



खनिज समाचार

**KHANIJ SAMACHAR**

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# खनिज समाचार

## KHANIJ SAMACHAR



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## COMMODITY CALL.

# Go short on lead futures

**Akhil Nallamuthu**  
bl. research bureau



Over the past month, lead futures on the Multi Commodity Exchange (MCX) have declined.

February futures closed at ₹185 on Tuesday compared with ₹192 a month ago, losing 3.6 per cent.

This fall is considerable given the fact that this metal has been trading with low volatility for over a year.

We expect the contract to fall further from here.

The nearest support is at ₹180 with the subsequent one at ₹173.

On the other hand, the immediate resistance is at ₹188.

Even if there is a rally from the current level of ₹184, it is likely to be capped at ₹188.

Above this barrier, the price band of ₹192-195 is a strong resistance.

Overall, the bias remains bearish with the chances of a fall high.

### TRADE STRATEGY

Traders can go short on lead futures at the current level of ₹184.

Add more shorts if the price rallies to ₹188. Place stop-loss at ₹195.

Tighten the stop-loss to ₹184 when the price slips below ₹180.

Liquidate the shorts at ₹175.



# Globalisation does not mean uniformity: Jaishankar at 12th World Hindi Conference

NADI (Fiji), Feb 15 (PTI)

THE era when progress was equated with westernisation is now behind us and many languages and traditions that were suppressed during the colonial era are once again finding a voice on the global stage, External Affairs Minister S Jaishankar said here on Wednesday.

Asserting that globalisation does not mean uniformity, Jaishankar while delivering the inaugural speech at the 12th World Hindi Conference at Denarau Convention Centre Nadi said in fact, it is only by understanding and accepting the diversity of our world that we can do it full justice.

“Indeed, that is the real



External Affairs Minister S Jaishankar with Fiji President Willame Katonivere during the inauguration of the 12th Vishwa Hindi Sammelan in Nandi, Fiji. (PTI)

meaning of a democratic world order”, he added.

About 1,200 Hindi scholars and writers from all over the world are participating in this

conference, organised by the Government of Fiji and the Ministry of External Affairs of India.

A conference, such as this,

that highlights the Hindi language sends a strong message in this regard. It signals language both as a bonding across societies as well as being an expression of identity, the Minister added.

Jaishankar on Wednesday met Biman Prasad, Deputy Prime Minister of Fiji, and discussed ways to further advance long-standing bilateral ties.

Jaishankar is on a three-day visit to the South Pacific archipelago nation to attend the 12th World Hindi Conference.

The trend in the global order is gradually creating greater multi-polarity and if it is to develop faster, it is essential that there is also cultural rebalancing”, the Minister said on Wednesday.



# Will approach the Centre to iron out differences: Hind Zinc

**Abhishek Law**  
New Delhi

Hindustan Zinc plans to approach the Ministry of Mines in a bid to iron out differences over its acquisition of Vedanta's overseas mines. A meeting is likely over the next few days, CEO Arun Misra told *businessline*.

The Centre is a minority shareholder with 29.5 per cent stake and plans to divest this. Earlier this year, the board of Hindustan Zinc had cleared a proposal to acquire Vedanta's global zinc assets (mines) for nearly \$3 billion. At the board meeting, the Mines Ministry representatives had raised objections over the valuation of the deal.

## BUILDING CONSENSUS

The Centre has been conducting roadshows for the divestment, but no offer for sale has been announced yet.

"We will go by the proced-

“We'll put up the proposal for shareholder approval and there is a three-month-odd timeline... We need all the shareholders on board... at \$3 billion, it is an attractive buy

**ARUN MISRA**  
CEO, Hindustan Zinc



ures laid down. So we'll put up the proposal for acquisition for shareholder approval and there is a three-month-odd timeline for that. We will also reach out to the government on the matter. We need all the shareholders on board," Misra said.

According to Misra, the acquisition of Vedanta's mines in Africa will give it a global footprint and aid "inorganic" growth. The buyout

will also give Hindustan Zinc a presence in the major consuming markets of Europe, the US and west Asia

The resource base will also double to 2 million tonnes — 1 mt each from India and South Africa.

"At \$3 billion, this is an attractive buy. No new mines are available in India at the moment. Nor are we getting any immediately overseas," he said.

## 'Mines Ministry in process of identifying mineral blocks in sea'

NEW DELHI, Feb 17 (PTI)

THE Government is in the process of identifying mineral blocks like nickel in the sea and would gradually put them on sale, Mines Secretary Vivek Bharadwaj said on Friday.

The Mines Ministry is amending the Offshore Areas Mineral (Development and Regulation) Act, 2002 and has sought the stakeholders' views on the same. "Because the critical minerals are becoming even more critical, there is this thought that why are we not mining in the oceans. Unfortunately we have not been able to mine the oceans. Now we are amending the Act. It is in public domain, open for comments for the industry, the stakeholders," the Mines Secretary said during Metal & Metallurgy Expo-2023 organised by CII.

The Ministry, he said, is in the process of identifying these blocks in the sea and as there are no stakes in there, the auction will be done by the Government of India.

"That will also be a huge opportunity for industry, a totally new area of operations," he explained. Critical minerals such as copper, lithium, nickel, cobalt and rare earth elements are essential components in many of today's rapidly growing clean energy technologies -- from wind turbines and electricity networks to electric vehicles.

## कानून को किया जा रहा है संशोधित खनिज भंडारों की तलाश

■ दिल्ली, न्यूज एजेंसियां। खान मंत्रालय में सचिव विवेक भारद्वाज ने शुक्रवार को कहा कि सरकार निकेल जैसे खनिजों के भंडार की समुद्री क्षेत्र में तलाश में जुटी हुई है और आगे चलकर इन भंडारों की बिक्री भी की जाएगी। खान मंत्रालय ने अपतटीय क्षेत्र खनिज विकास एवं नियमन अधिनियम, 2002 में संशोधन के लिए हितधारकों से इस पर राय मांगी है। भारद्वाज ने उद्योग मंडल सीआईआई के एक कार्यक्रम को संबोधित करते हुए कहा महत्वपूर्ण खनिजों के अधिक महत्वपूर्ण होते जाने से ऐसी सोच ने जन्म लिया है कि हम समुद्री क्षेत्र में इनका खनन क्यों नहीं कर रहे। दुर्भाग्यपूर्ण है कि हम समुद्री खनिज का खनन नहीं कर पा रहे हैं। अब हम इस कानून को संशोधित कर रहे हैं और इस बारे में सभी



हितधारक अपनी राय दे सकते हैं। उन्होंने कहा कि खान मंत्रालय समुद्री इलाके में महत्वपूर्ण खनिजों को चिह्नित करने की प्रक्रिया में लगा हुआ है। इस प्रक्रिया में किसी अन्य पक्ष के हितधारक नहीं होने से भारत सरकार इस खनिज भंडार की नीलामी करेगी। खान सचिव ने इसे उद्योग जगत के लिए एक बड़ा मौका बताते हुए कहा यह एकदम अलग तरह का कारोबारी परिचालन होगा।



# 'Efficient logistics key to tapping mineral potential in eastern States, controlling costs'

**Our Bureau**  
New Delhi

The east zonal conference on PM-Gatishakti has emphasised need to develop a cost effective and efficient logistics network across the mineral-rich eastern states to enable faster evacuation of key minerals such as coal, iron ore and bauxite

The conference, which was held in Bhubaneswar on Thursday, laid stress on an efficient logistics network across mineral-rich Odisha, Jharkhand, West Bengal and Bihar to keep pace with the requirement of raw materials.

## STEEL SECTOR

Addressing the gathering, Odisha Chief Secretary SC Mohapatra pointed out



**CONNECTIVITY IS KEY.** The government wants to bring down logistics costs to 8-9 per cent of GDP by 2030 from 14 per cent now

Odisha supplies coal to as many as 15 States.

Union Steel Secretary NN Sinha said that for producing 1 tonne of steel, four tonnes of material has to be moved. The total cost of lo-

gistics is around 28 per cent of the cost of production in the steel sector. If the industry needs to cut down the cost of production, it has to decrease logistics cost, which is well envi-

sioned in the PM Gatishakti scheme, he added.

Stating that India's per capita steel consumption is 80 kg as against around 700 kg in the developed countries, Sinha pointed out that the requirement for logistics would increase significantly, even if India joins the middle ranking countries in terms of consumption.

## CONTROLLING COSTS

Logistics costs in India as a percentage of GDP is around 14 per cent compared to 10 per cent in China, and around 8 per cent in the US and Europe.

Through the National Logistics Policy, the government wants to bring down costs to 8-9 per cent of GDP by 2030.



# Correction in final phase

**BULLION CUES.** Silver weaker than gold

**Akhil Nallamuthu**

bl. research bureau

The precious metals extended the decline in line with our expectations. Gold dropped 1.4 per cent in dollar terms to end the week at \$1,837.4 per ounce.

On the domestic front, the gold futures on the Multi Commodity Exchange (MCX) lost 0.9 per cent to close at ₹56,257 (per 10 gram).

Similarly, silver, in dollar terms, was down 1.8 per cent and closed at \$21.6 an ounce. Silver futures on the MCX depreciated 1.5 per cent to wrap up the week at ₹65,631 (per kg).

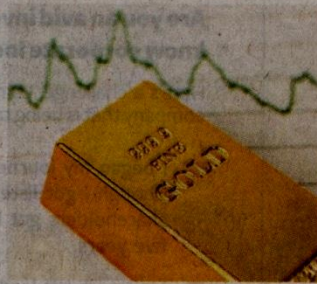
## **MCX-GOLD (₹56,257)**

The April gold futures, after marking an intraweek low of ₹55,691, recovered to end the week at ₹56,257. Thus, it closed above the support at ₹56,120.

Although there are no signs of a bullish reversal yet, we might have entered the final phase of the correction. We might see a rally after the contract falling to ₹55,400. The resistance levels are at ₹57,500 and ₹58,800.

**Trade strategy:** Hold the short position initiated at ₹56,585.

But move the stop-loss up to



GETTY IMAGES/STOCKPHOTO

₹57,500 from ₹56,800 for this week. Book profits at ₹55,400.

## **MCX-SILVER (₹65,631)**

The March silver futures moved further south last week. It made a weekly low of ₹64,400 before inching up to close at ₹65,631.

But the trend has not reversed and we expect the contract to decline further from the current levels. The immediate support is at ₹64,000 and the subsequent one is at ₹62,200.

If silver futures rally from the current level, it will face hurdles at ₹67,000 and ₹70,000.

**Trade strategy:** Hold the short taken at ₹67,576 that we recommended a couple of weeks ago. Since the contract touched ₹65,000 last week, the revised stop-loss would be at ₹66,000. Exit at ₹64,200.

# India's mineral production rises 9.8 pc in Dec 2022

NEW DELHI, Feb 18 (PTI)

INDIA'S mineral production rose by 9.8 per cent in December 2022, over the same month a year-ago, according to the Mines Ministry.

