



KHANIJ SAMACHAR

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खनिज समाचार

KHANIJ SAMACHAR



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VOL. 8, NO -15, 1st-15th AUGUST 2024

Retro or Prospective? SC Reserves Order on Mining Cos' Tax Liability

Retrospective effect would impact economy, put a potential liability of up to ₹80k cr on PSUs

Indu Bhan

New Delhi: A nine-judge bench of the Supreme Court (SC) on Wednesday reserved its decision on whether its last week's judgment upholding the power of states to tax mines and minerals rights would be applied retrospectively or prospectively.

Solicitor General Tushar Mehta told a bench led by Chief Justice DY Chandrachud that any order giving retrospective effect would have huge impact on the economy and would put a potential liability of ₹70,000-80,000 crore on the public sector undertakings.

Opposing the stand of mineral-rich states seeking refund of the royalty levied by it on mines and mineral-bearing land since 1989, he argued that minerals were being used in every core sector, including in the manufacture of iron to steel, and thus will impact the economy of the nation critical to the infrastructure sector. And the burden of retrospective implementation will eventually go to the common man as the industry will pass on the financial burden to them.

"Can this burden of payment be shifted onto the new consumers? This will be acutely felt in the electricity sector as well. There are several domestic and international contracts based on the law prevailing at that time," he said, adding that the payment if made retrospectively will have a "multipolar" impact and will open the floodgates of new litigations.



AFP

The mines were leased out in public auctions based on the 2015 amendments made to the Mines and Minerals (Development and Regulations) Act, 1957. The bids were formulated according to the then existing rates and now retrospective evaluation of tax would lead to a heavy load which may crush these sectors, he said.

The Solicitor General then went on to suggest that neither any state government should demand any levy retrospectively nor the private parties or PSUs would seek any refund.

Several mining operators supported the Centre's position on refund of royalty to the mineral-bearing states.

On July 25, the apex court in a majority 8:1 judgement upheld state governments' power to levy tax on mineral rights and mineral-bearing lands. It also ruled that royalty payable on minerals was not in nature of tax under the MMDR, Act but a contractual consideration paid by the mining lessee to the lessor for enjoyment of mineral rights, which would allow states to impose taxes on top of royalty.

Delhi Court Asks Bina Modi to Suggest Samir's Appointment to Godfrey Phillips Board

Court gives free hand to Godfrey Phillips to decide on exit from 24/7 Retail chain

Mohit Bhalla

New Delhi: Bina Modi should recommend Samir Modi's appointment to Godfrey Phillips India's board when a meeting of the company's highest decision-making panel is due in September, a Delhi court has ruled on Wednesday.

The final say on the appointment, however, will be vested with the company's nomination and remuneration committee will decide on his appointment.

The court has withdrawn the interim protection granted to Samir Modi in June against his removal from the company's board. It said the company's nomination and remuneration committee should follow due procedures laid out as per the Companies Act.

ET has seen a copy of the court order.

The court was adjudicating on matters related to family members of the Modi family who are

promoters of Godfrey Phillips. Samir Modi has alleged his mother Bina Modi and other directors of Godfrey Phillips were conspiring to remove him from the board. He also alleged that he had been assaulted as part of this plan by his mother's personal security officer at a board meeting on 30th May.

The court also gave a free hand to Godfrey Phillips (board or management) to decide on its planned exit from its retail business under the brand 24/7. Samir Modi had opposed the divestiture and had demanded Godfrey Phillips be prevented from exiting the retail business.



The tobacco company is the group's cash cow and has taken the centre stage in an inheritance feud between the successors of KK Modi.

Samir and his brother Lalit (former IPL founder CEO) are locked in a dispute with their mother Bina Modi over distribution of the family inheritance which they claim was clearly laid down in a trust deed by their late father KK Modi. They claim their mother is not abiding by the trust deed.

Bina Modi is currently chairperson and managing director of Godfrey Phillips.

‘रिजेक्ट’ कोळशापासून दहापट कमाई कोट्यवधींचा घोटाळा : महाजेनको, एमएसएमसी यांची मिलीभगत



कोल वॉशरीचा गोलमाल

कमल शर्मा

लोकमत न्यूज नेटवर्क

नागपूर : ‘रिजेक्ट’ कोळशाच्या नावावर कोट्यवधी रुपयांचा घोटाळा सुरू आहे. यात सगळ्यांनाच मलई मिळत आहे. कोल वॉशरीज ‘रिजेक्ट’ कोळशाच्या नावावर चांगल्या दर्जाचा कोळसा केवळ ३०० ते ६०० रुपये मेट्रिक टन भावाने घेत आहे. हा कोळसा नंतर ३,३०० रुपयांपर्यंतच्या भावाने सर्रास विकला जात आहे. म्हणजेच ५ ते १० पट जास्त भावाने विकला जात आहे.

आता हा घोटाळा काय आहे ते पाहू. महाराष्ट्र स्टेट मायनिंग कॉर्पोरेशन

(एमएसएमसी) ही नोडल एजन्सी बनवून, महाजेनको कोळसा वॉशरीजमधून कोळसा धूत आहे. संपूर्ण यंत्रणेने या कोळशाच्या धुलाईचे भ्रष्टाचाराच्या अड्ड्यात रूपांतर केले आहे. यामध्ये नेते, अधिकारी आणि व्हाइट कॉलर व्यावसायिकांचा समावेश आहे.

मानकांनुसार, धुलाईसाठी येणारा १५ टक्के कोळसा निकृष्ट दर्जाचा असू शकतो. याचा अर्थ कोल वॉशरीज केवळ ८५ टक्के कोळसा पॉवर स्टेशनला परत करण्यास जबाबदार आहे. महाजेनकोसोबत झालेल्या करारानुसार, नाकारलेल्या (रिजेक्ट) कोळशासाठी एमएसएमसी (कोल वॉशरी) वेकोलिला प्रति मेट्रिक टन रुपये आणि एसईसीएल आणि एमसीएलला ३०० रुपयांची सूट देते. सोप्या भाषेत सांगायचे तर तो या दराने कोळसा खरेदी करित आहे. आता हा रिजेक्ट कोळसा बाहेर ३,३०० रुपयांच्या भावाने विकला जात आहे.

आता कोल वॉशरीज १५ टक्क्यांहून अधिक कोळसा काढत असल्याने ही चोरी लपविण्यासाठी व्यापाऱ्यांकडून बिलांची खरेदी केली जात आहे. भ्रष्टाचार झाकण्यासाठी ‘रिबेट’ हा शब्द जाणीवपूर्वक करारात वापरण्यात आल्याचे सूत्रांचे म्हणणे आहे. दुसरीकडे, कोळसा वॉशरीज दावा करतात की, ते कमावत आहेत; परंतु, केवळ मर्यादित स्वरूपात. त्यांना हा कोळसाही धुवावा लागतो. एक हजार रुपये प्रति मेट्रिक टन वाहतूक शुल्कदेखील द्यावे लागते.

चांगला कोळसा आत; निकृष्ट वीज केंद्रात

कोल वॉशरीजच्या या खेळात महाजेनको आणि एमएसएमसी यांची थेट मिलीभगत आहे. कोल वॉशरीज चांगल्या प्रतीचा कोळसा खराब म्हणून स्वतःकडे ठेवतात आणि निकृष्ट दर्जाचा कोळसा औष्णिक वीज केंद्रांना पाठवतात. महाजेनकोचे अभियंते आणि एमएसएमसीचे अधिकारी, कोल वॉशरीज साइडिंगमध्ये राहतात. ते अचानक तपासणीदेखील करतात. पण, आश्चर्याची गोष्ट म्हणजे हे सर्व होताना त्यांना दिसत नाही.

