & Power Private Limited, Raipur, had moved the Maharashtra Pollution Control Board (MPCB) following which a public hearing was called on February 14. There was no prior notice in Guguldoh that the hearing was deferred. When green volunteers reached the spot of hearing at around 11.15am, some men were seen putting up the cancellation notices at

WHO SAID WHAT		CEO, Shanti Ispat
	Hearing postponed due to 'environmental angle' Notice put up at the venue	Hearing put off on request from project proponent. There was some medical emergency MPCB regional officer AM Kare
	Hearing put off following dist collector orders. Otherwise, there is no reason, SK Pandey, president and	Medical emergency cited as a reason MPCB sources

the venue. The notice said the hearing was postponed due to an 'environmental angle'.

However, there were no specific answer from the authorities on the postponement of the public hearing. SK Pandey, president and CEO, Shanti Ispat, said, "The hearing was put off following district collector orders. Otherwise, there is no reason."

MPCB regional officer AM Kare said, "The hearing was put off on the request from the project proponent. There was some medical emergency with them and hence the request came at the last moment. The next hearing is to be held in 20 days."

ring is to be held in 20 days."

MPCB sources said though a medical emergency is one of the reasons cited, the company feels it will get more time to submit documents which will make its case more strong.

Of the 105hectare mining lease area, equivalent to 1,300 football fields, 100 hectare is reserve forest in compartment number 293 of Guguldoh, while only 5 hectare is revenue land.

Submitting objections to the proposed mine in the tiger corridor between Pench and Navegaon-Nagzira, former honorary warden Jayde-

ep Das said, "Over 95% of the proposed forest area is prime tiger habitat. Damage due to mining will be irreversible. The government on one hand is trying to bring nearly 33% land under green cover while on the other it is diverting dense forests for mines."

"Mines will destroy nearby agriculture fields and will also affect air quality. Current air quality is excellent due to the forest. Mining will bring in meager jobs but more health hazards. People from the nearby region will suffer from respiratory diseases and polluted water," said Anusaya Kale-Chhabrani of Swaccha Association.

Objecting to the mine, Prachi Mahurkar, an ecologist at Punarnava Ecological Services, said, "Open cast mines have direct and visible impact on the land surface. Before mining starts there is massive deforestation, and habitat loss. During the mining stage, the land is damaged and degraded."

जम्मू-कश्मीर में आतंकियों की चेतावनी

■ श्रीनगर, एजेंसियां. जम्मू-कश्मीर के रियासी में लीथियम भंडार मिलने के बाद एक आतंकी संगठन ने धमकी भरा लेटर जारी किया है. पीपुल्स एंटी-फासिस्ट फ्रंट ने लेटर लिखा कि वह जम्मू-कश्मीर के संसाधनों की चोरी करने की अनुमति नहीं देगा. ये संसाधन जम्मू-कश्मीर के लोगों के हैं, इन्हें स्थानीय लोगों को जिंदगी को बेहतर करने के लिए इस्तेमाल किया

'लीथियम' से हो स्थानीयों का विकास



जाना चाहिए. 10 फरवरी को जम्मू-कश्मीर के रियासी में लीथियम का भंडार मिला था. इसकी कैपेसिटी 59 लाख (5.9 मिलियन) टन है. लीथियम के साथ ही सोने के 5 ब्लॉक भी मिले हैं. लीथियम (जी3) की यह पहली साइट है जिसकी पहचान जियोलाॉजिकल सर्वे ऑफ इंडिया ने जम्मू-कश्मीर के रियासी में की है.

Global Ops Weighing on Local Metal Cos' Margins

Tata Steel, JSW Steel, Hindalco among cos hopeful of turnaround in this fiscal quarter even as Indian ops recover well

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Mumbai: Leading metals companies saw their consolidated margins being weighed down by their overseas units during the quarter ended December 31, even as their Indian operations registered a sequential recovery from the lows of the preceding quarter.

The companies include Tata Steel, JSW Steel, Hindalco and Jindal Steel & Power. However, the companies are hopeful of a turnaround in the ongoing financial quarter.

Leading steelmaker Tata Steel, which has sizable operations in the UK and the Netherlands, reported a surprise ₹2,502 crore loss during the period under consideration, primarily on account of its European units.

"In Q3, performance of Tata Steel in India was reasonably strong," the company's managing director TV Narendran told ET in a recent interview. The company's loss was on account of its European operations, he said, where a one-time deferred tax credit reversal and factors like high energy costs and accumulation of inventory put it in the red.

