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KHANIJ SAMACHAR

Vol. 7, No-22

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खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

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INDIAN BUREAU OF MINES

VOL. 7, NO –22 , 16^{th}–30^{th} NOVEMBER 2023

BUSINESS LINE DATE:16/11/2023 P.NO3

'All efforts on to stop coal imports by FY26'

Our Bureau
New Delhi

Coal Minister Pralhad Joshi on Wednesday said that the Ministry is working on all fronts, including increasing production from commercial and captive mines, in a bid to stop imports of the critical commodity by FY26.

After launching the eight round of commercial coal mines virtually, Joshi said that all efforts are on to stop coal import by 2025-26, which will be achieved through a series of reforms initiated by the Ministry.

The Minister also said that coal production from underground mines will be further scaled up to touch 100 million tonnes by 2030, by deploying mass production technology.

Coal Minister Pralhad Joshi PTI

The 39 coal blocks that are being auctioned in the eight round are spread across Jharkhand, Odisha, Maharashtra, West Bengal and Bihar. These mines come under the Coal Mines (Special Provisions) Act (CMSP) and the Mines and Minerals (Development and Regulation) Act (MMDR).

Out of the 39 mines, four blocks are being offered under 2nd attempt of 7th round under CMSP/MMDR Act, where single bids were received in the first attempt. Of the 35 coal mines being offered under the 8th round, 16 coal mines are new ones and 19 mines are being rolled over from earlier tranches.

The commencement of sale of tender documents for auction shall start from November 15 (Wednesday). The auction shall be held online through a transparent two stage process on the basis of percentage revenue share.

SBI Capital Markets is the sole transaction advisor to the Ministry for the commercial coal mine auctions and is assisting in conducting the auction process.

Coal Secretary Amrit Lal Meena said that captive/commercial coal mines are contributing significantly to the overall production. He emphasised that systematic surveys were carried out before offering the 39 mines for auction.

Additional Secretary and Nominated Authority M Nagaraju emphasised on the need for further enhancing domestic coal production. He highlighted that a series of reforms have been initiated by the Ministry recently. Domestic coal demand will be increasing in the coming decades too. Therefore, investment in the coal sector offers good returns, he added.

UNDERGROUND MINING

Later speaking to the reporters, Meena said the Ministry seeks to enhance production from underground coal mines to 100 mt by 2030 from the current 26 MR annually.

"Such mines have already been identified. We had constituted a high level committee to suggest policy measures to promote underground mining. The committee has submitted its report, the recommendations of the committee are with the ministry. They are under different discussion stages and we will shortly come out with a suitable policy framework," he added.

The Secretary also emphasised that the environmental impact of underground mining is lower compared to open cast mining as large scale deforestation is not required and displacement of people is significantly lesser too.

BUSINESS LINE DATE:16/11/2023 P.NO8

Tin prices likely to rule firm for rest of 2023

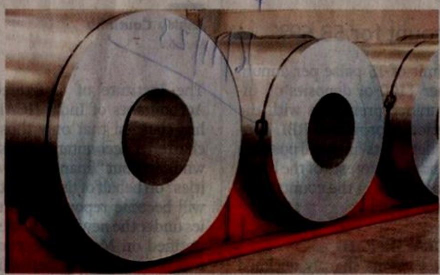
STABLE OUTLOOK. Rising demand, tight supplies owing to mining ban in Myanmar's Wa region may aid the trend

Subramani Ra Mancombu
Chennai

Tin prices, which topped $25,000 a tonne at close on the London Metal Exchange on Tuesday, are likely to rule firm for the remainder of the year and in the first quarter of 2024 on increasing demand and tight supplies, say analysts.

"LME tin price rallied somewhat this (last) week, approaching $24,800 after a sharp drop to a six-month low at the end of October, amid broader bearish sentiment across base metals," said Tom Langston, Senior Market Intelligence Analyst, International Tin Association (ITA).

"...global supplies have tightened over the course of 2023 thus far... TSM (Taiwan Semiconductor Manufacturing) believes the semiconductor industry is close to a bottom and about to enter the next cyclical upturn," said research agency BMI, a unit of Fitch Solutions.



BRIGHT SPOTS. While a demand surge in the fourth quarter festival season seems uncertain, the Chinese electronics market and the solar sector continue to shine

SUPPLY FEARS

"Tin prices increased by 2 per cent in Q32023 from the previous quarter due to supply disruption concerns. The closure of mines in Myanmar, aimed at preserving remaining tin resources, is impacting China's raw material supply," said the World Bank in its Commodity Outlook.

Tin mining and processing operations in Myanmar's key-producing region of Wa have remained suspended since August. The region accounts for nearly one-sixth of the global production and is the main supplier for manufacturers in China.

"Consequently, the world's top consumer was forced to seek tin from alternative sources, driving imports from the Democratic Republic of Congo to soar by 24 per cent in the first three quarters of the year, raising buying competition in other global benchmarks," said the *Trading Economics* website.

MYANMAR BAN

"Along with rising tin demand from the semiconductor industry, the banning of tin mining in Myanmar's Wa region as well as Indonesia's tin ingot export ban will ensure the global tin market remains tight in the coming months," said BMI.

Langston said though a demand boost in fourth quarter festival season appeared uncertain, the Chinese electronics market and the solar sector remained bright spots.

"Recent negative updates from Wa State have pushed back mine reopening estimates, bringing supply resilience into sharper focus as we look towards Q1 2024," he said.

BMI said it has raised "slightly" its tin price forecasts for 2023 to $25,700/tonne from $25,000 previously as prices remain elevated amid improving demand and tight supplies.

REACHED A TROUGH

"Global semiconductor sales data show that the decline in demand for semiconductors since mid-2022 has reached its trough, with sales increasing steadily since July 2023," the research agency said.

The World Bank, however, said prices of tin — which is used in photovoltaic installations, electric vehicles, and electronics — are expected to decrease by an additional 4 per cent in 2024 from 2023. "Demand for tin, a key component of electronic manufacturers, is expected to remain subdued reflecting weak economic activity in major economies in 2024," it said.

BMI anticipates the soldering metal prices to edge higher in 2024 as the seaborne market will witness a fall in supplies as Myanmar's mining ban extends and Indonesia's ban on tin export comes into force.

The research agency forecast global refined tin production to increase by 1.4 per cent year-on-year in 2023. It expects continued supply growth as new projects in Peru and Malaysia realise a full year of output.

It also revised its forecast higher for global refined tin consumption, which will likely grow by 2.3 per cent y-o-y in 2023 and 2.4 per cent y-o-y in 2024.

BUSINESS LINE DATE:16/11/2023 P.NO3

Coking coal shipments down 11% y-o-y in Oct

Abhishek Law
Rishi Ranjan Kala
New Delhi

India's coking coal imports saw an 11 per cent decline to 4.41 million tonnes (mt) in October, primarily on account of a 33 per cent drop in shipments from Australia, over the same period last year. Australian shipments declined following rise in price of coking coal, a key steel-making feedstock material.

However, on a month-on-month basis, shipments coming in rose by 7 per cent, as per Steel Ministry data.

The prime hard coking coal prices peaked to one of the highest in October to $365 per tonne as against $311-odd per tonne in September. Soaring industrial needs and the urgency to secure coking coal supplies, especially with depleting stocks at ports, are seen as the key causes for rising imports.

LOCAL OUTPUT LESS

International global trade intelligence platform, Kpler's Lead Major Dry Bulks Analyst, Alexis Ellender, pegged India's metallurgical coal imports were slightly below the September level in October at 5.27 mt, down on the 5.54 mt achieved in the same month last year.

"With India not producing significant quantities of metallurgical coal (coking coal) domestically, strong growth in crude steel output has a direct impact on import trends. Crude steel output jumped by 18.2 per cent y-o-y in September to 11.63 mt, bringing annual growth in the year-to-date to 11.59 per cent. This was close to the 9.40 per cent increase in metallurgical coal imports over the first ten months of the year," he told *businessline*.

However, Ellender did add that further strong crude steel output is expected in the coming months as industrial activity ramps up post monsoon.

"We anticipate robust metallurgical coal shipments to persist through the remainder of the year and into next," he said. Coal India, the world's largest coal miner, reported an 8 per cent rise in coking coal production, m-o-m to 4.53 mt. "Due to soaring Australian coking coal prices, end-users are looking at imports from Russia and some other countries. Shipments from Canada and the US are witnessing some increase too on a m-o-m basis," a Steel Ministry official said.

MAJOR PRODUCERS

Russian coking coal shipments have been around 0.50 mt in both September and October. While Australia, saw a 33 per cent drop on account of a spurt in prices over the last few months, the country remained the highest seller to India's steel mills at 2.43 mt for October. The US was the second largest seller at 0.68 mt for the month, with shipments rising 107 per cent y-o-y.

For the April – October period, India's total coking coal imports stood at 33.40 mt, down 2 per cent y-oy. Imports in the year-ago-period was 34.14 mt. Australia remained the largest supplier with 20.17 mt, down 12 per cent y-o-y; whereas shipments from the US rose 9 per cent y-oy to 4.97 mt. Russia, the third largest supplier saw a 210 per cent rise y-o-y to 3.46 mt for the seven-month period (vs 1.12 mt in 7MFY23).

Trade sources said, PCI coal imports in October was 0.91 mt in October compared to 1.28 mt in October 2022.

HITCITY LINE DATE:16/11/2023 P.NO6

Govt to invite proposal from startups, MSMEs, others to promote R&D in mining

■ Business Reporter

THE Mines Ministry on Wednesday said it will invite proposals from startups, micro, small and medium enterprises (MSMEs) and individual innovators in a bid to promote research and innovation in the mining, mineral processing, metallurgy, and recycling sector.

The selected startups and MSMEs will be provided mentorship or incubation support and technical advisory support during the entire project development period. Besides from the date of technical completion, the selected startups and MSMEs will be provided additional two years of incubation support by a facilitation and mentorship team under the implementing agency.

The Centre has decided to promote research and innovation in startups and MSMEs and "has brought out guidelines for 'promotion of Research and Innovation in Startups and MSMEs in mining, mineral processing, metallurgy and recycling sector (S&T-PRISM)'.

"Proposals will be invited from startups, MSMEs and individual innovators for up to two years duration, which has a direct bearing on the mineral sector, applied and sustainable aspect of mining and industrial applications, for funding," the Mines Ministry said in a statement.

This will enable them to graduate to a level where they will be able to raise investments or they will reach a position to seek loans from commercial banks, and financial institutions.

The funding is positioned to act as a bridge between the development and commercialisation of innovative technologies, products, and services in a relatively hassle-free manner.

LOKMAT DATE:16/11/2023 P.NO9

५०हून अधिक देशांतून लिथियम आयातीसाठी भारताने कंबर कसली

ईव्हीसाठी आवश्यक खनिज; कर्नाटक, जम्मू-काश्मीरमध्येही सापडले साठे

हरीश गुप्ता
लोकमत न्यूज नेटवर्क

नवी दिल्ली : इलेक्ट्रिक वाहनांसाठी (ईव्ही) आवश्यक असलेल्या लिथियम या महत्त्वाच्या खनिजासाठी जागतिक पातळीवर संघर्ष सुरू आहे. भारतही वाहतूक क्षेत्रातील हरित ऊर्जेच्या मुद्द्याला चालना देण्यासाठी लिथियम मिळविण्याच्या स्पर्धेत उतरला आहे. ५०हून अधिक देशांतून लिथियमची आयात करण्यासाठी भारताने कंबर कसली आहे. तसेच देशात लिथियमचे साठे शोधण्यावरही लक्ष केंद्रित करण्यात आले आहे.

भारताने एका प्रकारच्या लिथियमची २०११-१२ या कालावधीत १२५०२ एनओएस इतकी आयात केली होती. २०१९-२० या वर्षात हा आकडा ७२,३७५ वर पोहोचला. अतिशय उच्च

प्रतीच्या लिथियमची २०१९-२० या कालावधीत ५३९,४२७ एनओएस इतकी आयात भारताने केली. हाँगकाँग, इंडोनेशिया, मलेशिया, जपान, इस्रायल, सिंगापूर, माल्टा, इस्टोनिया आदी ५० देशांतून लिथियमची आयात करण्यास भारताने सुरुवात केली.