The index of mineral production of the mining and quarrying sector for the month of December, 2022 stood at 107.4, 9.8 per cent higher as compared to December, 2021, as per the provisional figures of Indian Bureau of Mines (IBM). The cumulative growth for April-December period this fiscal over the corresponding period of the previous financial year was 5.4 per cent, the Mines Ministry said in a statement.

The production level of



important minerals in December were -- coal 833 lakh tonnes, lignite 35 lakh tonnes, natural gas (utilised) 2,888 million cu. M, petroleum (crude) 25 lakh tonnes and bauxite 2,272 thousand tonnes.

Minerals like gold, phosphorite, iron ore, limestone, manganese ore and coal

showed positive growth.

"Other important minerals showing negative growth include: petroleum (-1.2 per cent), bauxite (-9 per cent), Lignite(-10.7 per cent), chromite (-11.5 per cent), magnesite (-22.5 per cent) and diamond (-38.6 per cent)," the statement said.

## Steel Ministry hopes to re-start Panna diamond mines by July

**Abhishek Law**  
New Delhi

The Ministry of Steel is planning to resume operations at the diamond mines in Panna, Madhya Pradesh, in July.

And according to a report accessed by *businessline*, the ministry hopes to get environmental clearances by mid-June and start production from July 1. The mine operator, NMDC, is hopeful of a turnaround in the next year or so.

### MECHANISED MINE

The mine at at Majhgawan-Panna commenced diamond production in 1971-72.

The mine located about 15 km from Panna town is the only mechanised diamond mine in the country. The project includes an ore processing plant, including a heavy media separation unit, an X-ray sorter



for diamond separation, and a disposal system.

In FY21, the mines had achieved a production of 13,681 carats, while there was no production in FY22, as per the NMDC's annual report for FY22. Diamond sales stood at 25,219 carats last fiscal and were valued at ₹62.93 crore.

The report said that remote sensing studies have been completed in Chhattarpur Panna Block 1, Chhattarpur Panna Block 2, and Damoh Block, Panna (5 prospective blocks), and 12 more diamond blocks.



# India's steel demand expected to grow close to GDP rates: Tata Steel MD

bl.interview

**Suresh P Iyengar**  
**Thomas K Thomas**  
Mumbai

Tata Steel has managed to fight back the global slowdown with a strong demand outlook in India. The company attempts to capitalise on the recent fall in key raw material prices and revive demand. TV Narendran, Managing Director, Tata Steel, spoke to *businessline* on future prospects. Excerpt:

## Do you see steel demand slowdown?

In India, I think demand largely continues to be strong. The only part which looked a bit fragile was the rural demand over the last 6-8 months. The urban demand rebounded in some sense because automotive was quite strong and the automotive industry has gone back to pre-Covid levels.

Commercial vehicles, the most steel-intensive part of automotive demand, are back on track. The part of automobile demand that looks a bit fragile is motorcycles, which is more reflective of rural demand.

Construction is reasonably strong, but has not been as strong as we thought it would be. We thought after the festival season when the migrant workers are available, it would bounce back, but the pick-up is slow. It will start looking up due to a strong start in this quarter.

The overall outlook is positive, with the Budget and the kind of money being kept aside for infrastructure. If you look



Global recession will impact export-oriented sectors. However, most Indian companies are dependent on domestic demand

**TV NARENDRAN**  
Managing Director, Tata Steel



at oil and gas, water pipelines, supply chains and warehousing, all are seeing strong steel demand. Overall, India's demand is expected to grow close to GDP growth rates.

## How do you see global operations?

The economic landscape in Europe is not as strong as in India. Demand is not so great and prices are down while cost is increasing. The net realisation value of inventory has decreased in Europe as the raw materials used were of high cost.

Moreover, we had to make some adjustments to the pension funds. We are trying to shift the pension funds to insurance to protect us over the long term and 60 per cent of the funds have already gone to the insurance companies. And when the pension funds are moved to the insurance company, the surplus carries with it. So, a large part of the loss was due to pension fund adjustment.

## Will high steel prices sustain?

The biggest relevant event as far as steel prices are concerned is the opening up of

China in early December. Since then, almost all commodity prices, including steel, copper and coal have gone up. Oil is still relatively stable. With steel prices going up, there will be margin expansion and our volumes will also grow because the Neelachal plant is now running at full capacity. So, I think India is not the challenge.

## How do you see margins with raw material prices going up?

The margin will expand because steel prices are also going up. We will have coal price \$10 lesser than the last quarter's price on a consumption basis. However, coal prices are likely to go up next quarter, but expects steel to stay firm. So, margin expansion will continue, and volumes are also growing in India.

In Europe, we are expecting the demand to pick up this year. Last year, it was hit by high energy and gas costs. There was uncertainty on the Ukraine war. The demand had dropped off more than expected. But this year, energy and gas costs have stabilised.

If China opens up a bit more, Europe stands to bene-

fit because a lot of European economies, like Germany and Italy, export a lot to China. I expect this year to be better for Europe than the previous year.

## What is the outlook on your capex and any fundraise plans with two steel plants on the block?

We had set a capex of ₹12,000 to ₹13,000 crore for FY23 and it would be in the same range for next year. Most fresh borrowing will be restricted for re-financing of loans maturing.

We will focus on brownfield expansion and stabilising operations at the recently acquired assets than looking for fresh acquisitions.

## Will global recession hit steel demand?

It will obviously impact export-oriented sectors. However, most Indian companies are dependent on domestic demand.

Honestly, while there are talks of recession, but unemployment is still very low, even in the US. However, India cannot be insulated from global macro-economic events. But, as long as India's growth is strong, the domestic companies' prospects look good.

## Do you see a domestic slowdown with an increasing interest rate?

Not really. I feel that interest rates are close to peaking. Domestic demand will be driven more by the government's expenditure on infrastructure.

And, as we heard in the Budget every year for the last three years, they have increased it by 30 per cent. This year, they have also increased spending on the Railways.



# JNARDDC Nagpur develops PAC from aluminium dross for zero waste

■ PAC is utilised in waste water treatment

■ By Kaushik Bhattacharya

TAKING a step forward to achieve zero waste in aluminium production sector, Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur has developed Poly Aluminium Chloride (PAC) from aluminium dross.

PAC is a chemical, which can be utilised for the treatment of waste water in water treatment plants. JNARDDC has devel-



Dross, aluminium waste.

oped a technology in which the

dross, which is a hazardous waste of the aluminium industry, can be now reused to make PAC from it. "Aluminium dross is process reject designated as waste and one of the least exciting and unattractive aspects of the aluminium manufacturing process. Dross should be seen as an opportunity and a valuable resource that can be exploited if managed correctly within the primary industry and secondary dross processor's end," Dr Anupam Agnihotri, Director, JNARDDC told 'The Hitavada'.

(Contd on page 2)

## JNARDDC Nagpur develops PAC from...

"JNARDDC has successfully completed a bench scale study to extract PAC from dross. With this process, we can reuse the hazardous waste into an essential chemical, which is required in the water treatment industry," said Dr Agnihotri.

Dr Agnihotri said that, a zero waste management policy in line with zero discharge to encourage the utilisation of various waste and improve sustainability in the Aluminium sector, is the current agenda item of the Ministry of Mines under circular economy.

It is estimated that as much as 50 per cent of around three million tonnes of aluminium dross generated globally and approximately 2 lakh ton from India each year is still disposed of in landfills.

"The smelting process in the primary aluminium industry generates around 2% to 5% of dross, which is a complete waste. Similarly, in the secondary processing industry, it increases by 5% to 10%, which is again disposed off in landfills," said Dr

Upendra Singh, Senior Principal Scientist and Principal Investigator of the project.

"So far, we are getting the PAC for the water treatment industry from bauxite, which is an expensive way to get it. JNARDDC is the first institute in the country that got success in extracting PAC from dross. This technology will help to reuse the aluminium waste into a useful chemical, which is the need of the hour in the current scenario," said Dr Singh.

JNARDDC recently conducted a one-day showcase programme to demonstrate the process to the stakeholders so that the commercial level upscaling can be explored by primary and secondary dross producers.

Several industry personnel from primary aluminium producers, secondary dross processors and PAC manufacturers attended the programme. Secondary processors are showing interest in the process and are keen to take up the know-how of the PAC process.



# Govt Writes to HZL Opposing Deal with Vedanta

**NOT ON BOARD** Government flags the related party nature of the ₹24,649-crore transaction, potential conflict of interest in a letter to co

Our Bureau

**Mumbai:** The government has opposed Hindustan Zinc Limited's (HZL) proposed ₹24,649 crore acquisition of zinc assets from Vedanta citing the related party nature of the transaction and potential conflict of interest.

"In the context of the proposed resolutions which envisage the acquisition of THL Zinc (a Vedanta company) by HZL (also a Vedanta company) thus being a related party transaction, we, the Government of India would like to reiterate our dissent on the matter and the resolutions forming part of the agenda matter," Sanjeev Verma, director, ministry of mines, wrote to the company, registering government's formal dissent on the matter in a letter dated February 17, a copy of the letter was released to the stock exchanges on Monday.

According to the letter, all three government notated directors on the company board have opposed



FILE PHOTO

the transaction. "We would urge the company to explore other cashless methods of acquisition of these assets," it said adding, "We would like to bring to your attention that Government of India will oppose any proposed resolutions in furtherance of such agenda matter and will explore all legal avenues available to Government of India in this regard."

On January 19 the board of Vedanta approved the sale of bulk of its zinc assets held under THL Zinc to a special purpose vehicle held by Hindustan Zinc, which includes a 68.6% stake in Black Mountain Mining Pty Ltd, South Africa and 100% stake in THL Zinc Namibia Holdings (Pty), Namibia. The government is a minority shareholder in the company and holds 29.54% stake while Vedanta

holds a 64.92% stake.

ET had first reported on the government's opposition to the proposed related party transaction on February 7. Government sources told ET that the Hindustan Zinc went ahead with the deal announcement even as the nominee directors remained firmly opposed to it. From the government's perspective, a key contentious issue remains the purported valuation of the assets. While the assets are being sold for nearly \$3 billion, Vedanta noted in a regulatory filing that the assets contributed \$408 million, or around 4.7% of its net worth. Analysts have said the high valuation of the deal was unfavourable to Hindustan Zinc's minority shareholders.

The transaction is crucial for billionaire Anil Agarwal led Vedanta Group's debt servicing plans, as the cash generated could help it meet repayment obligations to the tune of \$2 billion in the next few months.

## Vedanta Group, Gov Should be Able to Resolve Differences Amicably: CEO

Nehal Challawala & Deborshi Chaki

**Mumbai:** The Vedanta Group and the Government of India (GoI) should be able to amicably resolve differences over the sale of certain international assets of the group to Hindustan Zinc, which has been opposed by centre, Sunil Duggal, group chief executive officer (CEO), Vedanta Limited told ET. "In the past, we have been able to resolve matters within the ambit of both the parties and I believe that we will be able to resolve this (issue) too," Duggal, who was previously the chief executive of Hindustan Zinc,

said in an interview on Friday. While analysts have flagged the high valuation of the assets mainly mining assets in South Africa and Namibia which is also said to be key reason of government's dissent Duggal said that the valuation of the assets under sale were



undertaken in a transparent and fair manner and the group had engaged a Mazars, an audit and accounting firm of international repute to do the initial valuation. "to provide further comfort to the government and investors we also got it (the valuation) vetted by SBI Capital Markets" Duggal said.