कोराडीला जाणारा कोळसा महाग का?

कोराडी औष्णिक वीज केंद्रात महाजेनको फक्त धुतलेला कोळसा वापरत आहे. याशिवाय चंद्रपूर, खापरखेडा आणि भुसावळ वीज केंद्रातही काही प्रमाणात धुतलेल्या कोळशाचा वापर केला जात आहे. या कारणास्तव कोराडीमध्ये ४००० ते ४२०० रुपये प्रति मेट्रिक टन दराने कोळसा खरेदी केला जात आहे, तर इतर वीज केंद्रांमध्ये वापरल्या जाणाऱ्या कोळशाचा दर ३००० ते ३५०० मेट्रिक टन आहे. कोळशाच्या विशिष्ट खाणीमुळे (पसंतीची कोळसा खाण) जास्त पैसे मोजावे लागत असल्याचा दावा करीत अधिकारी आता आपले हात झटकत आहेत.

भेसळही केली जात आहे

औष्णिक वीज केंद्रांना स्वच्छ कोळसा पुरविल्याचा अभिमान बाळगणाऱ्या कोल वॉशरीजमधील भ्रष्टाचाराची मुळे खूप खोलवर आहेत. महाजेनकोच्या मागणीवरून व्ही.एन.आय.टी. तपासात वजन वाढविण्यासाठी धुतलेल्या कोळशात लोखंडाची पावडर मिसळली जात असल्याचे आढळून आले. मात्र, महाराष्ट्र स्टेट मायनिंग कॉर्पोरेशन (एमएसएमसी) हा घोटाळा झाकण्याचा प्रयत्न करत आहे. व्हीएनआयटीसारख्या देशातील एका नामांकित संस्थेचा अहवाल आणि महाजेनको या सरकारी कंपनीच्या चौकशीला एका खासगी एजन्सीच्या तपासणीच्या आधारावर फेटाळण्यात आले आहे.

खनिजों पर केंद्र की रॉयल्टी का मामला रॉयल्टी राज्यों को लौटाने के मुद्दे पर फैसला सुरक्षित



एजेंसी | नई दिल्ली

सुप्रीम कोर्ट ने 1989 से खनिजों और खनिज युक्त भूमि पर केंद्र द्वारा लगाई गई रॉयल्टी राज्यों को लौटाने के मुद्दे पर अपना फैसला बुधवार को सुरक्षित रख लिया। प्रधान न्यायाधीश (सीजेआई) डीवाई चंद्रचूड़ की अध्यक्षता वाली 9 सदस्यीय संविधान पीठ ने 25 जुलाई को 8:1 के बहुमत वाले फैसले में कहा था कि राज्यों के पास खदानों और खनिज युक्त भूमि पर कर लगाने का विधायी अधिकार है और खनिजों पर दी जाने वाली रॉयल्टी कोई कर नहीं है। शीर्ष अदालत के इस फैसले से खनिज संपन्न राज्यों के राजस्व में भारी वृद्धि होगी। लेकिन इससे फैसले के क्रियान्वयन के संबंध में एक और विवाद खड़ा हो गया। सीजेआई की अध्यक्षता वाली पीठ ने केंद्र, राज्यों तथा खनिज कंपनियों की दलीलों को सुनने के बाद इस विषय पर अपना फैसला सुरक्षित रख लिया कि क्या 25 जुलाई के उसके फैसले को आगे लागू किया जाएगा या पूर्वव्यापी प्रभाव से।

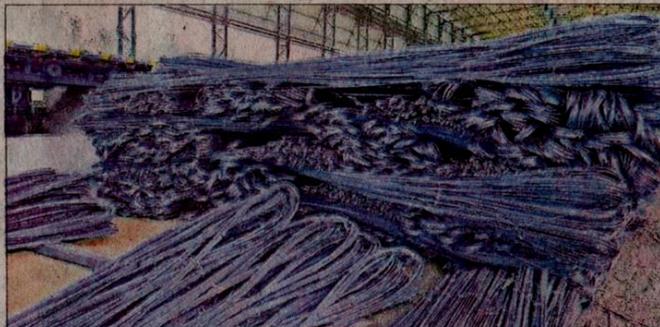
केंद्र की ओर से पेश हुए सॉलिसिटर जनरल तुषार मेहता ने कहा कि 25 जुलाई के फैसले को पूर्वव्यापी प्रभाव से लागू करने से आम आदमी पर व्यापक प्रभाव पड़ेगा, क्योंकि कंपनियां उन पर वित्तीय बोझ डालेंगी। केंद्र ने कहा कि ऐसे आदेश के बहुआयामी प्रभाव होंगे। रॉयल्टी वह भुगतान है जो उपयोगकर्ता पक्ष बौद्धिक संपदा या अचल संपत्ति परिसंपत्ति के मालिक को अदा करता है। वहीं दूसरी ओर, झारखंड खनिज विकास प्राधिकरण की ओर से पेश हुए वरिष्ठ अधिवक्ता राकेश द्विवेदी ने अदालत से 25 जुलाई के फैसले को पूर्वव्यापी प्रभाव से लागू करने और रॉयल्टी को क्रमबद्ध तरीके से वापस करने का निर्देश देने का अनुरोध किया। विपक्षी दलों द्वारा शासित कुछ खनिज संपन्न राज्यों ने भी शीर्ष अदालत से इस फैसले को पूर्वव्यापी प्रभाव से लागू करने का अनुरोध किया ताकि वे केंद्र से रॉयल्टी वापस मांग सकें। बहरहाल, केंद्र ने ऐसे किसी आदेश का विरोध करते हुए कहा कि इसका 'बहुआयामी' प्रभाव होगा। सॉलिसिटर जनरल तुषार मेहता ने कहा कि भाजपा द्वारा शासित मध्य प्रदेश और राजस्थान जैसे राज्य फैसले को आने वाले समय में लागू करवाना चाहते हैं। भाजपा शासित ओडिशा सरकार ने पीठ के कहने के बावजूद कोई स्पष्ट रुख नहीं लिया है और राज्य की ओर से पेश वकील ने बस इतना कहा है कि वे नहीं चाहते कि सरकारी खजाने पर बोझ पड़े।

Steel prices fall by Rs 6,000/tonne in 2 months

■ Business Reporter

THE steel prices have fallen by Rs 6,000 per tonne within a span of two months due to weak demand in the market. "Every year during the monsoon season the steel prices witness a sharp correction due to slowdown in construction activities," said Rajesh Sarda, President of Steel and Hardware Chamber of Vidarbha and Director of Ramsons Group, while speaking to *The Hitavada*.

Sarda further said, "To make matters worse, bulk imports from China and other Asian countries have flooded the domestic market aggravating the situation for domestic manufacturers". On account of these reasons the steel prices in the bulk category have fallen by Rs 6,000 per tonne in the last two months. Sarda feels that the steel prices may remain subdued for the next few months



on little demand from consumers.