कर्नाटकमध्ये १६०० टन लिथियमचा भूगर्भात साठा सापडला आहे. जम्मू-काश्मीरमधील रियासी परिसरातील सलाल हैमना येथे लिथियमच्या साठे असण्याची शक्यता जिऑलॉजिकल सर्व्हे ऑफ इंडियाने व्यक्त केली आहे. त्यादृष्टीने प्राथमिक स्वरूपाचे काही खाणकामही करण्यात आले आहे.

काश्मीरमध्ये लिथियमचे ५.९ दशलक्ष टन इतके साठे असण्याची शक्यता आहे. लिथियम साठे असलेल्या खाणींची लिलावाद्वारे खासगी कंपन्यांसह अन्य कंपन्यांना विक्री करण्याचा केंद्र सरकारचा विचार आहे.

देशामध्ये इलेक्ट्रिक व्हेइकलचा (इव्ही) वापर वाढावा असे केंद्र सरकारचे धोरण आहे. त्यानुसार नाल्को, एचसीएल, एमईसीएल या तीन सार्वजनिक कंपन्यांनी एकत्र येऊन ओएनजीसी विदेशच्या धर्तीवर खनिज बिदेश इंडिया लिमिटेड (कबिल) हा संयुक्त प्रकल्प हाती घेतला आहे. अतिशय महत्त्वाच्या असलेल्या खनिजांचा भारताला सातत्याने पुरवठा होत राहावा यासाठी केंद्र सरकारने एक धोरण निश्चित केले आहे.

दोन वर्षांपूर्वी लिथियमचे ८४ हजार टन उत्पादन

जगात २०२१ साली लिथियमचे ८४ हजार टन इतके उत्पादन झाले. लिथियमचा अधिकाधिक पुरवठा होण्यासाठी कबिल प्रयत्नशील आहे तसेच लिथियमसारख्या खनिजांच्या उत्पादन प्रक्रियेत अन्य देशांत गुंतवणूक करण्याचे भारताने धोरण स्वीकारले आहे.

HITCITY LINE DATE:17/11/2023 P.NO6

'Coal power plants' capacity utilisation will improve to 65 pc'

- Over the past two fiscals, electricity demand witnessed a robust 8-9 per cent annual growth, driven by post-pandemic economic rebound

Business Reporter

COAL-BASED thermal power units' plant load factor (PLF) or capacity utilisation will improve to 65 per cent in the current fiscal year despite record renewable energy capacity addition, according to Crisil Ratings.

"Healthy PLFs along with lower receivables and encouraging fuel supply will support the credit profiles of private coal-based generating companies (gencos)," Crisil Ratings said. The PLFs of coal-based power plants in India will improve to 65 per cent this fiscal despite record renewable energy (RE) capacity addition.

Over the past two fiscals, electricity demand witnessed a robust 8-9 per cent annual growth, driven by the post-pandemic economic rebound, the agency noted.

During this period, 34 gigawatts (GW) of capacity has been added, with 90 per cent of it in RE, the statement said.

In GW terms, this is a 9 per cent growth in power capacities, but on normative terms this was only 4-5 per cent growth as capacities operate at varying PLFs, and in this incremental supply, coal-based power plants remain an important cog, accounting for 69-71 per cent of total power generation because of the intermittent nature of RE with lower PLFs, it added.

Crisil Ratings Director Ankit Hakhu said, "Power demand is seen growing 5-6 per cent, and a part of the incremental requirement will be met by the newly added RE capacities, including 18 GW in wind and solar, the highest ever. That said, a good portion of the incremental generation will be met by existing coal-based power plants".

This will prove beneficial for thermal PLFs, which are likely to improve by 100 basis points (bps) to over 65 per cent in fiscal 2024, as no material coal-based capacity is envisaged in this fiscal and relatively low-capacity addition of hydro, biomass and nuclear, Hakhu said.

Crisil Ratings Team Leader Mithun Vyas said, "Overall, we expect coal-based power plants rated by us to witness over 20 per cent on-year rise in cash flow from operations (CFO) this fiscal. Consequently, CFO to total debt for these power plants will improve from 11 per cent as on March 31, 2023, to an estimated 15 per cent as on March 31, 2024".

In parched Bundelkhand, chasing elusive diamonds and sustenance

Many voters in the drought-prone region of Madhya Pradesh believe that invaluable glittering rocks are buried under their land and getting a mining company back will change their lives for the better; sections of tribal population express faith in the corporate enterprise as parties do canvassing

GROUND REPORT

Ishita Mishra
CHHATARPUR

It is hard to find a single *pucca* house at Manki, a tribal village in Chhatarpur district in the drought-prone Bundelkhand region of Madhya Pradesh.

Barely 2 km from Nainagiri, a Jain pilgrimage site, Manki, with over 1,100 people and 250 families, all from the Sour tribe, lacks basic amenities with irregular power supply and no running water and a sanitation system.

Voters, mostly marginal farmers, are looking for an MLA who can help them with their long-pending demand for water for farming and a corporate enterprise that can give them jobs and facilities.

With the Assembly election scheduled for Friday, candidates travel in convoys of sedans and sports utility vehicles. Of the 26 Assembly seats in the drought-stricken and poverty-ridden tribal region of Bundelkhand comprising Sagar, Tikamgarh, Chhatarpur, Panna, Damoh, and Datia districts, the BJP won 16 in 2018. One seat each went to the Samajwadi Party and the Bahujan Samaj Party. The Congress, which formed the government following the election, bagged eight. After the revolt by Jyotiraditya Scindia in 2020, the then Congress MLAs from Sagar and Chhatarpur moved to the BJP, and later, the saffron party took over power in the State.

Ram Prasad, 70, lives in a mud house covered with plastic sheets as shield from the wind. He said MLAs rarely visit Manki. Poverty forced two of his sons and three grandchildren to migrate to Rajkot, over 1,000 km away, where they work in a carton-making company. Mr. Prasad is not sure whom to vote for this time because even if he had voted for the Congress in the 2018 election, Pradyuman Singh Lodhi, the incumbent MLA, later moved to the BJP.

Waiting for 'company'

Rajrani Devi, 59, who lives a few doors away, says: "There are only three hand-pumps in the village and we have to fetch drinking water from an old well.

In limbo: A private diamond mine in Brijpur where villagers use traditional ways to extract diamond. ISHITA MISHRA

The higher secondary school (above Class 8) is 12 km away and just one bus comes here, once in day, which is the only way for people to commute." She added that she was not receiving money under Chief Minister Shivraj Singh Chouhan's much-touted Ladli Behna scheme which aims to provide financial assistance to women. "I will vote for a person who can get me water, and a company [corporate enterprise] such as the one that came to Sagouriya (a village 40 km from Manki in Buxwaha tehsil)," she said.

Sagouriya is deep inside a dense forest and the only way to reach there is by a two-wheeler, crossing dry patches on the riverbed and the occasional leopard. It is one of the 15 villages "adopted" by the international mining giant Rio Tinto, which was granted a prospecting licence in the Bunder region in 2004 by the then BJP government. Claiming there were diamonds worth approximately ₹20,520 crore in the area, the company operated till 2016, and in a little over a decade, it "adopted" villages. Sagouriya's population of 300 people benefited, but hundreds of trees were cut for the project, which was later shelved for environmental reasons.

Mr. Lodhi, the BJP candidate, has made a promise in a public campaign to "bring the company back" and improve the lives of the people. Ram Sia Bharti, the Congress candidate, also wants a firm as it provided employment, but not at the cost of the environment. Bundelkhand's other diamond mining region, Panna district, is a five-hour drive from Sagouriya. Dhyanchand Jain, 69, supervises a stationery shop in Brijpur, a village with a population of 3,500. Mr. Jain has spent more than half his life looking for diamonds. His son now has a diploma in diamond certification. Father and son wait for "the company" to come to Brijpur. They hope for jobs and opportunity.

In Brijpur, people are not happy with Brijendra Pratap Singh, the BJP MLA. Though the saffron party has been winning this seat for 10 years, people feel not much has been done.

The Ken river flows through the Panna Tiger Reserve, and became an important election issue after the Centre announced linking it with another of the Yamuna's tributaries, the Betwa. The government claims that if the project came about, it would solve Bundelkhand's water crisis as it will irrigate to 10.62 lakh hectares of land a year, drinking water supply to 62 lakh, and generate 103 MW of hydel power and 27 MW of solar power.

"I wish this project never comes up as it will only destroy Panna's forests and adversely affect the Ken. I wish the government had thought about saving the traditional ponds of this region," Amit Bhatnagar, a social activist in Chhatarpur, who is contesting the election on Aam Aadmi Party (AAP) ticket from the Bijawar seat, said.

In Nimani, another village formerly 'adopted' by Rio Tinto, Kamta Adivasi, who use to work in the company's pantry, said she wanted it back. "I got my son do a graduation degree. Now he is jobless," she said. "You bring the company; the company will bring water on its own, along with jobs."

BUSINESS LINE
DATE:17/11/2023PNO10

Palm oil closes down tracking Chicago soya oil

Jakarta: Malaysian palm oil futures closed lower on Thursday, tracking a decline in soyoil prices on the Chicago Board of Trade, while profit-taking also weighed. The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange fell 18 ringgit to 4,000 ringgit a tonne on the closing. REUTERS

LME zinc stocks almost double after big inflows

London: Inventories of zinc in warehouses approved by the London Metal Exchange (LME) have nearly doubled owing to large arrivals after months of dwindling stocks, LME data showed on Thursday. Stocks of the metal mainly used for galvanising steel jumped 96 per cent to 1,33,200 tonnes after inflows of 65,725 tonnes into storage facilities in Singapore and Malaysia. REUTERS

BUSINESS LINE DATE:17/11/2023 P.NO11

SAIL moves to renew leases of 9 mines; 2 cleared

MATTER OF CONCERN. Though this will not impact operations of the steel giant directly, continuity of these leases is vital for the PSU to ramp up capacities

Abhishek Law
New Delhi

The leases of 13 out of the 19 non-operating (mostly iron-ore) mines of the Steel Authority of India Ltd (SAIL) have lapsed. The CPSE has begun work on renewing leases and restarting operations at nine of these mines, of which seven are stuck at various levels across three States.

Operations at one mine in Odisha began earlier this year and clearance for operationalising one Chhattisgarh mine was received earlier in October, as per an internal note of the Steel Ministry, accessed by *businessline*.

According to the note, there are four mines in Jharkhand, two in Odisha and one in Tamil Nadu that are awaiting clearances including environmental impact assessment report, wildlife management plans, diversion or conversion of forest land for mining, and lease surrender clause.

As of now, there is no direct impact on the operations of SAIL, but continuity of these mining leases is important as SAIL looks to ramp-up capacities.

"Out of 19 non-operational mines of SAIL, leases of 13 lapsed in March 2022. However, no notification has been issued by the Ministry of Mines in this regard till now. Matter regarding order for extending the period of starting mining operations by SAIL on a case-to-case basis in relaxation of provisions .... are pending with the Ministry of Mines.

JHARKHAND MINES

"As advised by the Ministry of Mines, the Steel Ministry directed SAIL to pursue the matter with the State governments," the note reads.

In Jharkhand, the four mines that are awaiting clearance include Kiriburu-Megathaburu, Jhillingburu-1, Jhillingburu-2 and Topailore.

Officials aware of the discussions said, in case of operating the Kiriburu - Megathaburu mine (Lease I, II and III), a meeting between SAIL officials with the Principal Chief Conservator of Forest (Nodal) and Head of Forest Force, Ranchi, took place in September-end where discussions took place on the land-use plans, surrender plans, etc. Presently, the proposal to re-start operations is being examined by the office of the Principal Chief Conservator of Forest, Jharkhand regarding compliance of Wild Life Management Plan. Post consideration, it will be forwarded to the environment department for grant of further clearances.

In case of Jhillingburu-1, SAIL roped in IIT-Kharagpur to prepare a report on dealing with concerns such as water conservation, minimising soil erosion, construction of check dams, stabilisation of overburden dumps, etc. The final draft study report was submitted in June and again in August. SAIL officials met the District Forest Officer, Saranda, in September, and post consideration at various levels will be taken ahead.