# Bet long on copper futures, add longs if they dip to ₹765

## COMMODITY CALL.

**Akhil Nallamuthu**  
bl. research bureau

Copper futures (continuous contract) on the MCX have been tracing a sideways trend. The February contract has been oscillating between ₹763 and ₹780 for the past couple of weeks.

The sideways correction has moved the contract towards a rising trendline support, which the contract is expected to touch at around ₹770.

While this is positive, the



overall trend, too, remains bullish despite the consolidation.

So, in the coming days, we will most probably see copper bulls picking up momentum. The contract might rally to ₹810 - a considerable resistance. A

breach of this can take the contract to ₹825 and possibly to ₹840.

On the downside, a clear breach of the support at ₹763 can turn the outlook bearish. The nearest support below ₹763 is at ₹740.

Based on our expectation that copper futures are likely to appreciate, we suggest going long at the current level of ₹776. Add more longs if the price dips to ₹765. Place stop-loss at ₹755.

Modify the stop-loss to ₹772, when the contract rallies above ₹790. Tighten it further to ₹788 when the price touches ₹800. Book profits at ₹810.



## With iron ore prices improving, NMDC sets sights on export markets

**Abhishek Law**  
New Delhi

NMDC Ltd, an iron-ore miner, will tap export markets like China with the price of the mineral hovering at a "viable" \$120 per tonne level. Exports are likely to happen in Q4 FY23 and "methodology" of the same is being finalised. Iron ore price (in international markets) have rebounded from a low of \$80/tonne in November.

According to Sumit Deb, Chairman and Managing Director, NMDC, exports could take place either via Vizag port or Krishnapatnam port. Freight charges coming down to pre-Covid levels is an added advantage.

"Export is an option we have not looked at previously since we have been catering primarily to the domestic demand. But at \$120/tonne, it makes absolute sense to export and definitely a viable one," he said in the post-result analyst call, adding that China has opened up and "resumed buying".

China incidentally is the highest consumer of iron ore and also India's biggest iron-ore export market.

"You will definitely see some exports by the end of this quarter and we are making the arrangements for that," Deb said without sharing further details on price movements.

November onwards, NMDC has taken multiple price hikes. Hikes have been ₹600/tonne for lumps and ₹1,300/tonne per, post roll back of duty in November.

"Considering the recent hikes in iron ore prices in the



Sumit Deb, CMD, NMDC

international market and strong demand in the domestic market, we expect the NMDC to announce further price hikes," brokerage firm, Motilal Oswal said. While any slowdown in real estate in China would weigh heavily on iron ore demand, it could be partially offset by pent up demand for auto and infrastructure thrust.

### CAPEX PLANS

According to Deb, NMDC is setting up pellet plants that'll

aid the beneficiation of low-grade iron ore. It allows the company to better utilise lower quality ores, while target export markets better.

The miner's capex for FY23 is at ₹3500 crore, which includes the yet-to-demerged steel plant. Capex in the mining business, ex-of-steel, is ₹2000 crore. For FY24, the capex is pegged at ₹1500-1600 crore (ex-of-steel plant).

Doubling its railway capacity and work from Jagdalpur is 75 per cent completed, the railway line up-grade from Visakhapatnam to Jagdalpur is on course. The 135km slurry pipeline, with a 15 million tonne (mt) capacity, is expected to commence operations by December 2024.

Dragged down by poor sales in Q2, production is expected to be around 39-41 mt in FY23, at par with last fiscal. However, for FY24, the production target has been upped by nearly 25 per cent to 50 mt odd.

THE HITAVADA  
DATE:21/2/2023 P.NO7

## Govt opposes Vedanta move to sell zinc assets

NEW DELHI, Feb 20 (PTI)

IN A setback to billionaire Anil Agarwal's mining group, the Government has opposed Vedanta Ltd's proposal to sell its international zinc business to Hindustan Zinc Ltd for USD 2.98 billion over concerns of valuation.

The Government has threatened to take legal action to stop the sale of the Africa-based assets to HZL, in which it holds a 29.54 per cent stake.

In a letter to HZL, posted by the company to stock exchanges, the Ministry of Mines said the deal is a "related party transaction" and the Government would "like to reiterate" its dissent. HZL in January agreed to buy THL Zinc Ltd Mauritius from its parent, Vedanta Ltd, for USD 2.98 billion in phases over 18 months. Vedanta holds a 64.92 per cent equity share of Hindustan Zinc Ltd (HZL), which is an integrated producer of zinc, lead and silver.



# Open to acquisition of overseas mines: HZL chief

## bl.interview

**Abhishek Law**  
New Delhi

Hindustan Zinc, a Vedanta subsidiary and the country's largest zinc miner, is open to acquisition of overseas mines as it eyes greater global footprint, says its CEO Arun Misra.

Indian consumption of zinc is around 650,000-680,000 tonnes per annum, which means the company has to tap export markets for its additional production.

In an interview to *businessline*, he talks about the zinc consumption and demand patterns, growth prospects for the company in India, overseas plans, among others. Excerpts:

### What is the zinc consumption and demand outlook like?

Zinc stocks are at their lowest at present. The London Metal Exchange stocks are around 25,000-odd tonnes, less than one day's worth of global



For growth, we are looking at overseas mines which will give us a strong foothold — reserve-wise and market-wise

**ARUN MISRA**  
CEO, Hindustan Zinc



consumption. On-warrant stocks stand at 18,250 tonnes.

If you see, European smelters are firing up again as winters are receding; and China, post withdrawal of Covid restrictions, is powering up its smelters again. So, on one hand Covid is behind and on the other, the world is now factoring in the ongoing Russia-Ukraine tensions. Thus a supply surge is expected.

In India, there is a constant demand with the Centre's infrastructure push being on track. So, we anticipate a 3-4 per cent growth in demand here. However, global demand is expected to be slightly lower at 2-2.5 per cent (against the

previous expectation of 3 per cent).

**And price expectations?**  
Zinc prices will be range bound in the \$2900-3100 per tonne bracket, something that we have predicted throughout the fiscal. The LME three-month metal rose 16 per cent to a five-month peak of \$3,512 in late January but has since tumbled all the way back to \$3,040.

### And any particular reason for these muted expectations?

See there are no new mines that are coming up or will start production in immediate years. Hence, global production is

expected to be at similar levels. India and China are going to be the major consuming nations. And a lot of demand will be linked to their growth numbers. If all goes well, and the two major nations grow, we see a 5-6 per cent growth in the next four-to-five years.

### In terms of production ramp up, what are Hindustan Zinc's plans?

We are on course to have a 1.2-million-tonne-per-annum mined metal production capacity. Nearly, 8 lakh tonnes of this will be zinc, the remaining being lead and silver.

So, till December around 7,61,000 tonnes of mined metal production happened. The zinc production during October-December quarter was 210,000 tonnes and for 9-month period was 6,06,000 tonnes. Lead production in Q3 was 46,000 tonnes and 1,57,000 tonnes for nine months.

### And are there plans to grow beyond this in India?

There aren't any new mines which have been opened up

right now, although there are reserves in Rajasthan and Gujarat. Once something comes up, we will bid for them. So, for growth, we are looking at overseas mines which will give us a strong foothold - reserve wise and market wise - both.

### Does the proposed Vedanta deal, sour divestment of the Centre's stake?

I can't comment on that. But yes, we did participate with the Centre in roadshows held some time back. Perhaps the offer-for-sale will come up by end-of-this-fiscal. Once there is an offer-for-sale, we will explore options available.

### Are you open to acquisitions elsewhere or looking at options beyond zinc?

Yes. We are tapping Europe and South America for new mines. And I have reached out to bankers on that. Even if mining opportunities come in copper or lead, or if there is divestment of Hindustan Copper, we will gladly bid and diversify.



# Demerged NMDC Steel makes strong debut, gains 5% post listing

**TO SIZZLE.** Stock may go up further with Chhattisgarh plant set to be commissioned soon

**Sai Prabhakar Yadavalli**  
bl. research bureau

NMDC Steel listed on Monday with an opening price of ₹30.25 at the BSE and immediately hit the 5 per cent upper circuit. The stock closed at ₹31.75 on the BSE. The company was demerged from NMDC and every shareholder (as on record date) of the iron ore company got a share of the demerged steel company.

## ANALYSIS.

Shareholders of NMDC Steel can hold the stock, which is trading at fair valuations. The Government of India,

which is the promoter of NMDC Steel, plans to operate and invite investors for the steel plant.

### NMDC STEEL VS SAIL

At the time of record date, based on the relative valuation of another PSU steel manufacturer SAIL, we estimated a price range of ₹13 to ₹51 per share for NMDC Steel. This was arrived at by assigning a price-to-book value range of 0.2 times to 0.75 times.

The stock opened at the mid-point of the range, implying a price-to-book of 0.45x at the opening price for NMDC Steel. SAIL is currently trading at 0.65 times LTM book value and given the differ-



**NEW BEGINNING.** Nayan Mehta, CFO, BSE (right), presenting a memento to Sumit Deb, CMD, NMDC Ltd and NMDC Steel Ltd (NSL) at the latter's listing ceremony at the BSE on Monday.

ences in operation of NMDC Steel and SAIL, this is a fair valuation for the company. The NMDC Steel plant loc-

ated in Nagarnar, Chhattisgarh, with a planned capacity of 3 million tonnes (MT), is yet to be commissioned after

seven years and is hopeful of producing Hot Rolled Coil steel by March 2023.

This compares to 20MT installed capacity of SAIL, a running steel plant. The current upcycle of steel is reflected in SAIL's comparative valuation as well, which tested the lower range of 0.2 times in FY20 before recovering to the current valuation range.

### PRIVATE PLAYERS

While other privately-owned producers trade at a higher range on a price-to-book value basis (2.1 times for JSW Steel, 1.7 times for Jindal Steel and 1.2 times for Tata Steel), NMDC Steel, which is a PSU company, may be compared to SAIL for valuations.



# Chhattisgarh coal levy case

What is the ED case in which premises linked to Congress leaders in Chhattisgarh were searched on Monday? How much money is involved, and against whom have the investigators proceeded so far?

**TIMAN TIWARY**  
DELHI, FEBRUARY 20

AHEAD of the Congress plenary in New Delhi, the Enforcement Directorate (ED) on Monday carried out searches at multiple locations in Chhattisgarh linked to Congress leaders and some officials.

The searches at 13 "private premises of people", including the residences of at least two Congress MLAs, were conducted as part of the investigation into alleged money laundering and "illegal levy" on transportation of coal in the state.