On July 31, steel TMT bars of 8 mm were being quoted at Rs 46,000 per tonne, 10 mm at Rs 45,000 per tonne and 12-25 mm at Rs 44,500 per tonne, as compared to prices on June 1 of 8 mm at Rs 52,000 per tonne, 10 mm at Rs 51,000 per tonne and 12 to 25 mm at Rs 50,500 per tonne (plus 18 per cent GST), lower by Rs 6,000 per tonne.

Apart from this, a large number of small and medium steel units in Chhattisgarh have closed down as the State Government has hiked the power tariffs resulting in higher production costs.

This situation could create a demand and supply gap pushing prices higher within a short span of time.

Sarda was confident that after a few months the prices of steel would shoot up as the construction activities resume across the country.

Prices on July 31

8 mm	Rs 46,000 + 18% GST
10 mm	Rs 45,000 + 18% GST
12-25 mm	Rs. 44,500 + 18% GST

Prices on June 1

8 mm	Rs 52,000 + 18% GST
10 mm	Rs 51,000 + 18% GST
12-25 mm	Rs 50,500 + 18% GST

उद्योगों से वसूली, कोल इंडिया को अंतिम मौका

HC में याचिका पर सुनवाई

■ नागपुर, नगर संवाददाता. कोल इंडिया लिमिटेड द्वारा बनाई गई मूल्य नीति के अनुसार पसंदीदा स्रोत या खदान से कोयला का आवंटित कोटा उठाने के लिए उपभोक्ता उद्योगों को प्रति मीट्रिक टन 450 रुपए का भुगतान करना अनिवार्य है. हालांकि कुछ उद्योगों ने इस विकल्प का लाभ तो लिया किंतु कुछ ने इस विकल्प का उपयोग नहीं किया. इसके बावजूद ऐसे उद्योगों से भी प्रति मीट्रिक टन 450 रुपए वसूल किए जाने को चुनौती देते हुए विदर्भ इंडस्ट्रीज एसोसिएशन ने हाई कोर्ट में याचिका दायर की गई. याचिका पर सुनवाई के दौरान कोल इंडिया लि. की ओर से समय देने की गृहार लगाई गई. लंबे समय से नोटिस जारी किए जाने के बावजूद जवाब दायर नहीं किए जाने के कारण हाई कोर्ट ने अब अंतिम मौका प्रदान कर सुनवाई स्थगित की. याचिकाकर्ता की ओर से बताया गया कि सरकार की इस नीति से प्रत्येक उद्यमी प्रभावित हो रहा है. हालांकि इस नीति को वैकल्पिक रखा गया था किंतु अब प्रत्येक पर अनिवार्यता से लागू किया गया है.



देश में कोयले की कमी

■ पैरवी के दौरान याचिकाकर्ता की ओर से बताया गया कि देश में कोयले की कमी है. वर्ष 2011 में कोल इंडिया लि. ने माइन स्पेसिफिक कोल सप्लाई पॉलिसी लागू की जिसे वैकल्पिक रखा गया था. नीति के अनुसार जो योग्य हैं, ऐसे कोल उपभोक्ताओं को उनकी आवश्यकता के अनुसार कोयला पाने के लिए खदान चुनने का विकल्प दिया गया.

■ कोयले की कीमतें काफी तरल रहती हैं जिनमें कोयले की ट्रांसपोर्टेशन कीमत, क्वालिटी को देखते हुए इस नीति का उद्यमियों को लाभ देने की आशा थी. उद्यमी उनकी करीबी खदान से कोयला प्राप्त करने के हकदार थे जिससे उनका ट्रांसपोर्टेशन खर्च बच सकता था. साथ ही आवश्यकता अनुसार क्वालिटी का कोयला प्राप्त होना था.

■ पॉलिसी के अनुसार डब्ल्यूसीएल को कीमत के आधार पर लाभ का अवलोकन करना था. साथ ही समान स्तर पर लाभ को वितरित भी करना था लेकिन ऐसा नहीं किया गया.

उपलब्धता का अध्ययन करना जरूरी

अधि. एम. अनिल कुमार ने कहा कि खदानों को सुनिश्चित करने से पूर्व डब्ल्यूसीएल को उपलब्धता का अध्ययन करना जरूरी था. योग्यता अनुसार उपभोक्ता उद्यमियों को लाभ देने के लिए कुछ अतिरिक्त राशि डब्ल्यूसीएल की ओर से चार्ज करना था. निर्धारित कोयले की कीमत के अनुपात में यह राशि 10 प्रतिशत से कम नहीं रखी जानी थी. विकल्प का लाभ लेने के लिए उद्योगों पर कई शर्तें भी लादी गई. याचिकाकर्ता की ओर से बताया गया कि डब्ल्यूसीएल द्वारा नीति का दुरुपयोग किया गया. उन्होंने सभी उपभोक्ता उद्योगों (जिन्हें कोयला लगता है) पर 450 रुपए प्रति मीट्रिक टन चार्ज लगाना शुरू कर दिया.

Mineral imports rise 80% over five years to ₹68,633 cr in FY24

Abhishek Law
New Delhi

India's major mineral imports — mostly non-critical — saw a nearly 80 per cent rise in value terms over five years to ₹68,633 crore in FY24. Imports, however, dipped 2 per cent on a y-o-y basis from ₹70,125 crore. Imports stood at ₹38,604 crore in FY19.

These major minerals include copper ore concentrates, phosphorite, manganese ore, limestone, iron ore, bauxite, asbestos, sulphur, magnesite and fluor-spar, among others. These ten minerals account for 97 per cent of the import of mineral minerals.

In volume terms, India's imports of these ten major minerals increased 9 per cent over a five per cent period to 619.42 lakh tonnes from 570.34 lakh tonnes, and 17 per cent y-o-y from 528.25 lakh tonnes.

Copper ore concentrate imports continue to be the highest, accounting for ₹25,951 crore — or nearly 40 per cent of the total import of major minerals in FY24. Imports more than doubled in



ROCKING IT. Critical mineral imports totalled ₹1,396.6 crore in FY24, with rock phosphate and nickel ore among the highest in value

five years, from ₹12,146 crore. This was followed by phosphorite, ₹12,649 crore — or nearly 20 per cent of the total. Imports also doubled in five years from ₹5,625 crore, as per data from the Mines Ministry to the Parliament.

Manganese ore, limestone and bauxite were the other three big imports at ₹7,760 crore, ₹6,616 crore and ₹4,397 crore, respectively. Iron ore imports have, however, decreased, while manganese ore and bauxite shipments increased 60–80 per cent between FY19 and FY24. In volume terms, limestone imports were the highest at 338.09 lakh tonnes — 55 per cent of the total, fol-

lowed by phosphorite at 55.98 lakh tonnes — 14 per cent.

IMPORTS

Critical mineral import in 24 categories — apart from lithium-ion and copper — for FY24 was ₹1,396.6 crore, and in volume terms was 82,260 tonnes.

Rock phosphate imports were the highest in value at over ₹12,600 crore, followed by nickel ore at around ₹6,557 crore.

These critical minerals remain critical to India's green transition, with lithium being the key element finding usage in energy storage solutions.