In Jhillingburu-2, re-modification of mining plans are being carried out and expedited; while for Topailore mines, an additional document dealing with "Justification for Grant of Mining Lease for Topailore Lease" is being worked-on that details the rationale behind asking for extension of the lease.

During a meeting between Union Steel Secretary and Chief Secretary, Jharkhand, it was said the hearing procedure was completed across three of the mines. SAIL also requested expediting the process of hearing on lapsing of mining leases which will help in pending extension of the lease.

OTHER STATES

In Odisha's ML-139 mine, concerns have been raised over the in-volatile nature of the land which has led to the project being pushed back. Apparently, a supplementary lease renewal was carried out twice since there was a delay in receiving necessary clearances. For the ML-227 mine in the State, work is being carried on securing approvals for the mining plans. Additional queries have been raised and responses are being drafted For Tamil Nadu's GO No. 85: mines, these were trans ferred to SAIL Refractor Company Ltd (SRCL) fron Burn Standard last year. An currently, SRCL is integrat ing results of the public hear ing minutes into the Draft En vironmental Impac Assessment report. The re port apparently is in the fina stages of preparation an once the environment clear ance is obtained, it will b taken up "for further consid eration".

GO-AHEAD RECEIVED

In the case of Kalwar-Nagu in Chhattisgarh, the leas deed was granted (renewed and registered in July. Regis tration of the mine was don in September, and an "ente upon permission order" wa granted in October. Work or ders for the mines have bee issued.

The Bolani mine in Odisha which covers 6.9 sq miles, wa operationalised in March an an inaugural shipment o 1,136 tonnes of Manganes was sent to Rourkela Stee Plant in August.

AT CROSSROADS. Four mines in Jharkhand, two in Odisha and one in Tamil Nadu are awaiting clearances across categories like environmental impact assessment report, wildlife management plans, diversion or conversion of forest land for mining and lease surrender clause BISWARANJAN ROUT

HITCITY LINE DATE:18/11/2023 P.NO9

Steel Ministry to soon finalise SPEL

NEW DELHI, Nov 17 (PTI)

THE Steel Ministry is expected to soon finalise its Sectoral Plan for Efficient Logistics (SPEL), the Commerce Ministry said on Friday. The Ministry stated this during the 60th meeting of the Network Planning Group (NPG) on November 16. They also outlined their SPEL approach, encompassing in-depth supply and demand analysis for iron ore, forecasted requirements up to 2030-31 and beyond.

BUSINESS LINE DATE:22/11/2023 P.NO9

NMDC to start viability study on Oz lithium mines in April

DIGGING DEEP. The CPSE expects to complete the exercise by Oct-Nov 2025

Abhishek Law
New Delhi

NMDC, the country's largest iron ore miner, will initiate preliminary feasibility studies (PFS) for its lithium mines in Australia, beginning April 2024, its Chairman, Managing Director (Additional Charge) and Director (Finance), Amitava Mukherjee has said. The mines are currently at the pre-PFS stage.

According to him, there are working lithium mines just above the terrain (where its mines are located in Australia) and also below its terrain. And NMDC should be able to complete the preliminary feasibility studies around October-November 2025.

PRE-FEASIBILITY STUDY

"... so we are just exploring right now. We are at the pre-PFS stage and will hopefully undertake the preliminary feasibility studies starting next April ... It should take around 18 months to do the PFS," he said during a recent earnings call. A pre-feasibility study or PFS is an early stage analysis of a potential mining project. These studies are conducted by a small team and are designed to give company stakeholders the basic information they need to green-light a project or choose between potential investments.

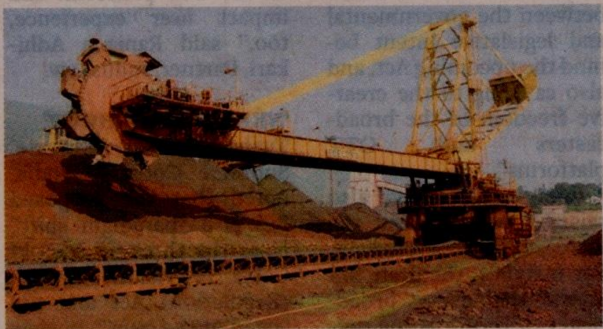
They typically give an overview of a mining project's logistics, capital requirements, key challenges and other information deemed important to the decision-making process, such as whether the operation will be open pit or underground.

A pre-PFS on the other hand includes sufficient mineral exploration work, including drilling, to inform a mineral resource report, a potential model of the orebody and a scoping study.

"Of course if the results are encouraging, we will fast-track everything. So let us see how the results come," Mukherjee added.

NMDC, a CPSE under the Ministry of Steel, through its Australian subsidiary, Legacy, and local partner, Hancock Mining — the fifth largest mining company in the world — is already carrying out pre-feasibility studies of magnetite iron ore (and also lithium) mining in Australia.

"They (Hancock) are partnering with us in developing that (magnetite iron ore deposits) so we are in the PFS stage for the magnetised project and the pre-PFS stage for the lithium project," he said.



GETTING THE BASICS RIGHT. A pre-feasibilty study gives an overview of a mining project's logistics, capital requirements, key challenges and other information deemed important to the decision-making process

GOLD RUSH

NMDC had earlier this month commissioned its gold mine in Australia. According to Mukherjee, "right now (it) is a very small gold mine"; but the CPSE plans to ramp up operations there. Plans are afoot to increase production to "about a tonne in about a year's time or within 15 months".

If its Kirandul projects in India work out on expected lines, Mukherjee said, "the company will have significant gold presence over the next 24 months".

Bet long in aluminium with stop-loss at ₹202.50

Gurumurthy K
bl. research bureau

MCX Aluminium

Aluminium prices appear likely to bounce back this week. The aluminium futures contract traded on MCX made a low of ₹203.50 per kg last week. It then managed to rise back and currently trades at ₹205 per kg.

COMMODITY CALL.

The rise above ₹204 is a positive sign. The region between ₹204.20 and ₹204 will now be a good support. Immediate resistance is at ₹206.50. But as long as the contract trades above ₹204 the outlook will be bullish. So, the aluminium futures contract is highly likely to breach ₹206.50 in the coming days. Such a break can take the contract up to ₹209-210 this week. Support below ₹204 is at ₹203. The contract will come under pressure only if it declines below ₹203. In that case, there may be a fall to ₹202 and ₹201 in the short term, but that looks less likely.

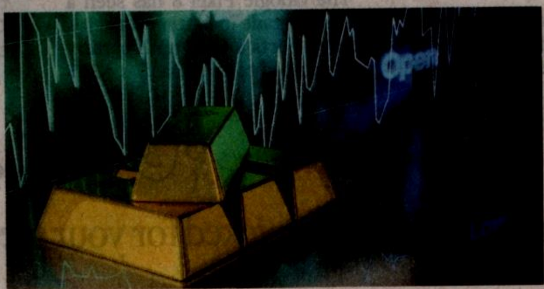
The price action on the daily chart indicates that the MCX aluminium contract can sustain well above ₹204 and rise past ₹206.50 in the coming days. Traders can go long now. Accumulate on dips at ₹204.50. Keep the stop-loss at ₹202.50. Trail the stop-loss up to ₹206.20 as soon as the contact moves up to ₹207. Move the stop-loss further up to ₹207.30 when the price touches ₹208.10. Exit the long positions at ₹208.50.

Govt tweaks gold import policy to bolster yellow metal trade with UAE

KR Srivats
New Delhi

The Centre has amended the gold import policy condition to give further fillip to the gold trade between India and the UAE.

The Directorate General of Foreign Trade (DGFT) has now allowed gold to be imported through India International Bullion Exchange IFSC Ltd (IIBX) at a concessional import duty rate under the tariff rate quota (TRQ) provisions of India-UAE Comprehensive Economic Partnership Agreement (CEPA), which came into effect from May 2022.



NEW AVENUE. Valid quota holders under the India-UAE trade pact can import gold through the Gift City based IIBX

"Valid India-UAE TRQ holders, as notified by IFSCA, can import gold through IIBX against the TRQ and can obtain physical delivery of the same through IFSCA registered vaults located in SEZs as per the guidelines prescribed by the IFSCA," the DGFT said in a notification.

FACILITATING TRADE

Reacting to this development, Vipul Shah, Chairman, The Gem and Jewellery Export ProMotion Council, told *businessline* this move will facilitate the trade of gold between the two countries and benefit the Indian jewellery industry. it will reduce transaction costs and enhance the ease of doing business, he added.

"This will also help in creating a vibrant gold market in India and boost the exports of value-added jewellery products. We appreciate the efforts of the Government of India and the IFSCA in implementing this progressive policy measure," Shah added.

The India-UAE CEPA provides one per cent duty concession to domestic importers on a specified quantity of gold under TRQ (tariff rate quota) provisions of the pact.

BUSINESS LINE DATE:24/11/2023 P.NO3

Coal India makes plans to phase out mining equipment imports in 6 years

Press Trust of India
New Delhi

State-owned CIL, which has imported high-capacity mining equipment worth ₹3,500 crore in the past five years, has drawn up a plan to phase out such inbound shipments over the next six years, the government said on Thursday.

The move aims to encourage and develop domestically manufactured equipment, it said.

CURBING IMPORTS

"Currently, Coal India Ltd (CIL) imports high-capacity equipment, such as electric rope shovels, hydraulic shovels, dumpers, crawler dozers, drills, motor graders and front-end loaders wheel dozer, valued at ₹3,500 crore, incurring additional expenses of ₹1,000 crore in customs duty," the coal ministry said in a statement.

These equipment were imported over the past five years.

To curb these imports and boost domestic manufacturing, CIL has devised a strategy to phase out imports gradually over the next six years, it said.

Notably, high-capacity machines are already being procured from domestic manufacturers.

With a strong commitment to reduce the country's dependence on imports and promoting domestic production, the Centre is taking steps to foster indigenous manufacturing capabilities within the coal mining sector.

"In pursuit of this goal, an interdisciplinary high-level committee under the chairmanship of Director (Technical), CIL, was constituted to provide recommendations for bolstering domestic manufacturing of Heavy Earth Moving Machinery (HEMM) and underground mining equipment, including High Wall Miners, standard and low-capacity miners and associated ancillary equipment," the statement said.

MOVING FORWARD. The government says the move aims to encourage and develop domestically manufactured equipment

MAJOR SOURCE

It is projected that coal will remain the predominant source of energy even beyond 2030, thus, the panel expected a huge requirement of equipment in the next 10 years in the country, for opencast and underground mines and submitted its final report.

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

HITCITY LINE DATE:24/11/2023 P.NO6

Mine Safety Fortnight begins at Western Coalfields Ltd

■ **Business Reporter**

CITY-BASED PSU Western Coalfields Limited (WCL) on Thursday launched Annual Mine Safety Fortnight- 2023. Chairman-cum-Managing Director of the company Manoj Kumar inaugurated the event by hoisting flag. The safety fortnight will be celebrated from November 23 to December 9.

In his address, Kumar explained the importance of the fortnight and said that it increases awareness and participation among the employees. "Safety is the priority of the PSU and everyone should strictly follow the safety rules." he said.

Director (Technical / Personnel) J P Dwivedi administered the safety oath. Earlier, the guests present offered floral tributes at the martyrs' memorial. Director Technical (Planning/Project) A K Singh, Chief Vigilance Officer Ajay Madhukar Mhetre, Coal India Safety Board Member C J Joseph and General Managers, department heads and employees were present.

BUSINESS LINE DATE:24/11/2023 P.NO3

Coal imports for power plants surge 65% in October on rising demand

Rishi Ranjan Kala
New Delhi

Thermal power plants (TPPs) imported 65 per cent more coal on a monthly basis during October 2023, as India's power consumption surged, aided by rising industrial and domestic use.

The scenario prompted the Power Ministry to mandate more blending with imported coal at 6 per cent from 4 per cent earlier.

TPPs with cumulative capacity exceeding 180 gigawatts (GW) imported 7.5 million tonnes (MT) of coal for blending last month, against 4.54 MT in the year-ago period, a growth of 65 per cent, government data showed.

However, inbound shipments of the critical commodity fell 9 per cent year-on-year to 35.28 MT during April-October in the current financial year, from 38.84 MT during the same period in FY23.