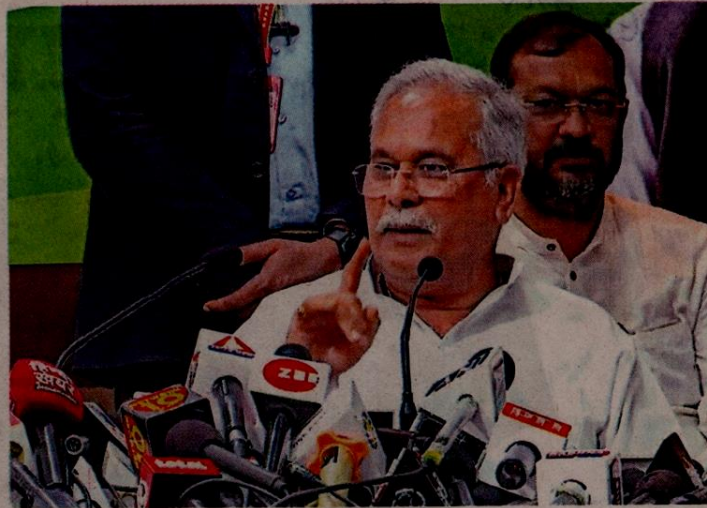
At a press conference in New Delhi, the ED said the ED stood for "eliminating cronyism" and "exterminating democracy". In Raipur, Chief Minister Bhupesh Baghel said they have conducted 5,000 raids but barely 35 raids could they find something. They (BJP) believe in destroying their opponents by using such tactics...

## What are the allegations in the case?

The ED has alleged that an illegal levy of Rs 25 per tonne of coal was being collected in the state from coal-consuming companies through middlemen in connivance with politicians and bureaucrats. The agency has alleged that over the past two years, more than Rs 540 crore was collected in this manner, and part of the money went to Congress politicians.

## What actions has the ED taken so far?

The ED began investigations in October last year on the basis of an FIR registered by the state Tax department. It has since conducted multiple searches, arrested nine people, and seized assets to the tune of Rs 170 crore. During the investigations, the ED has not aided top bureaucrats in the state, but arrested and chargesheeted some. In December last year, the investigation targeted the doorstep of Chief Minister Bhupesh Baghel himself, after the ED arrested his secretary Saumya Chaurasia. Chaurasia, a state service official, was said to have considerable clout in Baghel's office. The agency has also raided the premises of a 2014 batch IAS officer P Anbalgan, cur-



Chief Minister Bhupesh Baghel denounced the ED searches in Raipur. PTI

rently secretary of the Water Resources Department, Tourism and Culture, and has arrested IAS officer Sameer Vishnoi. It raided the home of Raigarh Collector Ranu Sahu in October last year, and declared she was "missing".

Three IPS officers have been named in a prosecution complaint — equivalent to a chargesheet — filed by the agency earlier this month.

## What have the investigations found?

The agency, while arresting one Suryakant Tiwari, businessman Sunil Kumar Agarwal of the Indramani Group, and IAS officer Vishnoi last year, had claimed that the illegal levy was generating Rs 2-3 crore per day.

"The cartel led by Mr Suryakant Tiwari with the assistance of very Senior Officers created a network of extortion, by which each buyer/ transporter of Coal had to first pay Rs 25 per tonne before getting the NOC from the DM's office. They kept men who would collect and move money and share the exploits between the kingpins, workers,

Senior IAS-IPS Officers and politicians. It is estimated that around Rs 2-3 crore was generated on a daily basis," the ED said in a statement at the time.

On P Anbalgan, the ED claimed that it was during his tenure as mining secretary that the system of coal transportation was changed from online to manual, allowing for the illegal levy to be charged.

In the prosecution complaint, the ED also alleged that Chaurasia was the "key person" in creating the syndicate led by Tiwari, and "directly acquired proceeds of crime to an extent of more than Rs 30 crore".

The prosecution complaint named three IPS officers, among several other government officials, who allegedly passed on information to Tiwari, purportedly on Chaurasia's instructions.

## How was the alleged levy collected, according to the ED?

According to the ED, on July 15, 2020, the state's Geology and Mining Department modified the online process of e-permits for

transporting coal from Chhattisgarh's mines, making the issuance of a manual No Objection Certificate (NOC) necessary. No SOP or procedure was circulated in this regard, the ED has claimed.

A mining company issues a Coal Delivery Order (CDO) in favour of the buyer, who is then required to make an Earnest Money Deposit (EMD) of Rs 500 per metric tonne with the company and lift the coal within 45 days.

The new notification allegedly forced the mining companies to apply to the government for an NOC for issuance of the transport permit. Without the NOC, the permit would not be issued, and the CDO would not be executed. After 45 days, the CDO would lapse, with the buyer's (normally steel plants, or power plant owners) EMD forfeited, and their coal supply disrupted, the ED claimed.

"The ED survey revealed that no prudent documentation system was in place. At many places, signatures were missing. Note sheets are missing. Namesake enquiry is conducted and NOCs are issued at the whims and fancy of the Collector/ DMO. More than 30,000 NOCs have been issued since 15.7.22, without any SOP. Inward and Outward registers were not maintained. There is no clarity on the role of the officers. Many of the details like Transporter's Name, Company's Name etc are left blank," the ED said in a statement.

## Whom did the current searches target?

The raids, ED sources said, were conducted on premises of those people who were suspected of having received the proceeds of crime.

In its prosecution complaint, the ED claimed that of the Rs 540 crore earned through the illegal coal levy, Rs 277 crore flowed into the coffers of politicians and bureaucrats, or was spent on the purchase of benami assets.

While Rs 170 crore was allegedly spent on purchase of properties, Rs 36 crore was directly transferred to Chaurasia, Rs 52 crore was paid to a senior politician of the ruling party in the state, Rs 4 crore was given to Chhattisgarh MLAs, Rs 6 crore to former MLAs or other politicians, Rs 5 crore was sent to Jharkhand, and Rs 4 crore to Bengaluru.



# Centre mulls legal options against HZL's \$2.9-b deal for Vedanta's mines

**OTHER CHOICES.** Asks Hindustan Zinc to explore 'other cashless methods of acquisition of assets'

**Abhishek Law**  
New Delhi

The Centre is mulling legal options as it continues to oppose Hindustan Zinc's proposed acquisition of Vedanta's overseas zinc mines at a reported cost of \$2.9 billion.

Hindustan Zinc is a Vedanta subsidiary and is India's largest zinc producer.

## STAKE IN HZL

In a letter to Hindustan Zinc, the Ministry of Mines said the Centre would like to "reiterate" its dissent on the matter and "resolutions" regarding the acquisition. It has, in fact, asked the company to explore "other cashless methods of acquisition of assets".

The government currently holds 29.5 per cent

stake in Hindustan Zinc, which it plans on divesting in the current financial year.

The three government-nominated directors on the board of Hindustan Zinc — Farida M Naik, Veena Kumari Dermal and Nirupama Kotru — have "also recorded their dissent" in the matter.

"We would like to bring to your attention that the Government will oppose any proposed resolutions in furtherance of such agenda (acquisition of Vedanta's mines) matter and will explore all legal avenues available to it. The company is requested to not take any further action in relation to such resolutions," the letter from the Mines Ministry (dated February 17) and addressed to Hindustan Zinc's company secretary, said.



**WHAT'S THE PLAN.** The government currently holds 29.5 per cent stake in Hindustan Zinc, which it intends to divest in the current fiscal

The Hindustan Zinc board had earlier in January cleared a proposal for acquisition of Vedanta's overseas assets at a \$2.9-billion deal. The deal entails an immediate cash consideration of \$2.4 billion to Vedanta for sale of THL Zinc, Mauritius, with assets in Namibia and South Africa; and with

the balance \$0.58 billion being paid later.

During Vedanta's quarterly earnings last month, the company had announced that it will transfer its international zinc assets to its subsidiary Hindustan Zinc for \$2.98 billion. Based on the current shareholding pattern,

Vedanta holds 64.92 per cent stake in Hindustan Zinc.

Being a related party transaction, Hindustan Zinc's board requires majority of the minority shareholders to vote in favour of the proposal.

In a stock market response, the Vedanta subsidiary said, the letter of the Ministry of Mines "shall be placed in the ensuing board meeting for consideration".

"The proposed transaction (acquisition of mines) can only be done post approval of the shareholders in the general meeting.

"Further the notice, calling the shareholders meeting has not been issued so far. The letter shall be placed before the Board of Directors in the ensuing board meeting for consideration," Hindustan Zinc said.

THE HINDU

DATE:22/1/2023 P.NO12

## 'Steel imports from Russia rise to 8-year high this fiscal'

**Reuters**  
NEW DELHI

India's imports of Russian steel rose to an eight-year high during the first 10 months of the financial year that commenced in April 2022, government data compiled by Reuters show.

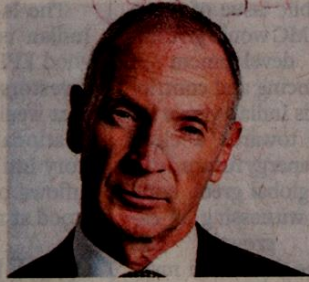
The rising imports are the result of a shift in Russian steel trade flows to Asia after Western sanctions were imposed on Russia after its invasion of Ukraine last year. The change is displacing some traditional suppliers.



# India's gold demand to top 800 tonnes this year: WGC

**KR Srivats**  
New Delhi

The World Gold Council (WGC) sees India's gold demand witnessing a sharp upswing to top 800 tonnes this year despite the headline inflation being expected to remain far more stubborn across several economies, its Chief Executive Officer David Tait said on Tuesday.



David Tait, CEO, WGC

**CENTRAL BANKS' HOLDINGS** "I do believe inflation has peaked. My expectation is that you will see a topping out of inflation. The headline inflation will drop and I think people's propensity to consume will recover again", Tait

told *businessline* in an interview here.

India's gold consumption in calendar year stood at about 770 tonnes, weighed down by sharp increase in yellow metal prices on the back of geopolitical tensions

sparked by Russia-Ukraine conflict and rising inflation. To a question on whether he expects central banks around the world to continue buying gold in big way (they bought most gold in 2022 since 1967), Tait said "If their buying was to diversify their holdings, and was to mitigate some geopolitical risk, perhaps, then I would expect them to at least continue at the same pace. It's hard for me personally to see the geopolitical risks that we see in the world at the moment, abating much next year.

And if that was the reason they bought it, then I would see a continuation of that trend. However, that being said, the amount that they did buy and have bought

over the last year is exceptional by anybody's standards, frankly, a record. And there's a logic part of me that says, it will be unlikely to be exceeded, again, but I expect significant purchasing over the next year because like I said, I see the risks ramping up continually at the moment rather than ramping down. And I hope I'm wrong".

Tait said he expects the Self-Regulatory Organisation (SRO) for Indian gold industry to soon take off. "It is going to happen very soon. This year for sure. It will be a not-for-profit (Section 8) entity with industry participation", he said.

The SRO is expected to promote SAA as an umbrella brand of industry's best practices.