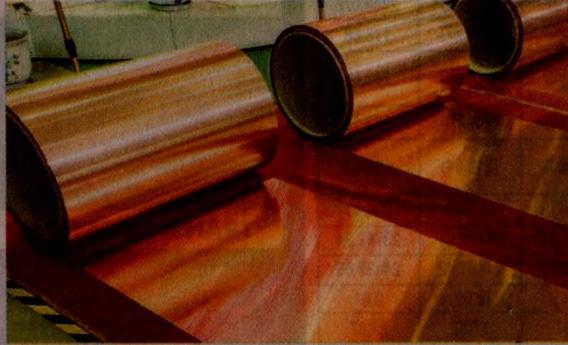
Funds pull \$20 b from copper as mega bull trade unravels

Historic bout of demand weakness in China sparks investor exodus

Bloomberg

Money managers have closed out more than \$20 billion in bullish copper bets since mid-May, with mounting worries about Chinese demand helping to spark a rapid exodus from one of the most important industrial commodities.

Copper spiked to a record above \$11,100 a tonne in May as investors embarked on an unprecedented buying spree, but prices have slumped by more than a fifth since then, with funds making a similarly seismic retreat. The reversal comes as investors' high-conviction bets on the bright long-term outlook for usage in data centres, renewables and electric vehicles has been tested by a historic bout of demand weakness in China. Now, with prices hovering



TURNING BEARISH. The market was clearly overbought in May, and probably momentum-based AI derivative trades were a part of the story BLOOMBERG

around \$9,000, the key question among bulls and bears alike is whether the rush for the exit is over. Bullish positions on Comex and the London Metal Exchange are back near levels seen in March, but they remain elevated by historical standards. "The market was clearly totally overbought

in May, and probably momentum-based AI derivative trades were a part of the story," said Daniel Major, a metals and mining analyst at UBS Group AG.

CONFIDENCE BOOST

"Have we seen the majority of the froth associated with that come out of the mar-

ket? Yes, I think we probably have." From a fundamental standpoint, a looming crunch in supply is likely to give the remaining investors confidence to stick with their bets, he said. While demand is weak and the overall market is in surplus, there are growing expectations that smelters soon will be forced to cut output following a collapse in processing fees.

"That's certainly sufficient to keep the investor positioning fairly sticky and, unless the macro deteriorates from here, I don't envisage that we'll get a massive liquidation of long positions," Major said.

"The setup remains constructive, and I think the market's going to look through this weakness, consolidate in the near term and wait for those physical catalysts."

Coal India Q1 net up 4.24% at ₹10,943 cr

Our Bureau
Kolkata

State-run coal miner Coal India on Wednesday reported a 4.24 per cent year-on-year increase in consolidated net profit to ₹10,943.55 crore for the first quarter of the current fiscal from ₹10,498.39 crore for the same period last fiscal.

Revenue from operations grew 1.34 per cent y-o-y to ₹36,464.61 crore (₹35,983.21 crore), according to a stock exchange filing.

EXPENSES RISE

The coal miner's total expenses soared to ₹24,287.40 crore (₹24,112.82 crore). During Q1 capital expenditure grew 3 per cent y-o-y to ₹3331.44 crore.



Coal production witnessed a growth of around 8 per cent y-o-y at 189.29 million tonnes, while offtake rose by 6 per cent y-o-y to 198.50 million tonnes.

Coal India said it incorporated Bharat Coal Gasification & Chemicals (BCGCL) as a new subsidiary for the coal gasification business. The subsidiary focuses on advanced coal gasification

technology to produce syn-gas, ammonia, nitric acid, and ammonium nitrate, which are essential for various industrial applications.

"By leveraging coal gasification, we aim to reduce the environmental footprint of coal usage and support the transition to more sustainable energy practices. This initiative enhances our project portfolio, aligning with national energy priorities and contributing to the diversification of our revenue streams," CIL said in its latest annual report.

"CIL has tremendous potential to aim for a considerable topline boost through a mix of multi-dimensional diversification initiatives, which will pave the way for new areas of strategic growth," it added.

NAVBHARAT (NAGPUR PLUS) DATE:2/8/2024 P.NO.4

मॉयल का रिकॉर्ड टर्नओवर

■ नागपुर, बिजनेस कनेक्ट. मॉयल के निदेशक मंडल ने अपनी बैठक में वित्त वर्ष 2024-25 की पहली तिमाही के लिए वित्तीय परिणामों को मंजूरी दी. वित्त वर्ष 24 के उत्साहजनक प्रदर्शन को जारी रखते हुए कंपनी ने अप्रैल-जून 2024 के दौरान रिकॉर्ड तिमाही कारोबार और बिक्री हासिल की है. वर्ष-दर-वर्ष 4.70 लाख टन का उत्पादन 8% अधिक रहा है, जबकि तिमाही के दौरान वर्ष-दर-वर्ष 4.53 लाख टन की बिक्री 15% अधिक रही है. उत्पादन और बिक्री में इस वृद्धि के कारण और बाजार की प्रभावों की मदद से कंपनी 492.84 करोड़ रुपये के संचालन से अब तक का सर्वश्रेष्ठ तिमाही राजस्व और 204.3 करोड़ रुपये का कर-पूर्व लाभ प्राप्त करने में सफल रही है. मॉयल के सीएमडी अजीत कुमार सक्सेना ने कहा कि यह देखकर खुशी हुई कि मॉयल की टीम ने उच्च वृद्धि की गति को बनाए रखा.



NAVBHARAT DATE:2/8/2024 P.NO.7

CIL ने कमाए 5,589 करोड़

■ कोलकाता, न्यूज एजेंसियां. कोल इंडिया की ई-नीलामी से औसत प्राप्ति चालू वित्त वर्ष की अप्रैल-जून तिमाही में सात प्रतिशत घटकर 5,589 करोड़ रुपये रह गई है. कंपनी ने बृहस्पतिवार को बताया कि यह गिरावट नीलामी की कम कीमतों के कारण आई है. बीते वित्त वर्ष की समान तिमाही में कंपनी की ई-नीलामी से औसत कमाई 6,023 करोड़ रुपये रही थी. चालू वित्त वर्ष की पहली तिमाही में कंपनी की ई-नीलामी से आमदनी घटी है, हालांकि इस दौरान ई-नीलामी की मात्रा करीब 37 प्रतिशत की बढ़ोतरी के साथ 2.31 करोड़ टन से अधिक हो गई है.



India's iron ore production rises 9.7 per cent to 79 MT in April-June

THE country's iron ore production grew by 9.7 per cent to 79 million tonnes (MT) in the first quarter of the ongoing fiscal, the Government said on Thursday.

India's iron ore output was 72 MT in the year-ago period, as per the provisional data.

Limestone production grew by 1.8 per cent to 116 MT in the first quarter of 2024-25 from 114 MT in the April-June period of 2023-24, the mines ministry said in a statement.

Production of manganese ore has rose by 11 per cent to 1.0 MT in April-June period of FY25 from 0.9 MT over the corresponding period of previous year. "Production of key minerals in the country, such as iron ore and limestone, has continued to show robust growth in Q1 of FY2024-25, after reaching record production levels in



FY 2023-24," it said.

In the non-ferrous metal sector, primary aluminium production grew by 1.2 per cent to 10.43 lakh tonnes (LT) from 10.28 LT in the year-ago period.

India is the second largest aluminium producer, third largest lime producer, and fourth largest iron ore producer in the world.