Hotting up

Coal import by thermal power plants for blending (million tonnes)

	Oct-23	Oct-22	April-Oct 2023	April-Oct 2022
Domestic supply	65.5	55.9	446.9	410.7
Imported supply	7.5	4.5	35.28	38.84
Total supply	73	60.5	482.2	449.5
Consumption	75.7	58.3	498	447.6

Source: Central Electricity Authority (CEA)

POWER CONSUMPTION

India's power demand has surged at an unprecedented pace in the last few months, rising by more than 20 per cent y-o-y during August, September, October and November so far.

The rising power demand was a key issue of focus during the recently concluded meeting of Centre and State power ministers (October 6-7).

Power Minister RK Singh also directed States and union territories to run power plants at full capacity.

Sources said that during the next demand season, April to June, peak power demand can scale 250 GW from 241 GW recorded on September 1, 2023.

Despite consistently higher production and despatch by the Coal Ministry, the rising consumption of electricity has stretched coal supplies at power plants.

COAL CONSUMPTION

According to the monthly coal report, TPPs with capacity exceeding 206 GW consumed 75.7 MT of coal in October 2023 against 58.3 MT in October 2022.

During April-October 2023, consumption surged to 498 MT against 447.6 MT in the year-ago period. Domestic supplies of the dry fuel were higher at 65.5 MT last month, compared to 55.9 MT in October 2022.

During April-October 2023, supplies stood at 446.9 MT, against 410.7 MT in April-October 2022.

During October, Coal India (CIL) supplied 48.73 MT of coal, followed by captive mines at 7.88 MT. Singareni Collieries Company (SCCL) supplied 5.27 MT, while 3.03 MT of coal was procured through e-auctions.

Currently, the gap between consumption and receipt at domestic power plants is around 2.5 lakh tonnes (LT) per day.

SURGE IN DEMAND

India's energy consumption rose 22 per cent y-o-y to 139 billion units in October 2023 owing to a surge in electricity demand, below-average rainfall and lower base from last year.

TPPs ran at a plant load factor (PLF) of 71.72 per cent in October 2023 against 55.11 per cent last year. For April-October, the PLF was 68.73 per cent, against 62.75 per cent during the same period last year.

HITCITY LINE DATE:24/11/2023 P.NO9

COAL INDIA

To phase out mining equipment imports in 6 years, says Govt

- These equipment were imported over the past five years

NEW DELHI, Nov 23 (PTI)

STATE-OWNED CIL, which has imported high-capacity mining equipment worth Rs 3,500 crore in the past five years, has drawn up a plan to phase out such inbound shipments over the next six years, the Government said on Thursday.

The move aims to encourage and develop domestically manufactured equipment, it said. "Currently, Coal India Ltd (CIL) imports high-capacity equipment, such as electric rope shovels, hydraulic shovels, dumpers, crawler dozers, drills, motor graders, and front-end loaders wheel dozer, valued at Rs 3,500 crore, incurring additional expenses of Rs 1,000 crore in customs duty," the Coal Ministry said in a statement.

These equipment were imported over the past five years. To curb these imports and boost domestic manufacturing, CIL has devised a strategy to phase out imports gradually over the next six years, it said.

Notably, high-capacity machines are already being procured from domestic manufacturers.

With a strong commitment to reduce the country's dependence on imports and promoting domestic production, the Centre is taking steps to foster indigenous manufacturing capabilities within the coal mining sector.

"In pursuit of this goal, an interdisciplinary high-level committee under the chairmanship of Director (Technical), CIL, was constituted to provide recommendations for bolstering domestic manufacturing of Heavy Earth Moving Machinery (HEMM) and underground mining equipment, including High Wall Miners, standard and low-capacity miners, and associated ancillary equipment," the statement said.

It is projected that coal will remain the predominant source of energy even beyond 2030, thus, the panel expected a huge requirement of equipment in the next 10 years in the country, for opencast and underground mines and submitted its final report.

Gold slips Rs 30; silver remains flat

NEW DELHI, Nov 23 (PTI)

GOLD price slipped Rs 30 to Rs 62,170 per 10 grams in the national capital on Thursday amid weak global cues, according to HDFC Securities. The yellow metal had ended at Rs 62,200 per 10 grams in the previous trade. However, silver remained flat for the second straight session at Rs 76,400 per kilogram.

Gold prices traded slightly negative on Thursday, down by Rs 30, against the previous close, Saumil Gandhi, senior analyst of commodities at HDFC Securities, said.

In international markets, gold and silver were quoting lower at USD 1,994 per ounce and USD 23.66 per ounce, respectively. Gold slipped as treasury yields gained after fresh US data showed consumers expect inflation to persist, while traders assessing slew of reports this week to gauge the Federal Reserve's next steps on monetary policy outlook, he said.

THE ECONOMIC TIMES DATE: 24/11/2023 P.NO8

Mining Rules Update to Allow Cos to Explore a Block and Bid

WELCOME CHANGE Move to woo large players to actively explore minerals in India

Twesh.Mishra
@timesgroup.com

New Delhi: The government will soon allow entities conducting exploration of mineral blocks to bid for mining the same blocks, said officials. It is set to notify new mining rules which seek to encourage large mining companies to actively explore minerals in the country, they said. Once approved, these changes in mining rules will allow companies to both explore a block and bid for it.

"This will prompt large players to undertake exploration activity which so far has seen muted interest," said one of the officials, who did not wish to be identified.

Under the existing regime, companies that help establish mineable resources through exploration licences are barred from participating in bids for the same blocks. The ban on exploration licence holders from bidding for mining acted as a deterrent for the sector, with many large mining companies that had units involved with exploration keeping away from participating in exploration. This put the entire burden of exploration on the Geological Survey of India to establish mineable resources in the country.

FOCUS ON TRANSPARENCY

As per the proposed change, bids placed by companies for a block they explored will immediately be made public to bring transparency in the auction process.

Bids quoted by other participants will remain masked until the end of the auction, as is the case right now. The official cited earlier said publicly declaring a bid by the exploration licence holder may encourage other participants to quote higher revenues. Bidding is conducted by state governments and the revenue shared with the exchequer is the parameter which determines winners of a mining lease.

Gold falls Rs 50; silver dips Rs 200

NEW DELHI, Nov 24 (PTI)

GOLD prices dived Rs 50 to Rs 62,120 per 10 grams in the national capital on Friday amid fall in precious metal's price in global markets, according to HDFC Securities.

In the previous trade, the yellow metal had closed at Rs 62,170 per 10 grams. Silver also declined Rs 200 to Rs 76,200 per kilogram. Gold traded negative on Friday, with spot gold prices in the Delhi markets trading at Rs 62,120/ 10 gram, down by Rs 50 against its previous close, HDFC Securities' senior analyst of commodities Saumil Gandhi said.

In the international markets, gold was down at USD 1,992 per ounce while silver was flat at USD 23.65 per ounce.

Global steel output edges up in Oct

Achuth Vinay
Chennai

Global crude steel production increased by 0.6 per cent in October 2023 to 150 million tonnes (mt) against 149.1 mt in the corresponding period a year ago. For the January-October period, production in the 71 nations that account for 85 per cent of world steel output was pegged at 1,567.3 mt, up 0.2 per cent.

According to the World Steel Association, top producer China's output stood at 79.1 mt in October, down 1.8 per cent from the year-ago period. For the January-October period, China's output was 1.4 per cent higher at 874.7 mt.

India reported a huge 15.1 per cent rise in production at 12.1 mt. Overall, for

the January-October period, India's steel output increased by 12.1 per cent at 116.3 mt.

RUSSIA OUTPUT UP

Russia's production soared by 9.5 per cent to 6.3 mt. While output in the US increased by 3.4 per cent at 6.8 mt, Japan's output went up by by 2.6 per cent at 7.5 mt. South Korea and Turkey reported production hike of 6.5 per cent and 4.2 per cent, respectively, at 5.5 mt and 3 mt year-on-year. The steel output in Iran too went up by 3.5 per cent at 3.1 mt.

Steel production in Germany and Brazil tumbled by 8.8 per cent and 10.2 per cent, respectively, to end at 2.9 mt and 2.6 mt.

Region-wise, Africa and Asia-Oceania saw their output go up by 3.5 per cent and 0.8 per cent, respectively. The EU bloc's production saw their output taking a plunge of 7.1 per cent while Europe (Others) had a slight drop in production by 0.2 per cent. The Middle-East region's production went up by 5 per cent, while North America's output remained flat. South America's steel production nosedived 8.7 per cent compared with October 2022 figures.

BUSINESS LINE DATE:25/11/2023 P.NO3

'Made in India' steel exports set for rollout as mills come on-board

Abhishek Law
New Delhi

The Steel Ministry plans to introduce 'Made in India' labelling across export offerings by March 2024, almost a year after the original deadline.

All the integrated steel players (ISPs), after initial hesitation, are now on board, according to a Ministry document accessed by *businessline*.

Pilots surrounding the initiative are expected to start in November.

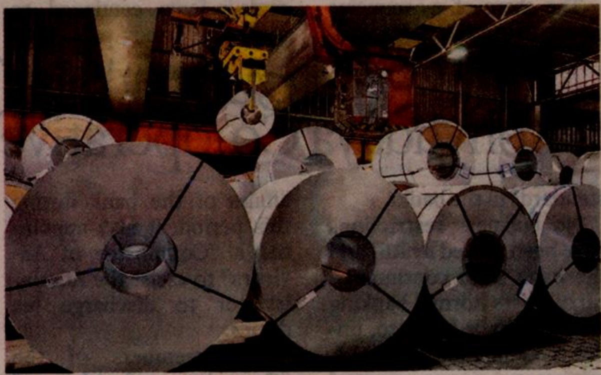
Initially, CPSE major Steel Authority of India Ltd (SAIL) and Jindal Stainless Ltd will take part in the pilots, sources said. Originally due in February, the pilots were delayed on account of "technical issues," including label design issues.

Branding for India-made steel has been a project idea of the PMO.

BRANDING SCHEME

A Ministry official said the branding scheme will be carried out in two phases: in Phase 1, integrated steel players will label their offerings for roll-out by March 2024; Phase 2, which will roll out at a later date, will cover specialised steel makers.

Union Minister Jyotiraditya Scindia chaired the Consultative Committee meeting on Thursday and finalised the details, including timelines for the roll-out.



TWO-PHASE ROLLOUT. In Phase 1, integrated steel players will label their offerings for rollout by March 2024; Phase 2, covering specialised steel makers, will be rolled out later REUTERS

"A first-of-a-kind initiative for an Indian Ministry, labelling and branding will ensure standardised products made by all our ISPs (integrated steel players)," Scindia wrote on the micro-blogging site X (formerly Twitter).

A letter from the Ministry read: "The process of system integration has been successfully completed by all ISPs with the Quality Council of India (QCI). The ISPs are now ready to go live with fixing of Made in India labels on their products."

"The Minister has directed that companies may commence the roll-out from November onwards. A formal launch function is planned shortly," it said.

WORKING WITH QCI

The Ministry worked closely with QCI, which created a platform for generation of QR codes. In a November 2022 meeting attended by the Commerce Ministry officials, the QCI was granted two months to get the QR codes ready.

Label designing, size and content were created by the NID (National Institute of Design), financial approval was received in May, and a study report presented by July, documents from the Steel Ministry show.

The Ministry on-boarded ISPs in a phased manner.

Different deadlines and time frames were set across major brands on issues such as software integration, testing and data exchange with API, registration with QCI and its IT systems., testing in the product, label procurement and final checks before roll-out. The phase-wise break-up saw ISPs such as Tata, Jindal Steel & Power, JSW Steel and AMNS India, come on-board.

Documents accessed by *businessline* show that SAIL, for instance, will complete testing and data exchange with API between August 10 and October 3; registration with QCI to be done by September 13, label procurement by October 3, and so on. Pilots with SAIL were to go live by October, which have been pushed back to November-December, officials said.

Initial plans of the Ministry show HR coil exports across players, including JSL, Jindal Steel & Power, JSW, SAIL, AMNS India and Tata are to be branded, while cold-rolled coil exports for all barring Jindal Steel & Power will be branded. For Tata Steel, Jindal Steel & Power and RINL wire rods are to be branded.