# Aluminium likely to rule firm in 2023 on supply woes, rising demand

**Subramani Ra Mancombu**  
Chennai

Aluminium prices will likely rule firm in 2023 on supply constraints and rising demand, especially with China easing Covid-19 curbs, analysts say.

Fitch Solutions Industry Research and Country Risk, a research unit of the Fitch Group, sees prices ruling at elevated levels but not rallying to the highs seen in 2022.

Goldman Sachs, on the other hand, expects aluminium prices to surge further, while other analysts point to Shanghai smelter cutting production and Chinese ingot inventories being destocked as bullish signs.

## CHINA'S CURBS GO

Against this, global demand will likely rise in 2023 due to China's economic recovery and the loosening of its Covid



The International Aluminium Institute's data showed the metal's production in January increased by 3.3%

policies, with consumption expected to grow by 4.7 per cent.

"We maintain our 2023 aluminium price forecast at an average of \$2,600/tonne... Our forecast implies prices will remain elevated around current levels in 2023 on the back of persisting supply constraints and the lifting of Covid restrictions in Mainland China

which is likely to boost demand," said Fitch Solutions.

US international multinational investment bank Goldman Sachs said aluminium prices are likely to average \$3,125 in 2023, higher than its previous forecast of \$2,563. It expects aluminium to touch \$3,570 over the next 12 months.

On Monday, aluminium on the London Metal Exchange (LME) gained over 2.5 per cent at \$2,457.50 a tonne for the three-month contract. It had surged to a six-month high of \$2,660 on January 25.

Goldman Sachs said it anticipated robust prices for aluminium mainly on account of "expectations of possible supply shortages driven by increased demand in China and European countries". ING Think, the financial and economic analysis wing of Dutch multinational financial firm ING, said aluminium smelters in Europe still face challenges.



## COMMODITY CALL.

### Aluminium futures: Go long

**Akhil Nallamuthu**

bl. research bureau



Aluminium futures on the MCX, which confirmed an inverted Head and Shoulder (H&S) pattern by breaking out of resistance at ₹218 early this year, has failed to extend its rally. The contract has fallen against resistance at ₹228 over the past few weeks.

However, last week, the February futures touched a rising trendline support at ₹208 and rebounded. It is currently hovering around ₹214. The trendline is a strong support and the contract has been making higher highs and lows since October last year. Thus, we expect the support at ₹208 to be the next higher base upon which aluminium futures could build an uptrend. The inverted H&S pattern indicates a potential rally to ₹250.

Since the trendline support is likely to stay true and the risk-reward ratio is favourable, we suggest going long.

Buy now at around ₹214, with an initial stop-loss at ₹205. Move the stop-loss up to ₹210 when the contract rallies above ₹218. Thereafter, when the contract breaks out of ₹228, alter the stop-loss to ₹220. Tighten the stop-loss further to ₹232 when the contract touches ₹240. Exit the longs at ₹245.

## Steel imports from Russia rise 5x in April-January

**Abhishek Law**  
New Delhi

Russia has emerged the fourth largest supplier of steel to India for the April-January period with a five-fold rise in shipments. It has also displaced Japan as the largest supplier of hot rolled coils (HRCs), for the first time in eight years.

Of the 0.28 million tonne (mt) of finished steel shipped to India from Russia in the April-January period, around 0.21 mt – a lion's share of 72 per cent – was HRCs and strips.

In the year-ago-period (10MFY22), shipments from Russia were 0.048 mt. HRC coil and strip shipments from Japan during the year were 0.14 mt. This is the first time that Russia has emerged as one of the key steel exporting nations, and among the top five exporting nations, replacing countries such as Vietnam and Indonesia, data from the Ministry of Steel, accessed by *businessline*, show.

"If you see, Russian offerings came at a discount. There was distress sales, and in some cases, offerings from Russia – mostly hot rolled coils – were 20-30 per cent lower than the market prices," an exporter said.

Ministry data showed that total steel imports (semis and finished put together) from Russia were valued at \$360 million for the April-January period; of which 86 per cent or \$308 million was finished steel imports. Calculations suggest that the average per tonne



**KEY SUPPLIER.** India imported 0.28 mt of finished steel from Russia

price of Russian HRC was around ₹45,000 per tonne (around \$550 per tonne).

"Volume-wise HRC coils / strip (1.69 mt) was the item most imported, with 34 per cent share in total finished steel," the Ministry report mentioned, adding that import of flat products accounted for 93 per cent share (up by 29.2 per cent), the rest 7 per cent include long and non-flat offerings (up by 13.8 per cent).

According to the data, overall imports of total finished steel stood at 5 mt up by 28 per cent, YoY. Korea, with shipments amounting to 1.841 mt, was the largest supplier to India (37 per cent market share); followed by China (1.2 mt) and Japan (0.7 mt). Shipments from Vietnam rose 195 per cent, YoY, to 0.19 mt.

The report says import of total finished steel was valued at ₹54,534 crore whereas export of total finished steel was valued at ₹44,463 crore. Thus, overall trade deficit (total finished steel) stood at ₹10,071 crore during 10MFY23.



# Centre Prepares to Open up Offshore Mining to Pvt Sector

**Anubhuti.Vishnoi**  
@timesgroup.com

**New Delhi:** The government has initiated a fresh move to open up offshore mining to the private sector after two failed attempts – both by the UPA and NDA – in 13 years, in a bid to reduce the country's dependence on China for mineral wealth.

The Ministry of Mines has this month notified draft amendments to the Offshore Area Mineral (Development & Regulation) Act, 2002 (OAMDR Act), which will open the auction route for private sector mining of mineral resources in India's territorial waters and continental shelf along its 7,517-km coastline.

Identification of mineral blocks has begun and auctions should take off by the calendar year end, officials in the know told ET.

Atomic minerals, however, are kept out of the auctioning regime and will remain under the monopoly of state-owned companies as requested by the Department of Atomic Energy, they said.

For offshore mining of non-atomic minerals, too, the Centre has reserved the right to terminate the lease for national security or national interest.

While India's long coastline across nine states and four Union Territories holds huge potential for mineral mining, it can only be tapped with the help of private

sector investment that will bring in new technology and expertise, it is felt.

It has become necessary to mine the maritime resources as new age sectors from renewable energy to electric vehicles require use of some key minerals for which the country is largely dependent on China.

The same imperative recently had the Centre propose a 'Critical Minerals' policy for the country, as first reported by ET.

The Geological Survey of India (GSI) has estimated 79 million tonnes of heavy mineral resources near the country's shore line, 153,996 million tonnes of lime mud in the Indian Exclusive Economic Zone (EEZ), and 745 million tonnes of construction sand in territorial waters, government assessments show.

GSI's reconnaissance surveys indicate preliminary resources of heavy minerals in the inner shelf and mid shelf off Odisha, Andhra Pradesh, Kerala-Tamil Nadu, and Maharashtra; lime mud within the EEZ off Gujarat and Maharashtra coasts; and construction grade sand within and outside tidal wave line off Kerala coast.

There is also occurrence of phosphorite in the eastern and western continental margins of India's EEZ. In addition, polymetallic ferromanganese (Fe-Mn) nodules and crusts occur on the sub-surface elevated features of West Sewell ridge and Sewell Rise in

Andaman Sea and in the northern part of the Laccadive Rudge system of Lakshadweep sea.

While the OAMDR Act came in 2002, it came into effect only in 2010 after the rules were notified.

In 2010, the then United Progressive Alliance (UPA) government's allocation of 62 mineral exploration licences to the private sector ran into controversy over the process followed and were ultimately annulled and have been the subject of a Central Bureau of Investigation (CBI) investigation.

In 2017, the National Democratic Alliance (NDA) government attempted to amend the OAMDR Act and bring in auction provisions, but later relinquished the plan and decided to stick to the public sector monopoly model.

Practically, no significant offshore mineral mining has happened in India so far, officials cited above said.

The new proposed amendments to the law seek to clear the pitch for offshore mining by bringing in a fair and transparent mechanism for allocation of mineral concessions.

In a first, it is proposed that production leases be granted through auction to private sector and state-controlled firms for non-atomic minerals besides a composite exploration-cum-production licence.

It also proposes a lease period of 50 years to draw in the private sector, doing away with the renewal

regime.

Size of standard block production lease area has been restricted to ensure due regulation, officials said. They are also in keeping with global concession agreements.

A joint venture model with PSUs holding 74% stake is also mooted. A competitive bidding process will be used for selecting the JV as well.

The Centre will set up a non-lapsable Offshore Areas Mineral Trust – a fund under the Public Accounts of India – for mitigation of adverse impact of offshore mining. An additional levy – not more than one-third of the royalty on production of minerals – will go to this fund.

PSUs will still have some prerogatives, as per the proposal. They will get mineral concessions without competitive bidding in mineral bearing areas reserved for the central government, just like in the Mines and Minerals (Development and Regulation) Act.

In case of high-grade atomic mineral, where the grade is equal or above the prescribed threshold value, production lease will only be granted to PSUs.

The Centre will reserve the right to terminate a contract in strategic interest, public interest, or any other interest of the country, officials said.

Penalties ranging from Rs 5 lakh to Rs 10 lakh per standard block will be imposed for illegal mining.



# PIL in HC questions permission granted for Surjagarh mining

Vaibhav.Ganjapure  
@timesgroup.com

**Nagpur:** A green crusader moved the Nagpur bench of Bombay high court questioning the legality of permission granted to Lloyds Metal and Energy Limited for expanding its mining capacity from 3 million ton to 10 million ton of iron ore per annum at Surjagarh in Gadchiroli.

Contending the capacity expansion was more than 50% of what was allowed, petitioner Samarjeet Chatterjee pointed out that the proceedings were

## GREEN WAR

not as per guidelines issued by Ministry of Environment, Forest and Climate Change (MOEFCC-IA division).

A division bench comprising justices Rohit Deo and Yanshivraj Khobragade on Wednesday directed the petitioner to place PIL (No 6/2023) before the appropriate bench.

On January 19, HC had disposed of a similar plea by Chandrapur businessman Deepak Dixit, who claimed that the Lloyds was engaged in illegal mining at Surjagarh. He contended that the state environment department imposed certain conditions for extracting iron ore, which is of top quality, but the company violated these conditions too. He was told by HC to approach the government first with his grievances.

## WHAT THE PETITIONER SAID

► Mining capacity expansion more than 50% of what is actually allowed

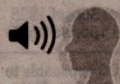


► Proceedings not as per guidelines issued by Ministry of Environment, Forest and Climate Change

► Respondents' illegal act would lead to increase in pollution in the area as daily 800 to

1,000 trucks ply from there to carry out the ore

► There is noise pollution due to use of heavy explosives



► Nearby river water would be polluted

due to dispersion of iron ore which would become threat for the animals and citizens

According to Chatterjee, the company was granted mining lease over an area of 348.09 hectares for iron ore at Surjagarh village (Wooria Hills) in Etapalli town of the Naxalite-infested district for 50 years. In view of its various expansion plans that require a raw and captive source of iron ore for its proposed sponge iron plant, the company has applied for a mining lease.