Continued growth in pro-

duction of iron ore and limestone in the current financial year reflects the robust demand conditions in the user industries viz. Steel and cement. Coupled with growth in aluminium, these growth trends point towards continued strong economic activity in user sectors such as energy, infrastructure, construction, automotive and machinery, the statement said.

NTPC to procure coal from commercial mines on delivered basis

Rishi Ranjan Kala
New Delhi

In a significant development, state-run NTPC will soon procure one million tonnes (mt) of thermal coal from commercial miners on a delivered basis, a development that can help create a reliable and cost-effective supply chain for the critical resource, which accounts for over 70 per cent of India's power generation.

Sources said the country's largest power generator will procure 1 mt coal from commercial mines. It was finalised last month and a tender for the same will be floated soon, which will be on a delivered basis. If the arrangement works out, more quantities will be procured from the private sector. This will help reduce imports by the power sector.

"Commercial miners are keen to supply coal to the power sector on a delivered basis. It's a win-win. Consumers will get coal at plant head on an assured and cost competitive basis, while miners will get a market. This also helps consuming sectors, who in times of peak demand season have to procure coal at higher prices through e-auctions," explained one of the sources.

In March this year, Coal Secretary Amrit Lal Meena told *businessline*, "With wider contributions from captive and commercial mines, the availability of coal to users will be better. Resultantly, pressure on CIL



COST-EFFECTIVE STEPS. If the arrangement works out, more quantity will be procured from the private sector. PTI

coal auctions will reduce. Hence, the premium on auction will go down and coal will be cheaper for consumers. This, in turn, will help reduce cost of production for all coal-based industries."

DIVERSIFYING SOURCES

Another source said that if the arrangement between NTPC and the miner works

out then in the medium to long term, India can have a robust commercial coal market with competitive pricing strategies. This will also reduce the dominance of state-run Coal India, which currently accounts for almost 90 per cent of India's production of the dry fuel.

"If this works out, then in the medium to long term, it can alter the contours of fuel

supply agreements (FSAs) and to some extent the power purchase agreements (PPAs) as power producers will have various options to procure the fuel at competitive prices," a top state power department official said.

Siddhartha Keshavadasu, Associate Director (Power Advisory) at Nangia & Co, pointed out that diversifying coal sources is a strategic move for NTPC, aiming for a more reliable and cost-effective fuel supply.

RESILIENT SUPPLY CHAIN

In the long term, Keshavadasu opined that the strategy promotes a resilient coal supply chain, mitigating risks of supply disruptions and price volatility. Regulatory oversight will be crucial to maintain fair pricing and market stability, ensuring

any price escalations are controlled.

"NTPC's initiative reflects a shift towards market-driven approaches in the energy sector, promising cost savings and a robust power generation landscape. This development underscores the evolving nature of the coal market and the ongoing efforts to optimize fuel procurement practices in the power sector," he added.

Commercial coal block auctions were launched in June 2020. Since then, nine rounds have taken place, and the 10th round was launched in June 2024. So far, 107 coal blocks with 256 mt peak rated capacity have been auctioned, of which 11 blocks have been operationalised. During FY24, 17.5 mt coal was produced from such blocks.

UPBEAT GUIDANCE FY25 output likely to hit 1.1 MT; green power to save \$15 m in costs

Hindustan Zinc's Q1 Net Rises 19% to a Five-Quarter High

Nikita Periwal

Mumbai: Hindustan Zinc expects incremental cash flows of at least \$15 million in the financial year 2025-26 as it increases its proportion of renewable energy used for production of mined metal, senior executives told ET.

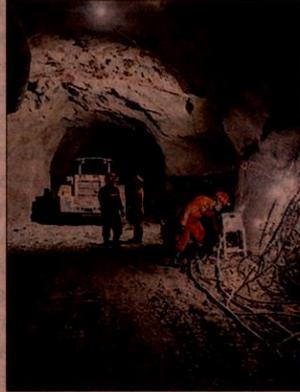
"We are looking at savings of \$15 per tonne from power, so if we produce 15 million tonnes, that's the saving," said Sandeep Modi, the company's chief financial officer. Savings could be higher if the company's production is higher, or if they manage to save more on producing each tonne of zinc, he said.

The Vedanta-owned company also announced its earnings for the June quarter on Friday, and its consolidated net profit rose 19% on-year to a five-quarter high of ₹2,345 crore. Operating profit for the quarter was also at a five-quarter high and rose 17% on-year to ₹3,964 crore.

Revenue from operations for the quarter stood at ₹8,130 crore, up 12% on year due to better metal volume and metal & silver prices, further supported by a strong dollar and partly offset by lower silver volume, the company said in a statement. The top line rose 8% sequentially.

The country's largest producer of zinc and silver produced 1.08 million tonne of mined metal in the last fiscal, its best ever, and has guided for production of 1.10-1.12 million tonnes in the current fiscal.

Power costs account for about two-fifths of the company's total production costs. Earlier this year, the company signed a pact with Serentica for renewable energy, and currently around 8.5% of its energy is renewable of its total mix.



GETTY IMAGES

While the mix of renewable energy will continue to increase in the company's total consumption, Hindustan Zinc is also working on modifying its power plants so that they can work with locally produced coal, chief executive officer Arun Misra said.

The company's cost of production in the June quarter was at a multi-quarter low, having reduced by 7% sequentially to \$1,107 per tonne. The company has guided for the cost of production in the range of \$1,050-1,100 per tonne in the current fiscal.

"We should be able to live up to our guidance," Misra said. "The effort will be on, and we will continue to reduce costs, and not stop at a number just because we have reached the guidance. Ultimately, we want to get to a \$1,000 per tonne kind of cost target in a year's time," he said.

Hindustan Zinc's agreement with Serentica is for power at a flat rate for its tenure of 25 years, which will play a significant role in bringing down the costs of production and increasing cash flows for the company.

Copper: Go short if futures slip below support at ₹775

Akhil Nallamuthu

bl. research bureau

Copper futures on the Multi Commodity Exchange (MCX) has been on a decline for over two months. Before a couple of weeks, the continuous contract of copper futures dropped below the support at ₹835, adding to the bearishness.



COMMODITY CALL.

The August expiry contract, currently trading at ₹784, has a support at ₹775. Given the current momentum, this is likely to be breached. In which case, the contract can drop to ₹745, a support. Subsequent support is at ₹700.

On the other hand, if copper futures rebound from the support at ₹775, it can go up to ₹835. A breakout of this can turn the short-term view

bullish and can lift the price to ₹870.

Nevertheless, considering the prevailing price action, the likelihood for a fall is high.

But since there is a support ahead, traders can wait for it to be invalidated before taking fresh short positions.

Wait for now and short copper futures if it slips below the support at ₹775. Target and stop-loss can be at ₹745 and ₹790 respectively. After initiating the short, once the contract touches ₹760, revise the stop-loss to ₹772. Exit the trade at ₹745.

Save Indian steel firms from dumping: Narendran to govt

DOUBLE WHAMMY. Tata Steel MD says exports are slowing & imports via S-E Asia are rising

Suresh P. Iyengar
Mumbai

China could be routing cheaper steel into India through South-East Asian countries and this can derail the investments made by Indian steel companies, TV Narendran Managing Director, Tata Steel, told *businessline*.

"The Indian steel industry has been a good example of private sector investments. All the steel companies including Tata Steel, AMNS, JSPL and JSW have announced significant capex. Our appeal to the government is not to let it get derailed due to cheap imports and all the taxes," he said.