Similarly, Aditya Birla Group's aluminium unit Hindalco saw its consolidated margins narrow due to demand tanking for its US-based subsidiary Novelis. The American company is a leading supplier of aluminium cans, the demand for which was low as user industries were destocking their can inventories, said Satish Pai, the managing director of

Hindalco. JSW Steel's American units were also underperformers during the quarter, even as the mainstay India operation saw a sequential recovery. Its operations in the US, which include manufacturing facilities in Ohio and Texas, reported \$5.6 million of ebitda (earnings before interest, tax, depreciation and amortisation) loss.

However, the company's Italian operations were on the up with €7.8 million of ebitda, compared to €1 million in the preceding quarter. Rival Jindal Steel & Power, which has mines in multiple countries including Australia saw a drag on its financials because of its two coal mines Down Under. Of the two mines, only the Russel Vale mine is operational, but it is producing lower quality coking coal which the company was forced to sell as cheaper thermal coal. Subsequently, realisation dropped from \$197 per tonne in the September quarter to \$69 per tonne during the December quarter, the company's executives mentioned during a recent analyst call. The company expects the mines to become operationally viable from June this year as it invests in improving production.

An Imbalance

<p>TATA STEEL</p> <p>Underperformer: European ops</p> <p>Downsides: One-time deferred tax credit reversal, energy costs</p>	<p>HINDALCO</p> <p>Underperformer: US-based subsidiary Novelis</p> <p>Downsides: Demand low as user industries were destocking</p>	<p>JSW STEEL</p> <p>Underperformer: American units</p>	<p>JINDAL STEEL & POWER</p> <p>Underperformer: Australian coal mines</p> <p>Downsides: Fall in realisation</p>
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Cut GST on metal scrap

This will improve tax compliance by scrap industry

Harsh Shah
Ruchita Shah

Recognising the strategic importance of the steel sector, the government issued the National Steel Policy in 2017 laying down a roadmap for encouraging long-term growth of the industry with an estimation that crude steel capacity would reach 300 MT by 2030-31.

In line with the Make in India initiative, domestically manufactured iron and steel products are given preference for government procurement. A production linked incentive scheme (PLI) was also announced for specialty steel segment of this industry.

The steel manufacturing industry can be broadly grouped into two categories — primary manufacturing and secondary manufacturing using induction furnace process. The induction furnace process essentially recycles iron and steel waste to make end-products. The National Steel Policy estimated the share of secondary steel manufacturing vertical to be 35-40 per cent in capacity and production by 2030-31.

The raw material for secondary steel manufacturing mainly comes from scrap dealers, a largely unorganised sector. As of now, most of the steel products, including metal waste, attracts GST at the 18 per cent rate and the liability to pay GST on supplies of such products is on the suppliers. Accordingly, the scrap dealers supplying metal scrap to manufacturers ought to collect and pay 18 per cent GST on such transactions.

SEVERAL DIFFICULTIES

However, given the unorganised and fragmented nature of the scrap industry, procurement of metal waste poses several difficulties for the secondary steel manufacturing industry from a GST perspective. Non-payment of GST by scrap dealers, despite collection from the purchasing manufacturers, continues to be the biggest issue.

This leads to non-eligibility of input tax credit (ITC) in the hands of the manufacturers and thus creates significant tax costs in the supply chain. It is noteworthy that the GST law in India does not permit availment of ITC in hands of purchaser if the supplying dealer has not paid GST



TAXING ISSUE. Suppliers of scrap are slack in paying GST

directly hitting the government tax kitty negatively.

The concerns of the industry on difficulties in procurement of their primary raw material (metal scrap) from a GST perspective ought to be addressed.

The industry is believed to have sent a representation to the Ministry of Steel and raised the issue before the Minister concerned. One of the resolutions being proposed is reduction of the GST rate on metal scrap from 18 per cent to 5 per cent to encourage the scrap industry to voluntarily comply with the GST law.

The reduced rate would also be in line with 5 per cent GST rate already extended to various non-metal scraps such as plastic, rubber and wood.

Alternatively, the option of shifting the liability to pay GST on such transactions to purchasing manufacturers, by covering the same under reverse charge mechanism (RCM) can also be considered. Bringing this RCM mechanism for sale of metal scrap will be a win-win situation for the government as well as the industry for it may solve issues of both sides.

With the liability to pay tax being shifted in the hands of the organised steel manufacturing industry, under RCM, the tax leakage would be plugged. The industry, on the other hand, would be assured on eligibility of ITC which would alleviate concerns of tax cost.

The proposals of the Ministry of Steel as regards reduction of GST rate or introduction of RCM may be considered in the next GST Council Meeting.

The Budget's extension of Basic Customs Duty (BCD) exemption on import of ferrous scrap (including iron and stainless steel scrap) is only for a year. So it would help the industry if the GST Council meeting takes up this issue in its meeting likely in end-February.

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