"ISPs will progressively increase their product range with the Made in India label," an official said.

BUSINESS LINE DATE:26/11/2023 P.NO1

Coal India: Accumulate

Parv Shah
bl. research bureau

The power sector has seen positive trends recently, marked by a record peak demand, prompting the expansion of thermal-based generation capacities. This development puts PSU mining giant Coal India in a sweet spot.

Investors can accumulate the stock of Coal India because of of its reasonable valuation, positive industry dynamics, strong balance- sheet and attractive dividend yield.

The Maharatna and its subsidiaries account for nearly 80 per cent of the India's total coal production. Majority of CIL's revenue is tied to the long-term Fuel Supply Agreements (FSA) wherein the company

sells annual contracted quantity (ACQ) of coal at a notified price, providing revenue visibility to the company. Also, it sells a portion of its coal via e-auctions, where the selling process generally fetches higher prices.

TRADE STRATEGY

Since our previous 'Accumulate' call on Coal India (September 18 *bl.portfolio*), the stock has zoomed 45 per cent. However, it is still trading at a reasonable FY24 P/E of around 8 times, which provides comfort.

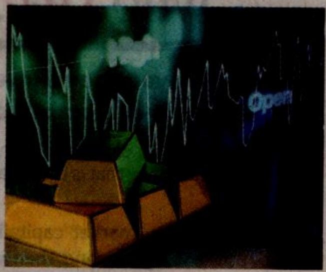
Further, at the current price level, the stock gives a dividend yield of around 7 per cent. On account of these factors, we maintain a positive view on the stock.

BUSINESS LINE DATE:26/11/2023 P.NO6

Gold at a hurdle

BULLION CUES. Silver surpasses a resistance

Akhil Nallamuthu
bl. research bureau



The precious metals extended the gains for the second week straight. Gold and silver appreciated 1.2 per cent and 2.5 per cent as they closed the week at $2,002.9 and $24.3 per ounce respectively.

Likewise, on the MCX, gold futures was up 0.9 per cent and silver futures gained 1.1 per cent by closing the week at ₹61,620 (per 10 gram) and ₹75,551 (per kg) respectively.

MCX-GOLD (₹61,620)
Gold futures (February contract), after gaining early last week, was largely charting a sideways trend. The bulls are now staring at a resistance at ₹61,800.

If this level is breached, we can see a quick rally to ₹63,000, a potential resistance. Subsequent resistance can be seen at ₹65,000.

On the other hand, if there is a fall, there is a support at ₹60,930. Support below this is at ₹59,900.

Trade strategy: Since gold futures has a resistance at ₹61,800, traders can sit out for now. Go long after a breakout.

Target and stop-loss for this trade can be at ₹63,000 and ₹61,100. When the price touches ₹62,500, tighten the stop-loss to ₹61,900.

MCX-SILVER (₹75,551)
Silver futures (March series) closed above ₹75,000 on Friday after consolidating in the preceding sessions. This has opened the door for further rally.

The nearest notable resistance is at ₹78,000. A breakout of this level can lift silver futures to ₹79,400.

Alternatively, if the price drops below ₹75,000, silver futures might extend the downswing to ₹73,500, a support.

Trade strategy: Traders holding longs in December futures can roll over them to March contract. Stop-loss can be placed at ₹73,400 initially.

When the contract rises to ₹77,000, revise the stop-loss up to ₹75,800. Book profits at ₹78,000.

Chance to mine dividends

FUEL. Why Coal India is an attractive investment opportunity

Parv Shah
bl. research bureau

Due to the positive view on thethermal sector, we recently gave an accumulate rating on thermal power major NTPC on account of importance of energy security. Another PSU beneficiary riding the trend is Coal India. Since our Accumulate call in *bl.portfolio* dated September 18, the stock has gained around 45 per cent, driven by volume growth, FSA price hike and high e-auction premium.

Even after that, the stock currently trades at a reasonable valuation of 8 times its FY24 estimated earnings.

The company has a strong balance sheet with cash level to the tune of around 20 per cent of its market cap, which enables it to deliver good dividends to investors; the dividend yield is around 7.37 per cent at its current market price. Hence, we continue to maintain a positive view on the company and investors can accumulate the stock on dips in view of reasonable valuation, strong fundamentals and positive industry dynamics.

BUSINESS

Coal India Ltd, conferred with Maharatna status, is one of the largest coal producers in the world. It is primarily involved in the production and sale of coal and generates most of its revenue from its coal operations.

As of now, the company has 318 working mines out of which 158 are open-cast, 141 are underground and 19 are mixed mines. It produces majority of coal from the open-cast mines. This is because production from underground mines faces issues such as longer gestation periods with lack of skilled labour, unavailability of indigenous equipment, and high departmental production cost. However, open-cast mines are more impacted by rain than underground mines. The company majorly produces non-coking coal to be supplied to thermal power generation companies, besides supplying coking coal to steel companies.

Majority of CIL's revenue is tied to the long-term Fuel Supply Agreements (FSA) wherein it sells annual contracted quantity (ACQ) of coal at a notified price based on quality that can be revised as and when required.

ACCUMULATE

CIL ₹332.70

WHY

- Reasonable valuation
- Strong fundamentals
- Positive industry dynamics

Such arrangement provides revenue visibility. If CIL is not able to meet demand under FSA, it can meet shortfall through importing coal and can supply it on a cost-plus basis.

Further, the company sells coal on spot basis to those whose coal requirement is seasonal and who are not willing to enter into long-term linkage. FSAs, being agreements for relatively longer-term frame, have fewer provisions for price changes. On the other hand, e-auctions are very much likely to reflect the increasing global prices, which are generally on the higher side compared to FSA notified price.

PERFORMANCE

During H1FY24, CIL achieved a YoY growth in production and offtake of 11.3 per cent and 8.6 per cent, taking it to 332.91 MT and 360.66 MT respectively. Of the total offtake, nearly 91 per cent came from FSA and the rest from e-auction as against around 73 per cent from FSA in last year.

However, the management guides for around 15 per cent of offtake through e-auction during H2FY24 — and for 16 per

Robust financials

	FY19	FY20	FY21	FY22	FY23	H1FY24
Revenue (₹ crore)	92,896	89,373	82,710	1,00,623	1,27,627	68,760
EBITDA (₹ crore)	25,019	21,594	18,631	24,706	36,818	20,125
EBITDA margin (%)	27	24	23	25	29	30
PAT (₹ crore)	17,465	16,662	12,660	17,272	27,928	14,754
PAT margin (%)	19	19	15	17	22	21

Source: Company filings

To be continue......

cent YoY growth in volumes during FY24 reaching 780 MT.

Further, the company's realisation during the period slipped by around 4 per cent to 1,696.57 per tonne owing to 33 per cent fall in e-auction realisation, which was compensated by 17 per cent rise in FSA realisation. The increase in FSA realisation is driven by recent price hikes for the grades of coal comprising 30 per cent of its volumes.

Of late, there has been some movement in the e-auction premium over FSA — it spiralled to around 137 per cent in April, 2023, dipped to 55 per cent in June, then moved higher to 78 per cent in August and has currently stabilised at around 90 per cent.

The company saw around 6 per cent YoY rise in its operating revenue during H1FY24 at ₹68,760 crore, driven by increase in volumes and compensated by decrease in realisation. Its EBITDA and PAT during the period have remained stable at around ₹20,125 crore and ₹14,754 crore respectively. CIL might see a decline in profitability in the near term owing to normalising e-auction premium and higher wage cost. However, this shall be supported by annual 5 per cent cut in manpower and the company's plan to increase e-auction mix.

OUTLOOK

CIL targets increasing evacuation capacity to meet volume target of around 780 MT, 850 MT and 1,000 MT by FY24, FY25 and FY26 respectively.

Consequently, management guides for an annual capex of ₹16,500-18,000 crore over the next five years.

These targets are coming on the back of management's anticipation of higher coal demand from the power sector till 2030. During H1FY24, capex to the tune of around ₹7,065 crore has been made while for FY24, ₹16,600 crore has been targeted.

The capex also includes a portion for developing first-mile connectivity projects (for smooth transition from mine to pithead). An estimated total capex of around ₹24,750 crore shall be made for these projects by FY29. Further, the company has a plan to set up 3,000 MW of solar in the next 3-4 years.

Out of 3,000 MW, 250 MW of capacity is planned to be installed by FY24.

BUSINESS LINE DATE:26/11/2023 P.NO5

Coal prices to weaken on Chinese output, imports

Subramani Ra Mancombu
Chennai

Thermal coal prices are likely to rule weak for the remainder of the year and in 2024 in view of oversupply in the Chinese market owing to increased domestic production and surge in imports.

The World Bank Commodity Outlook said Australian coal prices fell by 8 per cent quarter-on-quarter in the third quarter of 2023, following a 31 per cent drop in the second half, with South African coal prices changing similarly. "The conflict in the Middle East has led to a modest uptick in coal prices," it said.

The Australian Office of Chief Economist said after an extraordinary spike in 2022, thermal coal prices fell back sharply in the first half of 2023, but have since stabilised, with prices for higher grade coal lifting slightly in recent weeks.

SUBJECT TO SPIKE. An escalation of the Israel-Hamas conflict could push up coal prices if natural gas prices rise

PRICE FORECAST

"As global supply recovers, the Newcastle benchmark price (6,000 kcal) is forecast to decline from almost $180 a tonne over 2023," it said.

Currently, Newcastle are ruling at $122 a tonne.

"We maintain our Newcastle thermal coal price forecasts for 2023 and 2024 at averages of $180/tonne and $170, respectively," said Research agency BMI, a unit of Fitch Solutions. Global demand for coal remains weak alongside buoyant market supply and US dollar strength, it said.

CHINA ON TRACK

"China has boosted coal production since the 2021 power crisis to prevent a repeat, and this year's production is on track to set a new record. The situation has been further exacerbated by a 73 per cent increase in coal imports during the first nine months of the year, driven by more affordable global supplies," said the *Trading Economics* website.

The World Bank Commodity Outlook said several factors have contributed to the drop in prices. "The most important were fuel substitution — related to declining natural gas prices and high EU Emissions Trading System (ETS) allowance prices — and high levels of storage, particularly in Europe," it said.

Increasing supply in all major producers and higher levels of exports from Indonesia also helped reduce market prices, the outlook said.

Trading Economics said, as a result, the coal market has shifted from a situation of scarcity a few years ago, which led to widespread power shortages, to a scenario where ample coal supplies are available.

BUSINESS LINE DATE:27/11/2023 P.NO3

Steel imports from China for April-October at a six-year high

Abhishek Law
New Delhi

Steel shipments coming in from China for the April-October period of this fiscal stood at 1.11 million tonnes, among the highest in six years, data from the Steel Ministry, accessed by *businessline* showed.

The diversion of lower-priced offerings to trade, FMCG, and auto sectors, coupled with poor demand in Europe and better acceptability in the domestic market, saw imports from China zoom nearly 50 per cent on a year-on-year basis, making it the largest seller of steel to India.

RECORD ORDERS. In October 2023, Indian traders placed orders for close to 0.19 mt of steel from China, making it one of the highest purchasing months

CHINA OUTSELLS

China managed to displace traditional sellers like Korea, while in select categories of specialised steel, it even overtook Japan.

As per Steel Ministry data, Chinese imports were at 0.75 million tonnes (mt) in the April-Oct of FY23, while for earlier years, it stood at 0.49 mt for 7M FY22 and 0.51 mt in 7M FY21.

In the pre-Covid years, shipments coming into India were at 0,88 mt in 7M FY20 and 0.95 mt in 7M FY19, respectively.

"So the price of Chinese steel (benchmark hot rolled coil offerings) was among the lowest in October, hovering between $564 per tonne and $581 per tonne; and started moving up from November. October was the month when a major chunk of these orders were placed," a trader said.

Offers from China have now moved up to $604 per tonne, which is still lower than the domestic HRC offering, which India's primary mills have priced at $659 per tonne (₹54,900 per tonne).

The price of Chinese offerings has significantly moved up in November — from $589 per tonne a week ago — fuelling speculations of a production cut there.