Narendran's comments come even as steel companies say they are facing a double-whammy of slowing exports and rise in imports. Tata Steel believes that the government should look at imports both from China and from South-East Asia. Tata Steel fears that unbridled cheap imports from China can derail the huge in-



“You have iron ore, a vibrant market and people willing to invest to make steel. Do not let it get derailed by imports coming in at predatory prices

TV NARENDRAN

Managing Director, Tata Steel

vestment plans and hamper the capacity additions planned by Indian steel majors.

RISE IN IMPORTS

In FY24, India imported 8.3 million tonnes of finished steel, up 38.1 per cent from a year earlier. In the same period, steel exports in-

creased only 11 per cent to 7.5 mt. With lower exports, steel companies have diverted excess capacity into domestic market putting pressure on prices.

US SAFEGUARD

To protect its industry, US President Joe Biden has imposed a duty of 25 per cent

on certain Chinese steel products. Last month, the US prevented China from circumventing its tariffs on steel and aluminium by routing it through Mexico and levied 25 per cent tariff on Mexican steel. Previously, that steel would have entered the country duty-free. Most of the imports from China are at a price where even the steel companies in that country lose money.

"If I am allowed to lose \$50 a tonne on selling steel and still survive, then it is a different story. So, in a market economy, you cannot make losses, keep producing steel and keep selling. This is what is happening in China," Narendran said.

It is not about competitiveness, that is a reality and that is why world over Chinese steel are being looked at differently, he added. "In India, where you have iron ore, a vibrant market and people willing to invest to make steel. Do not let it get derailed by imports coming in at predatory prices," said Narendran.

Coal India eyes lithium deposits in Chilean salt flats

Our Bureau
New Delhi

State-run Coal India (CIL) is considering exploration and extraction of lithium from the salt flats of Chile and has evinced interest on the same with the Chilean government, Parliament was informed on Monday.

"CIL has also submitted its expression of interest in the request for information (RFI) floated by Government of Chile for the development of projects for the exploration, extraction and processing of lithium contained salts or other types of deposits in Chile," Coal Minister G Kishan Reddy said in response to a written query in the Rajya Sabha.

CIL has signed non-disclosure agreements with companies from different countries for checking feasibility of potential investment in the critical mineral projects, he added.

LARGEST PRODUCER

Chile is home to half of the viable lithium reserves globally and is the world's second-largest lithium producer. It accounts for around 36 per cent of the global trade.

The Government of Chile in March 2024 announced new opportunities for private sector investors in lithium exploration.

Opportunities exist to partner with existing State-owned entities or to make a completely private investment, depending on the salt flat or type of business.

Under its National Lithium Strategy, Chile floated the RFI to invite interested domestic and foreign companies. Through special lithium operation contracts, the



Chile is home to half of the viable lithium reserves globally

country will offer mining blocks for exploration and extraction of the critical mineral.

The proposal was launched in April 2024 and the bids were opened on July 9, 2024.

In April, Chile's Economy, Development and Tourism Minister, Nicolás Grau, said the government is in touch with 97 companies from 12 countries that have expressed interest in being part of the national lithium industry.

The countries include India, China, the US, Singapore and Germany.

The country offered around 26 salt flats for the extraction of lithium. It has received more than 80 proposals, but it was not immediately clear whether CIL has secured any winning bids.

ARGENTINA PUSH

In June this year, CIL also floated a request for EoI in Argentina for empanelment of technical consultants for due diligence of overseas mineral assets.

The empaneled consultants will be invited, as and when projects arise, to submit their financial proposals based on request for proposal issued selectively at the sole discretion of CIL to empaneled consultants on a project-to-project basis.

Yellow Metal Prices on the Rise Again amid Resurgent Demand

Following duty cut, jewellers report up to 15% higher footfalls in first weekend of August

Sutanuka Ghosal

Kolkata: Consumers are rushing to buy gold, some even placing advance orders, on fears that prices may start rallying again after a recent decline, said jewellers and trade executives. Prices of the yellow metal fell after a customs duty cut in the budget but have since rebounded amid a rush of buyers in the world's second-largest bullion market.

Jewellers reported up to 15% higher footfalls in the first weekend of August compared to the previous weekend, as consumers sought to benefit from the lower prices. However, the demand surge led to prices rebounding by 2% within a fortnight of the duty cut following expectations of a rate cut by the US Federal Reserve and flaring up of the West Asia conflict.

The FY25 budget, presented on July 23, lowered the import duty on gold to 6% from 15%, bringing cheer to consumers. On July 24, the day after the duty cut, retail prices of gold stood at ₹71,225 per 10 gm as of August 2.

"The feeling among the customers

is that prices might further go up as the geopolitical tension might further escalate as Iran has threatened to attack Israel. This is prompting them to make purchases. They are buying jewellery ranging between ₹25,000 – ₹4 lakh," said Colin Shah, managing director at Mumbai-based Kama Jewelry.

Consumers are buying lightweight jewellery for the upcoming Rakshabandhan festival, which marks the onset of the festive season in India. They are also buying jewellery for the upcoming wedding season, slated to start in November and December.

Demand is also fuelled by speculation that government might increase Goods and Services Tax (GST) on gold. "Many jewellers are sending messages to their customers about this possibility. That too is prompting customers to rush to the stores to buy gold," an industry executive said.

While the rumours may not turn

Prices are up 2% within a fortnight of the duty cut following expectations of a rate cut by the US Federal Reserve

Frenzy for Gold

Customers placing advance orders to lock in **current prices**

FY25 budget reduced import duty on gold from **15% to 6%**

Anticipation of US Federal Reserve rate cut, **geopolitical tensions** affecting prices

Gold prices nearing record highs in international markets according to experts

Price Movement:
July 24: ₹71,225 per 10 gm (post-duty cut)
August 2: ₹72,594 per 10 gm (2% rebound)



out to be true, the positive sentiment about gold prices remains intact.

"Gold prices have already rallied close to record highs in the overseas market and the cues are followed in the domestic market as well. The underlying trend remains positive both in the international as well as domestic market," said Pranav Mer, vice president, equity business group for commodity & currency research at JM Financial Services.

Joy Alukkas, chairman of Joy Alukkas group said, "On August 3 and 4, we have witnessed footfalls going up by 15% compared to the wee-

kend post-budget. People have largely bought wedding jewellery and lightweight jewellery for daily wear. Many bought small items for Raksha Bandhan gifts for their sisters which include earrings and pendants."

Added Suvankar Sen, managing director & CEO of Senco Gold & Diamonds, "There is a fear of price increase due to various reasons. So, many buyers with weddings in the family are advancing some purchases. Also, normal buyers for their personal use are also buying gold, diamonds or platinum. We are also witnessing a lot of pre-booking of gold."

Gold industry forms self-regulatory body to ensure transparency

Our Bureau
Mumbai

P-12 (BL)

07-08-2024

announced soon, and the organisation will be operational by early 2025.

The leading associations of the gold industry have come together to form the much-awaited self-regulatory organisation (SRO), the Indian Association for Gold Excellence and Standards (IAGES).

The SRO will have board members from the Indian Bullion and Jewellers' Association, the All India Gems and Jewellery Council of India, and the Gem and Jewellery Export Promotion Council. It will be supported by the World Gold Council.