Currently, the company is using an open cast method at Surjagarh for captive generation of iron ore (Hematite) at its mine which is at Bande village near Etapalli. The mining lease area falls under South Etapalli forest range under the Bhamragarh Forest Division.

On October 27, the company conducted a public hearing for its expansion. Initially, environmental clearance for mining up to 3 million tons per annum was granted for captive purposes only. The company, even after not satisfying the obligations generated out of lease deed and

public hearings, had opted for expansion which is more than 50% of which was previously allowed.

Chatterjee on October 9 had communicated to respondents that public hearing should be as per the Environment Impact Assessment (EIA) notification of 2006 and its subsequent amendments. He also sent a legal notice to them on November 5 asking them the basis on which the company was allotted to expand. However, the respondents failed to reply to his notice.

The petitioner said the respondents' illegal act would lead to increase in pollution in the area as daily 800 to 1,000 trucks ply from there to carry out the ore. "Due to the use of heavy explosives, there is a noise pollution. Even the nearby river water would be polluted due to dispersion of iron ore which would become threat for the animals and citizens there," he said while praying for calling all records of respondents in HC.

DAINIK BHASKAR DATE:23/2/2023P.NO.13

# सुरजागड़ में अतिरिक्त खनन से पर्यावरण को भारी नुकसान

## ■ हाई कोर्ट में याचिका, लगाया आरोप

भास्कर प्रतिनिधि | नागपुर. गड़चिरोली जिले के एटापल्ली में स्थित सुरजागड़ क्षेत्र में लौह खनन हो रहा है। राज्य सरकार ने खनन की जिम्मेदारी लॉयड मेटल व एनर्जी लिमि. नामक कंपनी को दी है, लेकिन कंपनी द्वारा जरूरत से ज्यादा खनन करने से पर्यावरण को भारी मात्रा में नुकसान पहुंच रहा है। बॉम्बे हाई कोर्ट की नागपुर खंडपीठ में समरजीत चैटर्जी द्वारा दायर जनहित याचिका में यह आरोप लगाया गया है।

बुधवार को न्या. रोहित देव और न्या. वायजी खोब्रागडे की खंडपीठ में सुनवाई हुई। उन्होंने इस प्रकरण को निमयित खंडपीठ के समक्ष सुनवाई के लिए भेजा है।

## क्षमता से ज्यादा खनन

याचिकाकर्ता के अनुसार, महाराष्ट्र सरकार ने अगले 50 वर्ष के लिए खनन लीज दी है। कंपनी को हर साल लगभग 30 लाख टन खनन की पर्यावरण मंजूरी थी। बाद में 27 अक्टूबर 2022 को कंपनी ने जन सुनवाई के दौरान खनन क्षमता को 3 से बढ़ाकर

1 करोड़ टन करने की घोषणा कर दी। लीज शर्तों के तहत उन्हें 50 प्रतिशत से ज्यादा खनन क्षमता बढ़ाने का अधिकार नहीं है। याचिकाकर्ता का आरोप है कि कंपनी द्वारा प्रस्तावित अतिरिक्त खनन कार्य के वजह से पर्यावरण पर बुरा असर पड़ेगा। क्षेत्र में प्रतिदिन 800 से 1000 ट्रक चलेंगे, जिससे वायु प्रदूषण होगा। विस्फोट से ध्वनि प्रदूषण के साथ-साथ जल स्रोतों में भी धूल की मिलावट होगी। इससे स्थानीय लोगों, मवेशियों और पशु-पक्षियों के स्वास्थ्य पर भी बुरा असर पड़ेगा। याचिकाकर्ता की ओर से एड. महेंद्र वैरागडे कामकाज देख रहे हैं।

## सूरजागड लोह खनिज खाण विस्ताराला विरोध

उच्च न्यायालयात  
जनहित याचिका

लोकमत न्यूज नेटवर्क  
नागपूर : गडचिरोली जिल्ह्यातील  
एटापल्ली तालुका स्थित सूरजागड  
लोह खनिज खाण विस्तारविरुद्ध  
रायपूर येथील पर्यावरण संवर्धन  
कार्यकर्ते समरजित चॅटर्जी यांनी मुंबई  
उच्च न्यायालयाच्या नागपूर खंडपीठात  
जनहित याचिका दाखल केली आहे.  
याचिकेवर येत्या १ मार्च रोजी

निवेदनाची दखल नाही...

या खाणीतून रोज ८०० ते १००० ट्रक लोह खनिज काढले जाईल. त्यासाठी  
स्फोटके वापरले जातील. मानव व प्राण्यांच्या आरोग्यावर दुष्परिणाम  
होतील. करिता, विस्तारविरुद्ध चॅटर्जी यांनी ५ नोव्हेंबर २०२२ रोजी केंद्र व  
राज्य सरकारच्या अधिकाऱ्यांना निवेदन सादर केले होते; पण त्याची दखल  
घेण्यात आली नाही, असा दावा याचिकेत करण्यात आला आहे.  
याचिकाकर्त्यातर्फे अॅड. महेंद्र वैरागडे कामकाज पाहतील.

सुनावणीची शक्यता आहे.२००७ मध्ये  
लॉयड्स मेटल अॅण्ड एनर्जी कंपनीला  
सूरजागडमधील ३४८.०९ हेक्टर जमीन  
५० वर्षांच्या लीजवर दिली आहे. सध्या

या खाणीमधून वर्षाला ३० लाख टन  
लोह खनिज काढण्याची परवानगी  
आहे. कंपनी ही क्षमता वाढवून एक  
कोटी टन करणार आहे.



# 'Vedanta may have a Fair Chance to Run Sterlite Plant Again'

Anil Agarwal-promoted Vedanta Group has scrapped the plans to sell shuttered Sterlite Copper plant in Tamil Nadu a year after it invited bids for selling the plant. The company is keen to get the plant up and running instead, Sunil Duggal, Group CEO, Vedanta Limited said in an interview to Nehal Chaliawala and Deborshi Chaki. Edited excerpts:

**Vedanta put up Sterlite Copper in Tamil Nadu for sale and then scrapped the plan. What happened?**

We invited EOIS (expression of interest) for this plant and got a very good response from buyers. In the meantime, we also observed that there is a pressure building up on us and messaging from various stakeholders that it is in the best interest of the community and the state at large that the plant should operate. I also visited Chennai recently. I met a lot of stakeholders including regulators and I got comfort from them that there is a momentum building up on the ground. The government also wants to support the operation depending on the outcome of the legal case. The court hearing is coming up this month. So, selling the plant is off the table as of now because we believe we may have a fair chance to start operation of the plant.

**Your proposed sale of Zinc International assets to Hindustan Zinc has met with government opposition. Are there any other options to de-leverage Vedanta if this deal doesn't go through?**

There are many options. We could be in talks with various banks for refinancing. There is a healthy cash flow coming up in Q4. So, there are multiple options on the table and the most important thing for us is to generate cash. We have already de-leveraged Vedanta PLC by \$2 billion in just one year against our promise of \$4 billion in three years.

**Last year you had announced expansion plans for Zinc International. Where do these stand now?**

On Vedanta Zinc International we believe that this year our production will be up by around 50% compared to last year. This company has reser-

ves that are more than Hindustan Zinc today. We are almost reaching the rated capacity of the first phase of our Hemsworth mine. We decided last year that we will double the capacity of Hemsworth from 0.25 million tonnes to 0.5 million tonnes. We have 0.1 million tonnes from out Black Mountain mine. So, by the end of second phase, we will have 0.6 million tonnes capacity.

Ultimately, we want to take the zinc international capacity beyond 1 million tonnes which will make that company equivalent to Hindustan Zinc. And with these two companies together, we will become the largest zinc manufacturer in the world. Today, we are third.



**On Vedanta Zinc International, we believe that this year our production will be up by around 50% compared to last year**

**Where do the negotiations with the new Zambian government stand on operationalising the Konkola Copper Mines (KCM)?**

It has taken longer than we anticipated, but we are in the final stages of signing an agreement with the government to take over the asset. You could hear the news any day. And then we will commit \$1 billion to that asset to double the capacity. That mine has one of the largest copper deposits in the world and with today's decarbonisation effort and the surge in demand for copper and the way the prices are going up, I think this would be a very exciting opportunity for us. With KCM and Sterlite Copper we could become one of largest integrated producers of copper in the world.



# WGC to digitise gold ecosystem

bl.interview

KR Srivats  
New Delhi

The digitalisation of the gold ecosystem and arriving at a standardised unit for gold in the digital space is one of the key agenda of the future of the World Gold Council (WGC). David Tait, WGC's Chief Executive, elaborates on this agenda and shares its aim in an exclusive interview with *businessline* during his India visit. Excerpts:

## How successful have you been in the last four years in bringing institutional monies to gold?

Very successful. Yes, part of my mission at WGC is, and has been for the last four years, to convert the institutional world to the merits of holding gold. And much of the work that I've done over the last four years with the Bank of England and the precious metals working group has been to lower those barriers. Such that institutions can invest in gold without too much of a capital burden. It's expensive to invest in gold compared to other asset classes; it just is. And so they steer away from it to get a better ROI elsewhere. If I can lower those barriers, which is what we're working so hard to do in the background, the institutional money, of which there is an awful lot not invested in gold, will come to gold. And I think that bodes very well for demand and the price of gold going forward.

## So is there an unfinished agenda on this front?

The biggest thing on my agenda going forward is the digitalisation of gold. We're looking to digitalise the entire ecosystem. From that digitalisation, you can create many products. We are looking to

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We are looking to arrive at a standardised unit of gold, and it's through an algorithm

DAVID TAIT  
Chief Executive  
World Gold Council

gold, and it's through an algorithm that you translate all the different types, shapes, and sizes, and you standardise gold at that layer. From that digital layer, you create different products.

## What could be the benefit from such a strategy of standardised units of gold on a digital layer?

With the digitalisation of gold, the products will make gold useful to investment managers and asset managers around the world, where it hasn't been before. It will be used for different forms of lending and collateralisation, and for the very first time, gold is not used as collateral; it's just impossible to use it in the London markets.

## So are you looking to tokenise gold and parcel it out to institutional players?

It's not tokenisation; many people use that phrase, and it's a much-used, ill-informed phrase. But is it possible to create an industry product called a "token" from that digital ecosystem that we create? Absolutely.

Would it be trusted more than any other token ever produced? I hope so. It's an industry one, and why not.

But the magic of it is that you can track it back to the provenance database, which is what people have always wanted for the very first time, and have something that's absolutely



## Could you elaborate on the provenance database part?

Last March, the LBMA and WGC launched a global database for all, and I hesitate to use the phrase, but good gold, responsibly sourced gold, LBMA-good delivery, India-good delivery, China, etc.