IMPORT NUMBERS

Import of total finished steel was valued at ₹31,354 crore ($3,798 million).

"Volume-wise, HR coil/strip (1.275 mt) was the item most imported (37 per cent share in total finished steel). Also, China was the largest import market for India," the Ministry report read.

Move to withdraw application to surrender Jajang mine may weigh heavily on JSW Steel

Suresh P Iyengar
Mumbai

JSW Steel's decision to withdraw application to surrender the Jajang iron ore mine and thermal coal mine will be a drag on the company's financials. It will have to pay royalty as per the mine plan, even though it does not mine the ore as per the plan. In September, the company said it had submitted a notice to surrender the mining lease citing uneconomic operation as the primary reason.

However, earlier this month, the company said it has decided to withdraw its application for the final mine closure plan of the Jajang iron ore block submitted before the Indian Bureau of Mines.

The firm had bagged the Jajang iron ore block in an intense bidding process to beat Adani, JSPL, Rungta Mines, Serajuddin & Co, Lal Traders, and Eastern Mining.

JSW Steel had committed a premium of 110 per cent for the block, with an estimated reserves of 39 million tonnes.

THE WINNER. JSW won the Jajang iron ore block in an intense bidding process to beat Adani, JSPL, Rungta Mines and others

MARKET DYNAMICS

The decision to withdraw the surrender application underscores the company's responsiveness to the evolving market dynamics, it said.

The company had plans to set up beneficiation plant at the mine, and transport the iron ore through a 300 km slurry pipeline to Paradip.

The company gets 45 per cent of the iron ore requirement through captive sourcing through 13 operating mines, and expects to add seven mines soon.

"The mine was operated by Rungta at an annual capacity of 12 mtpa before being put on auction by the government.

"It currently has only pockets of high-grade reserves left in areas marked as Sabik forest," said an analyst.

While the recent amendments to the Forest Conservation Act could facilitate access to these reserves, the high premium commitment will make it unviable to operate the Jajang mine, he added.

JSW Steel has four iron ore mining leases in Odisha all acquired through auctions in 2020.

Similarly, Jayant Acharya, Jt MD, JSW Steel, recently told *businessline* that the company has changed its mind on surrendering the thermal coal mine and is trying to put up a gasification plant.

Steel trade deficit hits ₹1,600 cr in Apr-Oct amid export pressure

Abhishek Law
New Delhi

The continued fall in export demand saw India report a trade deficit in steel shipments (value of imports exceeding exports) for the second consecutive year.

Trade deficit stood at ₹1,594 crore during the April-October 2023, provisional data from the Steel Ministry accessed by *buisnessline* show.

Imports of total finished steel for the period were valued at ₹31,354 crore ($3,798 million) whereas exports were valued at ₹29,760 crore ($3,605 million).

Volume-wise, imports were at 3.48 million tonnes (mt) – up 10 per cent y-o-y, a tad lower (0.04 mt) than exports of 3.52 mt, down 12 per cent YoY, for the period under review.

Exports had been hit last fiscal following the imposition of the duty, and the trade deficit in 7 months of FY23 was ₹1,775 crore; while in earlier years, 7M FY22 and 7M FY21, the trade surplus was ₹38,800 crore (approx) and ₹7,670 crore (approx), respectively.

MULTIPLE HEADWINDS. Despite increased steel production domestically, global market challenges continue to impact India's exports amid weakening demand in key markets

"Global steel price trends remained mixed in October 2023 due to a combination of local and global issues," the Ministry noted in its review, adding that China steel prices "maintained its downward bias, remaining under pressure from easing production controls and low local consumption amid a weak construction/property sector." In the US and Europe, it was a mixed bag with fluctuations noted across items.

EXPORTS STRUGGLES

Exports, however, continue to remain under pressure in view of slowing demand from key markets, including parts of Europe and Vietnam, once a major export market, emerging as one of the largest importers for low-priced offerings. Indian mills have not come up with any major overseas offers for almost two months, since September-end, when the last offers were in the $600 per tonne-odd range. Some shipments to the European Union were made recently in November, though.

Hot rolled coil (HRC) and strips (1.257 mt) was the item most exported, accounting for a 36 per cent share in total finished steel in the April–October period. Flat products accounted for 87 per cent share (down by 9.5 per cent) of exports, the rest 13 per cent came from long and other non-flat offerings (down by 20.8 per cent).

BUSINESS LINE DATE:28/11/2023 P.NO8

Gold may rise in 2024 on geopolitical issues, weak $

Subramani Ra Mancombu
Chennai

MORE GLITTER. For 2024, investments will flow into gold and thus prices will rise as global growth slows, the dollar weakens further and the US Fed starts to cut rates

Gold prices, which topped $2,000 an ounce on Monday, are expected to increase in 2024 with support coming from strong haven buying due to geopolitical issues and a slightly weaker US dollar, say analysts and experts in the sector. But there are a few who say the yellow metal could stabilise in 2024. "Gold prices are expected to increase in 2024... An escalation of the conflict in the Middle East could result in sharply higher prices due to increased demand for safe-haven assets," said the World Bank Commodity Outlook.

"If US economic activity declines substantially and interest rate cuts — not currently expected by markets — come to fruition in the first half of 2024, this could create a more supportive environment for gold and see a stronger price outcome than forecast," said the Australian Office of Chief Economist.

"Looking ahead towards 2024, investments flow into gold and thus prices will rise as global growth slows from 2.6 per cent in 2023 to 2.1 per cent in 2024, the dollar weakens further (with a 50 per cent probability of a shallow recession in the US), and the US Fed starts to cut rates," said research agency BMI, a unit of Fitch Solutions.

SLEW OF FACTORS

"Central banks action, geopolitical tensions, currency movements — particularly the dollar and rupee, volatility in the dollar index, US yields, economic data points, debt-related concerns, China's economic development are a few factors which will be very important to watch out for in the near future," said Manav Modi, research analyst, Commodity and Currency, Motilal Oswal Financial Services Ltd.

With the hope of the countries in conflict arriving at a truce, we foresee some stability in the gold prices during 2024 at a global level, said Colin Shah, Managing Director at Kama Jewelry. "Gold prices are most likely steady with a mild positive bias. It is highly unlikely for a major rally or liquidation pressure," said Hareesh V, Head of Commodities at Geojit Financial Services.

IMPACT OF CONFLICT

Chintan Mehta, CEO of Abans Holdings, said several factors could contribute to the potential rise of gold in 2024. Firstly, the recent correction in US Treasury yields, coupled with signs of inflation peaking and expectations of forthcoming rate cuts, might trigger a cycle of declining interest rates. "This potential interest rate adjustment could boost gold prices. Furthermore, unstable regions worldwide experiencing war-like conditions could prompt central banks to accelerate their gold purchases," he said.

"We maintain our 2023 and 2024 gold price forecasts at $1,950/ounce. Prices have averaged $1,932 in the year-to-date as of November 20," BMI said. Gold prices averaged $1,933 an ounce in the first half of 2023, with support coming from strong safe-haven buying and a slightly weaker US dollar, said the Australian Office of the Chief Economist.

BUSINESS LINE

DATE:28/11/2023 P.NO8

Roll over longs in copper futures to Dec

Akhil Nallamuthu

bl. research bureau

Copper futures on the MCX broke out of resistance last week. This opened the outlook positive. Although the contract has largely stayed sideways post the breakout, it remains above key levels. Since the November series is set to expire on November 30, we are considering the December contract for analysis and trade recommendation.

COMMODITY CALL.

The December copper futures rallied past the resistance at ₹717 last Monday. Thus, the inclination is bullish and will remain so since the contract has a couple of supports. One, the resistance-turned-support of ₹717. Two, ₹714 where both 20- and 50-day moving averages coincide. We expect copper futures to appreciate in the near term to ₹740. On the other hand, if the contract faces downward pressure and falls below the support at ₹714, the downswing will most likely extend to ₹700. We recommended buying November futures if it breaks out of ₹715. Target and stop-loss were suggested at ₹730 and ₹708, respectively.

Traders holding the above trade can roll the longs to the December series — exit the November contract now and immediately go long on December futures.

HITCITY LINE DATE:28/11/2023 P.NO6

Mines Ministry working on policy for critical minerals

- The Ministry is also preparing a strategy for recycling of metals which will help to increase the recycling capability and streamline the recycling process

Business Reporter

THE Mines Ministry is in the process of preparing a policy for critical minerals which will include a road map for strengthening the supply chain of these essential resources, an official release said on Monday.

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.

"The strategy will also identify the responsibilities of different ministries of Government of India in ensuring the resilience of the supply chain of critical minerals," the Mines Ministry said.

The Ministry is also preparing a strategy for recycling of metals which will help to increase the recycling capability and streamline the recycling process and will also work with partner countries to co-develop mineral processing and raw material manufacturing capabilities. Apart from strengthening the domestic mechanisms, collaborative international efforts through multilateral and bilateral engagements have been made to build a resilient critical minerals value chain.

The Ministry of Mine is actively engaging in new partnerships and alliances like the Minerals Security Partnership (MSP), the Australia-India Economic Cooperation and Trade Agreement. The Mines Ministry is organising an outreach programme on 'Role of the Government and Industry in Driving the Global Action of Critical Minerals', on Wednesday in the national capital. The event will be attended by Ambassadors, Mission Heads of various countries as well as representatives of businesses in India.

The Mines Ministry has been actively involved in the deliberations in G20 and was instrumental in ensuring that the role of critical minerals in energy transitions has been acknowledged by the G20 Community.

"To take the deliverables of New Delhi Leaders' Declaration forward ministries/departments are actively engaging to ensure that India's narrative is embedded in the future G20 work," the statement said.

DAINIK BHASKAR DATE:28/11/2023 P.NO9

महत्वपूर्ण खनिजों के लिए नीति पर काम कर रहा खान मंत्रालय

एजेंसी | नई दिल्ली

खान मंत्रालय महत्वपूर्ण खनिजों के लिए एक नीति तैयार करने की प्रक्रिया में है जिसमें इन जरूरी संसाधनों की आपूर्ति श्रृंखला को मजबूत करने के लिए एक व्यवस्थित खाका शामिल होगा। सोमवार को जारी एक आधिकारिक विज्ञप्ति में यह जानकारी दी गई।

तांबा, लिथियम, निकल, कोबाल्ट और दुर्लभ खनिज जैसे महत्वपूर्ण खनिज आज पवन टरबाइन और बिजली नेटवर्क से लेकर इलेक्ट्रिक वाहनों (ईवी) तक तेज़ी से वृद्धि कर रही स्वच्छ ऊर्जा प्रौद्योगिकियों में जरूरी तत्व हैं।खान मंत्रालय ने एक बयान में कहा, "यह रणनीति महत्वपूर्ण खनिजों की आपूर्ति श्रृंखला की मजबूती को सुनिश्चित करने में भारत सरकार के विभिन्न मंत्रालयों की जिम्मेदारियां भी तय करेगी।" मंत्रालय धातुओं के पुनर्चक्रण के लिए भी एक रणनीति तैयार कर रहा है। यह पुनर्चक्रण क्षमता को बढ़ाने और पुनर्चक्रण प्रक्रिया को सुव्यवस्थित करने और खनिज प्रसंस्करण और कच्चे माल की विनिर्माण क्षमताओं को संयुक्त रूप से विकसित करने के लिए भागीदार देशों के साथ भी काम करने में मदद करेगी।

खान मंत्रालय खनिज सुरक्षा साझेदारी (एमएसपी), ऑस्ट्रेलिया-भारत आर्थिक सहयोग और व्यापार समझौते जैसी नई साझेदारियों और गठबंधनों में सक्रिय रूप से शामिल है।

खान मंत्रालय बुधवार को राष्ट्रीय राजधानी में 'महत्वपूर्ण खनिजों की वैश्विक कार्रवाई को आगे बढ़ाने में सरकार और उद्योग की भूमिका' पर एक कार्यक्रम का आयोजन कर रहा है।

इस कार्यक्रम में विभिन्न देशों के राजदूतों के साथ-साथ भारत में कंपनियों के प्रतिनिधि और अन्य संबंधित पक्ष शामिल होंगे।

BUSINESS LINE DATE:28/11/2023 P.NO3

Mines Ministry working on policy for critical minerals

Press Trust of India
New Delhi

The Mines Ministry is in the process of preparing a policy for critical minerals that will include a road map for strengthening the supply chain of these essential resources, an official release said on Monday. 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.