The SRO will frame good practices to be followed by the entire value chain of the gold industry, including bullion, jewellery manufacturers and retailers.

Registrations for IAGES membership will be an-

SUSTAINABLE MARKET

Sachin Jain, Regional CEO (India), World Gold Council, said self-regulation will help empower stakeholders to build a sustainable and trusted gold market.

Vipul Shah, Chairman, Gem and Jewellery Export Promotion Council, said IAGES will not only strengthen India's position as a global gold hub but also drive innovation and growth within the industry.

Prithviraj Kothari, National President, India Bullion and Jewellers' Association, said the industry is fostering trust and confidence among governmental bodies, consumers, investors and international partners in the Indian gems and jewellery domain.

India to ramp up coking coal production by 20% to 80 million tonnes in FY25

Abhishek Law
New Delhi

India is targeting a coking coal production of 80 million tonnes (mt) in FY25, a 20 per cent increase over last year's 66.55 mt, as it aims to reduce its import bill in this segment.

The increase in mineral production — a key feedstock in steel-making — will be supplemented by bringing on-stream washeries by Coal India Ltd. This includes commissioning two coking coal washeries and monetising four more, while steel-mills such as Tata, JSW and SAIL will be looking at brown-field and greenfield expansions.

India, the world's second-largest crude steel maker, is already the largest importer of coking



HELPING HAND. The increase in coking coal production will be supplemented by bringing on-stream washeries by Coal India

coal, with over 58 mt shipments coming in.

According to a document shared by the Coal Ministry with the Steel Ministry, a policy for offering coking coal or PCI through washeries is also under consideration. (*businessline* has a copy of the document)

At present, the washing capacity of domestic cok-

ing coal is to the tune of 23 million tonne per annum (mtpa), which includes 9.26-2 mtpa by SAIL and 7.6 mtpa by Tata Steel.

"Further engagement with the private sector is required to enhance the availability of coking coal" the document reviewed by *businessline* noted.

In a written reply to Ra-

jya Sabha, Union Coal Minister G Kishan Reddy recently said that the current domestic blending of coking coal by the steel sector is set to be "increased from present 10-12 per cent to 30-35 per cent."

"The available domestic coking coal resources have high ash content which require washing and blending with low ash coking coal for its use in steel-making. Steel CPSEs have been procuring coking coal from a diversified group of countries mainly Australia, United States, Indonesia, Mozambique, Russia etc," the Minister said.

The Steel Ministry documents state that washery capacities will be ramped up by Coal India. CIL has plans to set up 11 washeries with 33 mtpa capacity, of which 15 mtpa is for supply to the steel sector.

'HZL to Play Pivotal Role in Vedanta 2.0'

Chairperson Priya Hebbar says both zinc & silver are very critical for future

Nikita Perwal

Mumbai: Hindustan Zinc will play a pivotal role in transforming Vedanta to 'Vedanta 2.0', a critical mineral, renewable and technology company, said chairperson Priya Agarwal Hebbar, even as borrowings are no longer a major concern for the natural resources firm.

"Hindustan Zinc is a kind of crown jewel for Vedanta, and both zinc and silver are very, very critical for the future," Hebbar told ET in an exclusive interview. "Silver, specifically, has a very aggressive and ambitious story."

Vedanta has been vocal about increasing its left in the domestic production of critical minerals, including newer ones. Earlier this year, it had also announced a road map to

achieve \$10 billion in operating profit through a host of projects.

Vedanta owns nearly 65% stake in Hindustan Zinc, which houses the company's zinc and silver operations in India. While the production of both the critical minerals hit all-time highs in 2023-24, Hindustan Zinc is setting sights on extracting more.

"When Vedanta took over Hindustan Zinc, experts had told us that there's nothing much left. And today, we are at 1.2 million tonnes of metal (annual output). So, the potential is massive, and our hope is that we can reach 2 million one day," said Hebbar, who is also a non-executive director at Vedanta.

The country's largest producer of zinc-lead, and by-product silver, is looking at increasing production of zinc by at least 5% each year, while the aim for silver is to get to 800 tonnes, and then 1,000 tonnes over the next 12-18 months. Its annual production of mined metal stood at 1.08 million tonnes in 2023-24, and that of silver at 746 tonnes.

"Silver has emerged to be a very significant component over the years as part of Hindustan Zinc... from being a small by-product ca-



CRITICAL MINERAL

Silver has emerged to be a very significant component over the years as part of Hindustan Zinc... from being a small by-product category to increasing share in co's revenue

PRIYA AGARWAL HEBBAR
Chairperson, Hindustan Zinc

tegory to increasing share in revenue," Hebbar said. "We took the decision to focus a lot more on silver, looking at the potential and the market for silver."

Hindustan Zinc is also open to strategic partnerships for the usage of silver in the manufacturing sector, especially for medical equipment, wind turbines, electric vehicles and solar panels. "We want to ensure that the silver that they use

to build these are done with Hindustan Zinc silver," Hebbar said.

Even with the industrial usage of silver coming of age, the company is keeping its lens trained on zinc, and recently launched low-carbon zinc, as it looks to cut carbon emissions not just at a company level but also for its clients, while moving its product higher up the value chain.

"Zinc is very important because for sustainable infrastructure you

want to ensure that zinc is used for any heavy development," Hebbar said. "The potential for zinc in the infrastructure for batteries is also exciting."

She further said: "Zinc could eventually even replace lithium because they have seen that zinc is as powerful, it's safer and it's more accessible and cheaper. If zinc can replace lithium, it will be an absolute breakthrough."

STEEL ASSETS

Hindustan Zinc's parent Vedanta, which is in the midst of a demerger, is also looking to sell its steel assets. While the intention to sell these assets was announced last year, the company is waiting for the right valuation.

Vedanta is not in any urgency to sell the steel assets and will consider the sale only at the right price and to the right buyer, Hebbar said. "The debt... is not a big problem for us anymore. So, only when we are ready (we will sell), because we are not in any urgent situation at the moment."

Vedanta had a gross debt of ₹78,016 crore, and net debt of ₹61,324 crore, at June-end.

Cementing consolidation

Southern cement industry is set to see more M&As

KT Jagannathan

It was inevitable. When it finally happened, however, it threw up a number of questions and possibilities in running a business in India.

When a gutsy and ageing N Srinivasan called it quits and sold his India Cements to the Birla-owned UltraTech, it exposed the limitations of a man who dominated the cement field in the south. Why did he give up? Apart from the business and economic reasons, the typical constraints of a family-run business did not help him either.

The ability of the next generation to carry forward is crucial for the longevity of family businesses.

Family businesses are quite common in this part of the world. What's in a name? What's in a brand? How does history matter? Time can just reduce all these inconsequential things. As the saying goes, change is the only constant in a dynamic business environment.

Nevertheless, it requires enormous courage to let go of something you hold very dear. No doubt, Srinivasan was caught in a compelling situation. Yet, calling it quits was a wise decision on his part. Srinivasan and others have indeed been compensated well for getting out of India Cements. Did UltraTech get India Cements at the best price? Time alone can answer this.

What does this deal signify? Are we going back in time? It appears so. Not surprisingly, both the Centre and States, in the past, encouraged SMEs (small and medium enterprises).

They had been particularly conscious that production should not be concentrated in a few hands. The MRTP (Monopolies and Restrictive Trade Practices) Act was in play to check-mate such concentration of production.