This database is slowly but surely being populated. We launched it together. WGC invested in a company called Exodus, a Swiss-based company. It's a blockchain company, and its database essentially produces, I'd say birth certificates for gold bars essentially, that contain their provenance. There's a compulsory field and an optional field, and all new gold will eventually go into this database. I expect all ETF gold to go into this database. But imagine a future where all good delivery lists and all good gold are here. So any one of us can check the authenticity, shall we say, of a gold bar. The fact is, it's not duplicate; it is what it is. It came from where you think it has. That database is up and running. And I'm slowly but surely getting my miners, which are the people behind me, into the database; we already have refiners we already have logistics companies into it. Think big, but that database will eventually become so ubiquitous, I hope, that when you next go and buy gold and want to check the place to go, imagine X years ahead; that's the

## So you're not looking to create a stablecoin on gold?

No, I'm not trying to create that for the World Gold Council or anyone else. I'm trying to create an equivalent of the physical matter such that it can cross borders and be known across the world as gold. And we all recognise it; we all have the same product in our wallets and in our lives. We don't think of it like you've got that shape and size, and how do institutions just trade euros, Swiss francs, gold, equities, and bonds. You won't look at gold and go, how do I figure this out? I've got six-hour delivery versus payment problems; I've got all these IWA issues; how do I deal with all this? You'll just be able to go: "Click send," and the settlement will be automatic. Delivery versus payment and automatic settlement are some of the two biggest problems that keep institutions out of the market and cause delays, so yes, WGC's goal is to try and reduce the barriers to entry such that institutions find it lucrative to trade gold and retail and institutional level find it effortless to trade going forward.

## So when does the digitalisation initiative become a reality? Is there already a buy-in from institutions for the digitalisation agenda?

When I'd like it to be reality is yesterday, my board would like it to be yesterday. But in reality, there's going to be a process, and it's got to be equitable. It's got to be everyone having their say; the work, as I said, of the precious metals working group has set the stage for improvement for the market and can't go back beyond that. And so, what that looks like, we have come up with an idea. And it is a very powerful idea, and we've tested it intellectually. Whether the world goes for it and accepts it remains to be seen.



# First-ever lithium mines auction likely by June

**Abhishek Law**  
New Delhi

In a first, India plans to auction blocks of lithium mines, recently discovered in Jammu and Kashmir, between April and June, a mines ministry official said.

India had recently declared that it has established "lithium inferred resources" — calculated on the basis of physical and chemical study of the surface and samples — along the Salal-Haimana area of Reasi district in Jammu & Kashmir.

The resources are estimated at 5.9 million tonnes (mt), and work is at a preliminary exploration stage (also called G3). Most of the resources are in rock formation and those acquiring the blocks may need to put up processing plants.

Lithium, an alkali metal, is one of the key components in rechargeable batteries used in mobiles, laptops, electric vehicles and medical devices like pace-makers. It is also



**RARE RESOURCE.** A local resident poses with lithium stones in Reasi district, in Jammu & Kashmir PTI

used in energy storage solutions.

### IMPORT DEPENDENCE

India currently imports all the major components that go into lithium-ion cell manufacturing, with the import bill estimated at around ₹16,300 crore during the April-December period this fiscal.

China controls nearly 77 per cent of lithium-ion manufacturing capacities and six of

the 10 major producers are based there. It also controls mines globally by investing in the companies that mine the metal.

The EU, the US, Canada, India, and other major economies are trying to arrange alternative supplies to challenge the Chinese dominance.

### MORE PROSPECTING

Mines ministry sources said the GSI had mapped and re-

ported lithium deposits in the J&K region in 1999.

Mapping is considered the first step in identifying the presence of a mineral, followed by exploration. India moved from reconnaissance or mapping stage (G4) to prospecting stage (G3) for the lithium mines. The next stage, G2 (general exploration) entails studies to estimate the shape, size and grade of minerals. And, ultimately, in the G1 stage, the characteristics of the deposit are established with accuracy.

According to mines ministry officials, there will be more "field studies in the Himalayan regions" — Uttarakhand and Himachal Pradesh — given the topographical similarities.

"GSI will plan some explorations and mapping studies in these two states and, most likely, they will be taken up during the field season this year (summer months). Discussions are on," the official said.

## THE HITAVADA

DATE:23/2/2023 P.NO7

# Govt to auction 27 more coal mines starting Feb 27

NEW DELHI, Feb 22 (PTI)

THE Coal Ministry on Wednesday said that 27 coal mines would be put on sale in the next round of commercial mines auction starting from February 27. The auction process for 141 coal and lignite mines was launched by the Coal Ministry in November last year. "After completion of technical evaluation, 27 coal mines which received more than one bid, will be put up for forward auction from Monday, February 27, 2023 onwards," the Ministry said in a statement.

In a bid to familiarise bidders with the auction process, mock e-auction will be conducted on February 24.

## NAVBHARAT

DATE:24/2/2023 P.NO11

# 27 से कोयला खदानों की नीलामी

■ दिल्ली, न्यूज एजेंसियों कोयला मंत्रालय ने कहा कि वाणिज्यिक खदानों की नीलामी के 27 फरवरी से शुरू हो रहे अगले दौर में 27 कोयला खदानें नीलाम की जाएगी। कोयला मंत्रालय ने 141 कोयला और लिग्नाइट खदानों की नीलामी की प्रक्रिया पिछले वर्ष नवंबर में शुरू की थी। मंत्रालय ने एक बयान में कहा कि ऐसी 27 कोयला खदानें जिनके लिए एक से अधिक बोली मिली हैं।



## Gold Steady as US Rate Hike Fears Persist

Reuters

Gold prices were little changed on Thursday as traders waited for US growth data for more clues on the pace of Federal Reserve rates hikes and a stronger dollar capped advances. Spot gold edged up 0.1% to \$1,826.96 per ounce by 1253 GMT. US gold futures delivery fell 0.3% to \$1,835.30.

Gold remains in a consolidation phase, but a firm GDP figure today would allow the Fed to keep rates higher for longer, which would be dollar positive and by extension weigh on gold, said independent analyst Ross Norman.

The dollar index held near multi-week highs.

However, bullion is probably getting a lift on news that Russia is to suspend its membership of the nuclear arms limitation accord, Norman added.

Gold may test the support of \$1,816 per ounce, a break below which could open the way to \$1,793, said Reuters technical analyst Wang Tao.

Elsewhere, spot silver rose 0.5% to \$21.60 per ounce, platinum gained 0.8% to \$956.27 while palladium fell 0.4% to \$1,476.06.

### BUSINESS LINE

DATE:24/2/2023 P.NO24

#### Copper falls as markets brace for US rate hikes



**London:** Copper prices fell on Thursday as the prospect of further increases to US interest rates sent a ripple of caution through markets and boosted the dollar, making metals costlier for buyers with other currencies. Benchmark three-month copper on the London Metal Exchange was down 0.3 per cent at \$9,081 a tonne by 1,200 GMT. REUTERS

DAINIK BHASKAR DATE: 25/2/2023 P.NO.12

## लिथियम की खोज भारत में ईवी के लिए अहम, खनन से पर्यावरण को गंभीर खतरा

एजेंसी | नई दिल्ली. विशेषज्ञों का कहना है कि जम्मू-कश्मीर में लिथियम की खोज भारत में इलेक्ट्रिक वाहनों (ईवी) को बढ़ावा देने के लिए महत्वपूर्ण है लेकिन इसके खनन में सावधानी नहीं बरतने की सूरत में पर्यावरण के लिहाज से यह जोखिम भरा हो सकता है। विशेषज्ञों ने हिमालयी क्षेत्र में वायु प्रदूषण और मृदा क्षरण जैसे पर्यावरणीय खतरों का उल्लेख किया है। गौरतलब है कि हाल में भारतीय भूवैज्ञानिक सर्वेक्षण (जीएसआई) ने इलेक्ट्रिक वाहन और सोलर पैनल बनाने में अहम धातु लिथियम के 59 लाख टन भंडार का पता रियासी जिले में लगाया है। भारत लिथियम का आयात करता है।



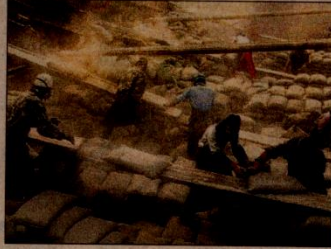
# 'Demand for Cement on Course to Grow Again Next Fiscal Year'

But profitability of cos may remain under pressure due to higher input costs, says Crisil

Nikita.Perlwal@timesgroup.com

**Mumbai:** Demand for cement in India is set to grow for the third consecutive year in 2023-24 (April-March) even as profitability may remain subdued on account of the cost of key raw materials remaining high, ratings agency Crisil said.

Consumption of cement in India is likely to be 425 million tonnes in FY24, up 7-9% from the current year, with growth starker in eastern and central India, Crisil Market Intelligence & Analytics said in a report. Demand for cement has



grown by 11% between April 2022 and January 2023, led by demand from infrastructure activities, real estate and affordable housing projects. "The momentum is likely to stay healthy in the remaining months of this fiscal as it is a seasonally strong period for construction activity across regions," the ratings agency said in the report.

The visibility for demand in FY24, meanwhile, comes from the outlay towards infrastructure and affordable housing, as announced

in the Union budget. The government intends to spend ₹10 lakh crore on infrastructure, while the outlay for affordable housing has gone by up 12.5%.

Operating margins of these companies, meanwhile, are expected to be impacted by the jump in costs of power and fuel, which together account for a third of the cost of production for cement makers.

The costs of power and fuel have risen by nearly 80% since FY21, while the hikes in prices of cement have been relatively lower, which has led to margins of these companies falling by nearly 800 basis points to around 13.6% in the April-December period. This compares to average margins of 17-18% over the past decade.

While margins have seen a sequential improvement in the December quarter, this recovery can continue only if fuel prices continue to soften, Crisil said.



# 4.1bn-year-old rock samples found in T

Dipawali.Mitra@timesgroup.com

**Kolkata:** Rock samples dating back 4.1 billion years and bearing traces of the weather-proof mineral zircon have been found in Telangana's Chitral, around 100km from Hyderabad. This can shed light on geological events from a dark age when the earth was in its infancy.

The latest find by researchers from Presidency University, Hiroshima University, and National Centre for Earth Science Studies from a relatively young terrain can offer fresh clues about the earth's early chemical evaluation and open a window into the first mysterious half billion years of the planet. The findings were published recently in the Precambrian Research Journal.

Zircon was one of the first minerals to crystallise when the earth's crust was being formed out of molten magma during the Hadean age, according to geologists. Only six of the 612 crystals studied by the team



The sample from which traces of Hadean Zircon was recovered

were from the Hadean age.

A senior geologist, who was part of the study, said the discovery in Telangana indicated that the earth's early history could be found hidden in rocks in India. "This is significant. Further study will help us understand the chemical and physical conditions, including the presence of water, in the first few hundred million years of the earth," said Sankar Bose, geology professor, Presidency University.

The only discovery older than this one in India was the tonalitic rocks of Kendujhar district of Odisha in 2018. That find was estimated to be more than 4.2 billion years old.