"The strategy will also identify the responsibilities of different ministries of Government of India in ensuring the resilience of the supply chain of critical minerals," the Mines Ministry said in a statement.

The Ministry is also preparing a strategy for recycling of metals which will help increase the recycling capability and streamline the recycling process and will also work with partner countries to co-develop mineral processing and raw material manufacturing capabilities.

Apart from strengthening the domestic mechanisms, collaborative international efforts through multilateral and bilateral engagements have been made to build a resilient critical minerals value chain. The Ministry of Mine is actively engaging in new partnerships and alliances like the Minerals Security Partnership (MSP), the Australia-India Economic Cooperation and Trade Agreement.

DAINIK BHASKAR DATE:29/11/2023 P.NO9

विशेषज्ञों की सावधानी से निवेश की सलाह, चांदी पहुंची 75 हजार

भास्कर संवाददाता | मुंबई

महीने के आरम्भ में चांदी की कीमत 70,984 रुपए प्रति किलोग्राम थी। एक नवंबर से चांदी ने उछाल लगाया और तेजी से बढ़ते हुए माह अंत तक चार हजार रुपए प्रति किलो ग्राम कीमतें चढ़ी। 28 नवंबर को चांदी की कीमत 74,989 रुपए प्रति किलो ग्राम हो गई। विशेषज्ञ सावधानी से निवेश करने की सलाह के साथ इस तेजी पर भाव टूटने की संभावना जाता रहे हैं। इंडियन बुलियन ज्वेलर्स एसोसिएशन के राष्ट्रीय सचिव सुरेंद्र मेहता के अनुसार चांदी की कीमतें बढ़ी है, इसके पहले घरेलू कारण और अंतराष्ट्रीय कारणों से चांदी की तेजी को जोड़कर देखा जाता था। वर्तमान तेजी का कोई ठोस आधार नजर नहीं आ रहा है। बढ़ी कीमतों पर निवेश में सावधानी रखना उपयुक्त होगा। एंजल वन के उपाध्यक्ष अमरदेव सिंह ने बताया डॉलर इंडेक्स 3 महीने के निचले स्तर पर और बॉन्ड यील्ड में कमजोरी चांदी की कीमतों में बढ़ोतरी के कारक हैं। इसके अलावा, यूएस फेड द्वारा ब्याज दरों को अपरिवर्तित रखने की संभावना भी पिछले कुछ कारोबारी सत्रों में कीमती धातुओं को अनुकूल बनाए हुए है। 28 नवंबर 2023 तक चांदी की कीमत वर्तमान में अंतरराष्ट्रीय बाजारों में 24.68 डॉलर प्रति औंस और घरेलू बाजारों में 74,690 रुपये प्रति किलोग्राम पर कारोबार कर रही हैं। उम्मीद है कि एमसीएक्स पर चांदी की कीमतें जल्द ही 76,000 रुपये प्रति किलोग्राम के आसपास पहुंच सकती है, परन्तु निवेश में थोड़ी सावधानी की सलाह है। सिल्वर इम्पोरियम के राहुल मेहता के अनुसार पिछले दस दिनों में चांदी ने अच्छा उछाल लिया है। जितनी तेजी से चांदी ने उछाल लिया है, उतनी टूट की संभावना भी बनती है। जिसके पास चांदी है वे इसे बनाये रख सकते है लेकिन नए निवेश के बारे में इन कीमतों पर समझकर निवेश करना चाहिए।

BUSINESS LINE
DATE:29/11/2023 P.NO10

COMMODITY CALL.

Zinc futures: Risk-reward in favour of bears

Akhil Nallamuthu
bl. research bureau

Zinc futures (continuous contract) on the Multi Commodity Exchange (MCX) has seen its price moderate over the past few sessions. The contract declined after facing resistance in the ₹230-232 price region.

The price action on the weekly chart shows that zinc futures is now trading near a strong resistance and the probability of a fall from the current level is high.

The December expiry zinc futures closed at ₹226.35 on Monday. While ₹225 is a minor support, the contract could soften to ₹217 in the short-term. We are likely to see a bounce off ₹217.

On the other hand, if December futures starts moving northwards, there are resistances at ₹231 and ₹235. A breakout of the latter can be the onset of an upswing towards ₹250. But note that ₹242 can be a hurdle.

TRADE STRATEGY

Going by the prevailing conditions, the risk-reward ratio is in favour of the bears. So, traders can short December zinc futures now at around ₹226 and short again if the price rises to ₹230. Place stop-loss at ₹235.

When the contract falls to ₹220, tighten the stop-loss to ₹223. Book profits at ₹217.

HITCITY LINE DATE:29/11/2023 P.NO6

Take necessary steps to operate mines: Govt asks coal block owners

■ Business Reporter

THE Government on Tuesday asked coal block owners to take necessary steps to operationalise mines that are at an advanced stage of commissioning.

In FY24, India might produce 145 Million Tonnes (MT) of coal from commercial and captive blocks, that would help bring down the country's import of fossil fuel.

M Nagaraju, Additional Secretary and Nominated Authority, Ministry of Coal, chaired a review meeting of producing and expected to produce captive and commercial coal mines during 2023-24.

During the meeting, Nagaraju asked the companies allotted coal blocks to take necessary steps to achieve production target of the current fiscal.

"The total coal production from captive/commercial coal mines during April 1, 2023 to November 20, 2023 was around 80 MT, indicating a year-on-year growth of 23 per cent from the same period of FY 2022-23," the Coal Ministry said in a statement.

BUSINESS LINE DATE:29/11/2023 P.NO11

Public sector steel units have deployed 42% of FY24 capex till Sept: Ministry review

Abhishek Law
New Delhi

SPENDING SPREE. The Steel Ministry review shows steel PSUs overshot the 6-month capex target by 22 per cent

The central public sector enterprises (CPSEs) under India's Steel Ministry have spent 42 per cent of their FY24 capex targets within the first half (April-September), a review by the ministry shows. The CPSEs have exceeded their six-month capex target by 22-odd per cent.

Against an FY24 budget estimate of ₹10,300.85 crore, CPSEs deployed ₹4,315.06 crore till September-end as capex. As per the Ministry's plan, at least a third of the budget estimate, that is ₹3,540 crore, was to be spent by September. "So CPSEs under Steel (Ministry) spent ₹775 crore more than their targeted capex, up 22 per cent over target numbers till September-end," a Ministry official said.

Mining company NMDC Ltd and its steel-making unit NSL (NMDC Steel Ltd) together invested the most in manufacturing capex.

MAJOR INVESTMENTS

NSL spent ₹830 crore, which is 146 per cent above its full-year budget of ₹570 crore. Incidentally, the review shows that investments peaked in September at ₹456 crore, against the targeted ₹142 crore, around the time the steel mill was commissioned and production began. NMDC, meanwhile, spent 55 per cent of the budgeted capex within the first half, namely ₹899 crore out of ₹1,630 crore. The H1 targeted capex was ₹418 crore, and investments exceeded it by 115 per cent, or ₹481 crore, according to the review documents accessed by *businessline*.

In September, the last month reviewed by the Ministry, additional capex was ₹149 crore (₹242 crore, against a target of ₹93 crore).

WIDENING CAPEX

Steel Authority of India utilised 30-odd per cent, or around ₹2,080 crore, of its targeted ₹6,800 crore capex till September-end. The difference against the H1 targeted capex (₹2,186 crore) was ₹106 crore or about 5 per cent. The gap between targeted capex and actual spending widened in September to 11 per cent.

Similarly, Rashtriya Ispat Nigam Ltd has utilised 42 per cent of its budgeted capex, or ₹290 crore, out of a budget estimate of ₹683 crore. However, it fell 8 per cent short of its targeted six-month capex of ₹316 crore.

BUSINESS LINE DATE:29/11/2023 P.NO10

Iron ore may gain in 2024 on Chinese stimulus

BULLISH FACTORS. The commodity may get support from shipping, machinery, autos and infrastructure sectors

Subramani Ra Mancombu
Chennai

Iron ore prices will likely rule firm for the remainder of the year and gain in 2024 due to the resilience of the steel raw material and hopes of a Chinese stimulus package, analysts and experts say.

However, the World Bank, in its Commodity Outlook, said steel production cuts in China and subdued global economy may drag iron ore prices further in 2024 from an anticipated 11 per cent decline this year.

Currently, iron ore fines with 62 per cent ferrous content are ruling at $130.42 a tonne for delivery in Tianjin, China. Prices are at their highest since May on expectations of robust demand coupled with risks to supply.

The *Trading Economics* website said China, world's top consumer, remained underpinned by the bullish backdrop in its steel-heavy infrastructure sector.

"Beijing stated it would accelerate the issuance of bonds after accommodating an additional 1 trillion Chinese yuan in debt to target infrastructure and manufacturing projects," it said.

Chinese policymakers are reportedly drafting a list of 50 developers who will qualify for a range of funding support. "Adding to the slew of property easing controls in recent months, a mixture of state-owned and private developers has been included, but details are scarce as of now," said research agency BMI, a unit of Fitch Solutions.

The Australian Office of the Chief Economist said despite the worsening outlook for global steel demand, iron ore prices strengthened in September. "The resilience in prices appears to reflect improved market sentiment due to the potential for new government measures to support China's economy," it said.

BMI said iron ore prices have retained their resilience on the back of strong Chinese imports in 2023 thus far. This is as a result of declining domestic physical inventories at ports.

FIRM OUTLOOK. With declining domestic physical inventories at ports, iron ore prices have retained their resilience on the back of strong Chinese imports

IMPORTS SURGE

"During January to October of 2023, Chinese imports of iron ore surged by 6.6 per cent year-on-year to a record high of 977 million tonnes (mt). Total iron ore inventory at Chinese ports as of November 17 was 10,700 tonnes compared with 13,400 tonnes on January 6, 2023," BMI said.

The World Bank Commodity Outlook explained: "Iron ore prices increased 3 per cent in 2023Q3 relative to the previous quarter on strong steel production in China."

Although China's property sector remains weak, demand for construction completions, infrastructure and steel exports went up sharply in the third quarter, it said.

BMI said despite China's uneven economic growth and a still failing property sector, blast furnace steel production and thus iron ore demand have shown a defiance of all odds, through support from non-property sectors including shipping, machinery, autos and infrastructure.

2024 PRICE FORECAST

"From January to October 2023, China produced 874 mt of crude steel, up 1.4 per cent from the same period in 2022. We expect some more upside to iron ore prices in Q42023 ahead of the winter holidays as steel mills continue restocking. Simultaneously, positive investor sentiment will keep demand for iron ore futures on the Dalian exchange high," the research agency said.

This has resulted in BMI raising its 2024 iron ore price forecast to an annual average of $120/tonne from $100 earlier.

The World Bank Commodity Outlook, however, said for the remainder of 2023 and into 2024, steel production cuts in China and subdued global economic activity are expected to weigh on iron ore demand. "As a result, iron ore prices are expected to be 11 per cent lower in 2023 and fall further in 2024 and 2025," it said. *Trading Economics* said an industrial action at BHP, one of the largest ore exporters in the world, resulting in 400 train drivers suspending activity will likely affect exports from Australia.

BMI said major iron ore producers posted strong growth in 2021-22 fiscal and announced positive guidance for 2023, which could cap the upside for its prices. China's regulation of futures markets could add to such limiting factors. Outside of China, steel production and demand for iron ore have shown signs of recovery in H2 2023, the research agency said, adding that production in other key markets including Germany and Brazil have contracted.

OUTPUT GROWTH

The World Bank Commodity Outlook said over the longer term, there would be steady supply growth from new mines in Africa, Australia, and Brazil. But demand growth will be sluggish as China transitions to less steel-intensive activities.

BUSINESS LINE
DATE:29/11/2023 P.NO10

COMMODITY CALL.

Lead futures: Support ahead; consider longs

Akhil Nallamuthu
bl. research bureau

Lead futures (December contract) on the Multi Commodity Exchange (MCX) rallied in the first three weeks of this month.

However, after facing resistance between ₹193 and ₹194, the contract fell.

It closed at ₹186.85 on Tuesday, thereby giving away all the gains it made this month.

While there are no signs of bullish reversal, lead futures has a support band between ₹185 and ₹186. We expect this support to stay true, leading to a potential rebound.

In such a case, lead futures can see a leg of rally, possibly to ₹193.

On the other hand, if the contract slips below ₹185, it is likely to extend the downswing to ₹180, a strong base.

Overall, we expect December lead futures to bounce off in the ₹185-186 price band.

TRADE STRATEGY

Buy lead futures (December contract) when the price dips to ₹185.50. Place stop-loss at ₹183.

When the contract rallies to ₹190, tighten the stop-loss to ₹188. Book profits at ₹193.

BUSINESS LINE
DATE:30/11/2023 P.NO10

Copper ticks lower on firm $, nickel extends gains

London: Copper prices eased hurt by a firmer dollar and persistent worries about the economy in top metal consumer China, while nickel extended gains. Three-month copper on the LME was a touch weaker at $8,472 a tonne. LME nickel rose 1.4 per cent to $16,995 a tonne. Aluminium was little changed at $2,217.50; lead eased 0.7 per cent to $2,140; zinc dropped 0.8 per cent to $2,518, while tin added 0.2 per cent to $23,365. REUTERS

First set of 20 blocks of critical minerals worth ₹45,000 crore put up for sale

Abhishek Law
New Delhi

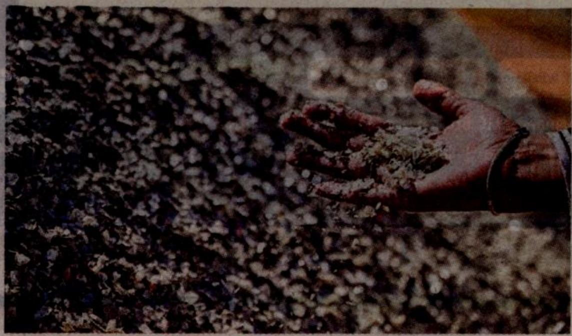
India launched the first tranche of auctions for critical and strategic minerals worth around ₹45,000 crore. Some 20 mineral blocks covering lithium and REE (rare earth elements), nickel, copper, chromium, phosphorite, potash, glauconite, graphite, manganese, and molybdenum were put up for sale.

Of the 20 blocks, 16 are composite licences (exploration, discovery, and up-to-processing), while four are mining leases.

The blocks are located across eight States — Odisha, Jharkhand, Uttar Pradesh, Bihar, Chhattisgarh, Tamil Nadu, Gujarat, and Jammu & Kashmir.

Auctions that began on Wednesday will continue till February.

The auction shall be held online and through a two-stage ascending-forward process. The eligible bidder shall be selected based on the highest percentage of the value of the mineral dispatched quoted by them.



UNDER THE HAMMER. The auctions that began on Wednesday will continue till February. It shall be held online and through a two-stage ascending-forward process. REUTERS

India had earlier this year identified 24 critical and strategically important minerals, while several changes were made to the MMDR Act.

LITHIUM BLOCKS

Two blocks of lithium areon auction. India's first official lithium find was in Reasi district of Jammu and Kashmir, and the Salal Haimna block, which had an expected reserve of 5.9 million tonnes has been put up for auction.

Also on auction is the Katghora block in Chhattisgarh, consisting of lithium and rare earth elements. The block is currently in the G4 stage, or reconnaissance study.

"Lithium is a strategic requirement for India's switch to green energy. And we have been importing the mineral in large quantities. So this is the first time we are trying to auction critical and strategic minerals and reduce imports," Pralhad Joshi, Union Minister of Mines, said post-launch of the auctions.

The import bill on lithium is ₹24,000 crore.

Global majors have also been invited to participate in the auctions. So far, Korean and Japanese mining companies have expressed interest in bidding for India's lithium reserves, officials told *businessline*.

To operate a mine, 23 clearances are required, including environmental clearances apart from State-level clearances.

Across 24 critical minerals, the Mines Ministry has identified 100-odd blocks. "Second tranche discussions will take place post-February," Joshi said.

MOIL looks at exploring lithium mining, more manganese ore reserves

Abhishek Law
New Delhi

MOIL (formerly Manganese Ore India Ltd), a central public sector enterprise (CPSE) under the Steel Ministry, is open to exploring lithium mining opportunities and participating in upcoming auctions, even as it plans to tap new regions for manganese ore mining "outside (its) leasehold area".

Exploration is planned in Madhya Pradesh, Gujarat, Chhattisgarh, Karnataka, Jharkhand, Andhra Pradesh/Telangana, Goa, West Bengal and Rajasthan.

CAPACITY. MOIL operates 10 mines, six in Maharashtra and four in Madhya Pradesh

BEYOND MINERALS

According to Ajit Kumar Saxena, Chairman and Managing Director, MOIL, the company is open to any kind of exploration or mining or even forward integration. Mining needs to move beyond bulk minerals, he said.

"We are looking eagerly (in)to that (lithium mining)..... whenever it is open for public, the auctions are there, then perhaps we will be participating," he said during a recent earnings call.

On whether the company would require any special assistance for its venture into lithium mining, Saxena said that MOIL has "experience" in operating open cast and underground mines. "And our mines are as deep as 400 metres. And you can say, in one to one and a half years we are going to the level of 650 metres. So we have competence," he added.

A 'Miniratna' company listed on the bourses, MOIL is into the production and sale of different grades of manganese ore (95 per cent of its output is used in steel making). The company also set up a 1,500-mtpa capacity plant based on indigenous technology to manufacture electrolytic manganese dioxide (EMD), which is used in manufacture of dry battery cells.

MOIL operates 10 mines, six in Maharashtra and four in MP.

Production for the first six months of the fiscal stood at 8.15 lakh tonnes, up 45 per cent year-on-year, while sales stood at 7.57 lakh tonnes, up 54 per cent YoY. EMD production was 692 mt, up 26 per cent. In H1FY24, total income was ₹774 crore against a net profit of ₹148 crore.

EXPLORATION

The company carried out exploratory core drilling of 35,000-odd metres in April–September, which is thrice the extent achieved in the comparative period last year.

"This will help the company add manganese ore reserves and resources in its existing leases and also open new mines wherever potential is found," Saxena said, adding that the exploration target for FY24 was 70,000 metres. MOIL is working on both brownfield and greenfield projects to enhance production even as it continues to explore mining opportunities in other States and "geographies".

In MP, reservation was granted in Balaghat, Chhindwara and Jabalpur districts; exploration was completed at Chhindwara and is currently underway at Balaghat. MOIL has been given the go-ahead for further exploration in 218 sq km in Chhattisgarh.

Critical Mineral Auction Kicks Off, to Give Fillip to Clean Energy Move

The listed 20 blocks are valued at $5.4 billion and are located in seven states

ISTOCK

Bloomberg

India has started the process of auctioning some blocks of critical and strategic minerals that are crucial for the nation's push to speed up energy transition and boost electric vehicle manufacturing capacity.

The country has listed 20 blocks of lithium, nickel, graphite, molybdenum and rare earth elements among other minerals in the first tranche of auctions starting Wednesday, Mines Minister Pralhad Joshi said in New Delhi. The blocks are valued at 450 billion rupees ($5.4 billion), Joshi said. The auction process is expected to conclude Feb. 20 and the blocks are located in seven states including Bihar, Chhattisgarh, Gujarat and the Jammu & Kashmir region, he said.

The auctions are key to India's ambitious plan of gradually moving away from fossil fuels to cleaner energy. That will drive demand for critical minerals, which are currently being imported, from electric vehicle makers and renewable power sectors.

"In order to achieve this, government agencies such as the Geological Survey of India have shifted their focus to exploration and enhancing resource mapping of critical and deep seated minerals," Joshi said. "India will remain committed to strengthen the global critical mineral supply chain through favorable policies and continued engagement through G20 and new multilateral partnerships."

DAINIK BHASKAR DATE:30/11/2023 P.NO5

खान मंत्रालय
MINISTRY OF
MINES

G20

नामित अधिकारी

खान मंत्रालय

भारत सरकार

"महत्वपूर्ण और सामरिक खनिज ब्लॉकों की ई-नीलामी"

बिहार | छत्तीसगढ़ | गुजरात | जम्मू एवं कश्मीर | झारखंड |
ओडिशा | तमिलनाडु | उत्तर प्रदेश।

क्रम सं.	ब्लॉक का नाम	खनिज	राज्य	[illegible]
1.	चुटिया-नौहट्टा ग्लौकोनाइट ब्लॉक	ग्लौकोनाइट	बिहार	सीएल
2.	पिपराडीह-भुरवा ग्लौकोनाइट ब्लॉक	ग्लौकोनाइट	बिहार	सीएल
3.	गेनजाना निकल, क्रोमियम और पीजीई ब्लॉक	निकल, क्रोमियम और पीजीई	बिहार	सीएल
4.	कटघोरा लिथियम और आरईई ब्लॉक	लिथियम और आरईई	छत्तीसगढ़	सीएल
5.	कुंडोल निकल और क्रोमियम ब्लॉक	निकल और क्रोमियम	गुजरात	सीएल
6.	मुरकनिया-घरेरीबाटोला-बरवारी पोटाश ब्लॉक	पोटाश	झारखंड	सीएल
7.	दुधियासोल ईस्ट निकल और कॉपर ब्लॉक	निकल और कॉपर	ओडिशा	एमएल
8.	बाबजा ग्रेफाइट और मैंगनीज ब्लॉक	ग्रेफाइट और मैंगनीज अयस्क	ओडिशा	एमएल
9.	बियारपल्ली ग्रेफाइट और मैंगनीज ब्लॉक	ग्रेफाइट और मैंगनीज	ओडिशा	एमएल
10.	अखरकटा ग्रेफाइट ब्लॉक	ग्रेफाइट	ओडिशा	सीएल
11.	वेल्लक्कल सेंट्रल (सेगमेंट-ए) मोलिब्डेनम ब्लॉक	मॉलिब्डेनम अयस्क	तमिलनाडु	सीएल
12.	नोचचिपट्टी मोलिब्डेनम ब्लॉक	मॉलिब्डेनम अयस्क	तमिलनाडु	सीएल
13.	वैलमपट्टी नॉर्थ ए एवं बी मोलिब्डेनम ब्लॉक	मॉलिब्डेनम अयस्क	तमिलनाडु	सीएल
14.	कुरुन्जाकुलम ग्रेफाइट ब्लॉक	ग्रेफाइट	तमिलनाडु	सीएल
15.	इलुप्पाकुडी ग्रेफाइट ब्लॉक	ग्रेफाइट	तमिलनाडु	सीएल
16.	मन्नादिपट्टी सेंट्रल मोलिब्डेनम ब्लॉक	मॉलिब्डेनम	तमिलनाडु	सीएल
17.	मारुदिपट्टी (सेन्ट्रल) मोलिब्डेनम ब्लॉक	मॉलिब्डेनम	तमिलनाडु	एमएल
18.	कुरछा ग्लौकोनाइट ब्लॉक	ग्लौकोनाइट	उत्तर प्रदेश	सीएल
19.	पहाड़ी कलां-गोरा कलां फास्फोराइट ब्लॉक	फॉस्फोराइट	उत्तर प्रदेश	सीएल
20.	सलाल-हैम्ना लिथियम, टाइटेनियम और बॉक्साइट (एल्यूमिनस लेटेराइट) ब्लॉक	लिथियम, टाइटेनियम और बॉक्साइट (एल्यूमिनस लेटेराइट)	जम्मू और कश्मीर	सीएल

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ई-नीलामी प्रक्रिया

1. डिजिटल हस्ताक्षर प्राप्त करें
2. ई-नीलामी पोर्टल https://www.mstcecommerce.com/auctionhome/mlcl/index.jsp पर पंजीकरण करें
3. निविदा दस्तावेज डाउनलोड करने के लिए ई-नीलामी पोर्टल पर लॉग-ऑन करें
4. बोली-पूर्व बैठक की प्रतिक्रियाओं के बाद अपनी बोली जमा करें
5. आईपीओ खुलने के बाद स्टेज 2 - लाइव ई-नीलामी में भाग लें

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