Full report on [www.toi.in](http://www.toi.in)

# Big Poll Issue: All Parties Promise to Fight Illegal Coal Mining in Meghalaya

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**Khliehriat:** One of the key issues in the Meghalaya assembly elections is illegal coal mining, with the BJP promising to constitute a task force to check the practice in its poll manifesto and the National People's Party (NPP) saying previously that it would solve the issue of rat hole mining and initiate a scientific policy. The All India Trinamool Congress has also promised to resume mining by formulating a scientific and sustainable policy to ensure that individual livelihoods are not endangered.

Though the BJP is part of a six-party coalition ruling the

## DIFFERENT APPROACH

**BJP promises task force to check practice; NPP & Trinamool promises scientific policy**

state, it has criticised chief minister Conrad Sangma on the coal mining issue.

Sangma had in 2019 said that the ban on coal mining had impacted people in the coal rich areas of the state, which has not only affected livelihoods but has also led to financial loss for the state.

"In 2014, NGT had banned coal mining in Meghalaya. I ask Mu-

kul Sangma as to why he failed to challenge the NGT order in the Supreme Court. In 2018, when the Meghalaya Democratic Alliance (MDA) came to power, the government had to start from scratch and appeal in the Supreme Court. We have engaged with different stakeholders to resolve the ban on coal mining, and we are committed to resolve the issue for the greater interest of our people," he had said.

Mukul Sangma was chief minister before 2018.

The Congress has also alleged that illegal mining has been going on in the state ever since the Conrad Sangma-led MDA, of which the BJP is a coalition partner, came to power in the state.



# 'Hind Copper Will Do Better Than Last Fiscal'

ET Q&A

**AK SHUKLA**  
CMD, Hindustan Copper

India's largest integrated copper producer, Hindustan Copper expects the current fiscal to be better than the previous year with better realisations and higher copper prices, its chairman and managing director AK Shukla told ET's Nikita Periwai in an interview. Edited excerpts:

**Do you see the company meeting the sales target of ₹ 2,209 crore for 2022-23 given that sales in the first nine months up to December have been just a little over half at ₹ 1,162 crore?**

We expect the physical performance of the company to improve this financial year compared to the last.

Sales, however, are directly linked to the London Metal Exchange (LME) price of copper and the dollar-rupee exchange rate. The company is striving to do better than last year's production, but being a listed company, we cannot disclose more.

**Hindustan Copper had set a capital expenditure target of ₹ 350 crore for FY23. How much have you spent so far and where?**

We have spent around Rs 224 crore on capital expenditure till the end of the December quarter, and most of this has been spent on the underground mine expansion and development at Malanjhand in Madhya Pradesh. We have



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already taken shareholder approval for raising funds through a qualified institutional placement (QIP). The funds will be raised as and when required.

**What is the progress of the capacity expansion at your various mines, and when are these additional capacities expected to be commissioned?**

The additional capacity expansion at Malanjhand mine to five million tonnes and the Khetri mine to 3 mt are underway. Initial production from declines at Malanjhand underground mine has already commenced. Expansion at Surda is awaiting regulatory approvals.

The company has produced around 18,300 tonnes of MIC (metal in concentrate) as of the end of the December quarter, and we are trying our best to increase production.

As per Goldman Sachs, copper prices on the LME are expected to average around \$9,750 per tonne this year with average price jumping to \$12,000 by 2024.

**MARGIN FORECAST**

The company is focusing on its core business of mining and selling of copper concentrate, which gives it the highest margins

**Is Hindustan Copper planning to strategically venture into value-added products over the medium term?**

The company is focusing on its core business of mining and selling of copper concentrate, which gives it the highest margins. The demand for copper in India in FY24 is expected to be bullish on account of infrastructure projects, smart cities, emphasis on renewable energy, and electric vehicles, etc.

## भारतीय खान ब्यूरो 1 मार्च को मनाएगा 75वां स्थापना दिवस

भास्कर संवाददाता | नागपुर. भारतीय खान ब्यूरो (आईबीएम) 1 मार्च को नागपुर में अपना 75 वां स्थापना दिवस मनाएगा। केन्द्रीय कोयला, खान एवं संसदीय कार्य मंत्री प्रल्हाद जोशी और कोयला, खान एवं रेल राज्य मंत्री रावसाहब दानवे इस एक-दिवसीय समारोह को संबोधित करेंगे। भारत के खनन क्षेत्र की प्रगति और उससे संबंधित हाल की विभिन्न पहल पर प्रकाश डालने वाली एक विशेष प्रदर्शनी का उद्घाटन खान मंत्रालय के सचिव विवेक भारद्वाज के हाथों होगा। विभिन्न खनन कंपनियों द्वारा प्रस्तुतियां, आईबीएम के बारे में एक फिल्म का प्रदर्शन, डाक टिकटों एवं स्मरणिका का विमोचन इस स्थापना दिवस समारोह के कुछ मुख्य आकर्षण होंगे।





# Most of auctioned coking coal mines to start production by 2025

NEW DELHI, Feb 26 (PTI)

MOST of the 10 coking coal blocks that have been auctioned to the private sector in the last two years are likely to start production by 2025, according to the Coal Ministry.

To augment the output of raw coking coal, a key input in the production of iron and steel, in the country, the Ministry has auctioned 10 coking coal blocks to the private sector. "Most of these blocks are expected to start production by 2025," the Coal Ministry said citing its achievements in 2022.

These mines have peak rated capacity (PRC) of 22.5 MT. Domestic raw coking coal production is likely to reach 140



million tonnes (MT) by 2030.

Coal India (CIL) which accounts for over 80 per cent of domestic coal output has planned to increase raw coking coal production from existing mines up to 26 MT and has identified nine new mines with PRC of about 22 MT.

Also, CIL has offered eight discontinued coking coal mines, out of the total 30 dis-

continued mines, on an innovative model of revenue sharing to the private sector with a PRC of two MT.

The Coal Ministry has also identified four coking coal blocks and Central Mine Planning and Design Institute (CMPDI) also will finalise the geological report (GR) for four to six new coking coal blocks in the next two months.

These blocks may be offered in the subsequent rounds of auctions for the private sector to further step up domestic raw coking coal supply.

At present, domestic raw coking coal washing capacity is about 23 MT per annum, including 9.26 MT of the private sector.

NAVBHARAT

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## IBM का 1 को स्थापना दिवस

■ नागपुर, बिजनेस कनेक्ट. खान मंत्रालय के तहत भारतीय खान ब्यूरो (आईबीएम) 1 मार्च 2023 को स्थापना दिवस मनाने के लिए 75वें 'खनिज दिवस' का आयोजन करेगा. केन्द्रीय कोयला, खान एवं संसदीय कार्य मंत्री प्रल्हाद जोशी और कोयला, खान एवं रेल राज्य मंत्री रावसाहेब पाटिल दानवे इस एक दिवसीय समारोह को संबोधित करेंगे. भारत के खनन क्षेत्र की प्रगति और उससे संबंधित हाल की विभिन्न पहल पर प्रकाश डालने वाली एक विशेष प्रदर्शनी का उद्घाटन खान मंत्रालय के सचिव विवेक भारद्वाज द्वारा पूर्वाह्न में आयोजित तकनीकी सत्र के हिस्से के रूप में किया जाएगा. आकलन वर्ष 2021-22 के दौरान टिकाऊ खनन कार्य प्रणालियों को बढ़ावा देने के लिए 76 पांच सितारा दर्जे वाली खानों का सम्मान, विभिन्न खनन कंपनियों द्वारा प्रस्तुतियां, आईबीएम के बारे में एक फिल्म का प्रदर्शन, डाक टिकटों एवं स्मारिका का विमोचन इस स्थापना दिवस समारोह के कुछ अन्य मुख्य आकर्षण होंगे.



## COMMODITY CALL.

### Go short now in copper futures



**Gurumurthy K**

bl. research bureau

The short-term outlook for the copper futures contract on the MCX is bearish. The contract has been falling sharply since Thursday last week. The March futures contract made a high of ₹786.6 per kg on Thursday and has come down sharply. It is currently trading at ₹748 per kg. The recent fall has dragged the copper contract below the key support level of ₹750. Another important resistance is at ₹760. The upside is likely to be capped at ₹760, in case the contract breaks above ₹750. As long as the contract trades below ₹760, the view will remain negative. A fall to ₹735-730 is likely in the next two-three weeks. The region between ₹735 and ₹730 is a strong support zone.

Traders can go short now. Accumulate shorts on a rise at ₹758. Keep the stop-loss at ₹763. Trail the stop-loss down to ₹746 as soon as the contract falls to ₹742. Move the stop-loss further down to ₹739 when the contract touches ₹736 on the downside. Exit the shorts at ₹732. The expected rise from around ₹735-730 will keep the overall uptrend that has been in place since September last year. So, traders will have to exit the short positions at the level mentioned above.



# Steel companies to hike prices by ₹1,000 a tonne next month

**Suresh P Iyengar**  
Mumbai

Steel companies are set to raise prices by ₹800-1,000 a tonne to ₹64,000/tonne in March on the back of a sharp increase in raw material cost. The hike comes after a ₹500/tonne raise implemented this month, with strong demand both in the domestic and international markets.

On the cost front, NMDC had hiked the price of iron ore fines (64 per cent Fe) to ₹3,910 a tonne in February, against ₹3,410 a tonne in January, while that of lumps (65.5 per cent Fe) was raised to ₹4,400 a tonne against ₹4,300 in the same period. Coking coal prices linked to Australia jumped to seven-month high of \$346 a tonne.

## COKING COAL UP

Coking coal prices jumped 70 per cent from a low of \$203 a tonne logged last August, amid concern of global economy slipping into a recession in the wake of a surge in energy costs sparked by Russia's invasion of Ukraine.

"Steel demand in the domestic market has been strong from both the infrastructure and real estate sectors, despite the rise in interest rates. The automobile sector may see some slowdown, but they are sit-



**KEY DRIVERS.** Steel demand in the domestic market has been strong from both the infrastructure and real estate sectors

ting on a good order book," said a steel company CEO.

Globally, steel prices have been rallying after China announced plans of a package for its ailing real estate sector and attempts to boost its domestic demand.

In China, HRC appears to be on a stronger footing with declining inventory amid expectations of favourable policies, said Amit Dixit, Research Analyst, ICICI Securities.

Besides, he said market participants expect steel prices to remain supported owing to the cost push and recovery in China demand.

India's export price stood at \$705 a tonne, the highest in the South-East Asian region, amid price increase of \$25 a tonne by the Far-East players and \$15 a tonne by

Chinese and Russian companies.

## EXPORT VOLUME RISES

In January, export volume rose 33.5 per cent month-on-month to 0.75 million tonne, the highest in the past eight months.

On the import parity front, domestic prices are at par and at a discount to the landed cost of imports from Far-East countries and China, respectively. Hence, there is no pressure on import in the near-term, he said.

While the real estate market in China is showing initial signs of improvement, more clarity on stimulus measures from Beijing is expected post Chinese New Year and their impact on the overall steel demand.

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