INDUSTRY REHAUL

As things pan out, the emerging competition is leading to reorganisation of an unexpected kind in the cement industry. A consolidation is clearly in evidence and is happening at a hectic pace, especially in the southern cement market.

The two dominant players in the country — Adanis and UltraTech — have been on the prowl to expand their cement base.



CEMENT SECTOR. Scaling up

acquire My Home Group's 1.5 million tonne per annum cement grinding unit at Tuticorin in Tamil Nadu.

Later, on June 13, Ambuja Cement signed an agreement to acquire Penna Cement Industries (PCIL). The deal is expected to help the group expand not only in south India but also gain access to the Sri Lankan market. Shree Cement had announced capacity expansion in Karnataka. Dalmia Bharat was in the process of setting up a cement mill at Ariyalur, Tamil Nadu.

Why is South India in focus? One, South India is where much of the country's limestone deposit — critical input for the production of limestone — is located. Two, the industry in the South is largely fragmented.

The southern cement companies — going by their capacities — pale into insignificance when compared to the big players such as UltraTech and Adanis. India Cements is a comparatively smaller player when pitched against these majors who have deep pockets. Due to these factors the southern cement market is seeing a lot of action.

Surely, the focus is firmly on being big. If the focus now is on scale, the big consolidation under way points to the return of 'dominant production' ways, a far cry from the diversified cement manufacturing of the past.

The fragmented nature of the cement business in the South makes it an easy prey for the bigger companies. The industry in the south is already abuzz with such talks. The big players, seized by a sense of urgency, are speeding up their plans for south.

Coming events cast their shadows before them, it is often said. Are we returning to former times where a few dominated production? Well, the cement industry, especially in the South,

Gold duty cut will boost exports, curb smuggling

Jayant Pankaj
Chennai

The reduction in import duty on gold from 15 per cent to 6 per cent in the Budget was done to help exporters. But data show that it can help reduce gold smuggled into the country. Short-term impact of the duty changes is also seen on gold imports.

DATA FOCUS.

Import duty on gold was at very low levels until 2013 when it was hiked to 10 per cent, to support the current account deficit and the rupee.

It was again hiked to 12.5 per cent in FY20. Data from the Directorate of Revenue Intelligence (DRI) show that the quantity of illegal gold seized was quite high between FY16 and FY20, above 3,000 kg in most years. But a reduction in duty to 10 per cent in FY21 resulted in reduced seizures of illegal gold in FY21 and FY22.

On the other hand, increase in customs duty in FY23, from 10 to 15 per cent, again led to jump in quantity of gold seized. This indicates a strong likelihood of a fall in smuggling of gold, following the sharp cut in import duty this year.

The gold seized by the DRI, however, accounts for only a fraction of the total gold smuggled into the country, which could vary between one lakh and two lakh kg annually, according to various estimates.

GOLD IMPORTS

Changes in customs duty seem to impact the gold imports in the months of the announcement and the following months too. There were four instances of duty changes between 2013 and 2023. This pattern was seen in three instances.

According to data from the Directorate General of Foreign Trade, gold imports increased to 97,582 kg in February 2021, when duty was reduced from 12.5 per cent to 10 per cent in February 2021. It then continued to surge to 176,940 kg in March 2021 and remained elevated at 1,17,395 kg in April 2021. Imports, however, fell to 12,953 kg in May 2021, possibly due to the second wave

Impact of customs duty changes

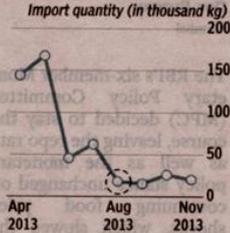
Budget 2024 has pegged gold duty at the lowest level since 2013

How gold seized by DRI moved with duty changes

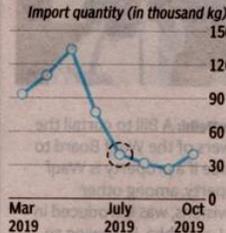


How imports react to duty changes

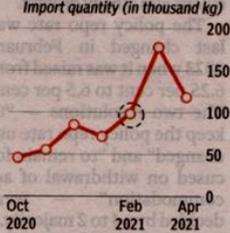
August 13, 2013: Duty hiked from 8% to 10%



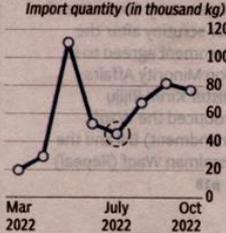
July 6, 2019: Duty hiked from 10% to 12.50%



February 1, 2021: Duty cut from 12.5% to 10%



July 1, 2022: Duty hiked from 10% to 15%



Source: Ministry of Commerce, DRI Smuggling in India Reports, Lok Sabha Questions

of the Covid-19 pandemic.

On August 13, 2013, the import duty on gold was increased from 8 per cent to 10 per cent. Following this, gold imports declined significantly from August to November 2013. Of these instances, the pattern was slightly different in 2022, with the impact lasting only one month. This could, however, be due to a strong demand for gold from consumers and the domestic industry.

Prithviraj Kothari, Managing Director, RiddiSiddhi Bullions, explained, "Gold is highly price-sensitive in India, as it is a major consumer market. A reduction in import duties can lower the domestic price of gold, making it more affordable and po-

tentially increasing demand and imports. However, the exact impact on imports depends on various factors, including market conditions, consumer sentiment and global gold prices. Reducing duties can help curb smuggling by reducing the price difference between official and unofficial channels."

Another commodity analyst said that after a sluggish June 2024 quarter, India's gold demand is set to soar in the second half, thanks to the steep duty cut. "Given that India relies on imports for gold, this means that we will likely close this fiscal with gold imports of over 1,000 tonnes compared with average 750 tonnes in FY24," the analyst said.

Aluminium: Add longs on dips to ₹208

Akhil Nallamuthu
bl. research bureau

Aluminium futures (August series) on the Multi Commodity Exchange (MCX) has been moving in a sideways range since the past two weeks. It has been oscillating between ₹208 and ₹215.

COMMODITY CALL.

The prevailing consolidation means that the down-trend has lost momentum. Also, there is a strong support band between ₹206-210.

While this does not mean a bullish trend reversal, the odds are now favourable for the bulls.

We expect aluminium futures to at least witness a minor rally to ₹225 from the



current market price of ₹212. A breakout of ₹225 can lift the contract to ₹232.

But if the contract resumes the decline and breaks below ₹206, it can quickly drop to ₹190.

TRADE STRATEGY

Last week, we recommended buying aluminium futures at ₹212. Hold this trade and add longs in case the price dips to ₹208.

Maintain a stop-loss at ₹204. Alter the stop-loss up to ₹212 when the price hits ₹220. Book profits at ₹225.

Copper steadies on raw material shortage and interest rate hopes

Reuters
London

Copper prices steadied on expectations of improved consumption in China and a larger than previously forecast cut in interest rates by the US Federal Reserve in September.

Three-month copper on the London Metal Exchange was flat at \$8,772 a tonne in official rings, having earlier slipped to \$8,716.

Copper prices are close to the bottom after retreating five per cent in a week, one trader said, citing improving fundamentals. Chinese imports of copper concentrates dropped to a one-year low of 2.165 million tonnes in July, data showed on Wednesday.

Aluminium declined 1.3 per cent to \$2,258 and nickel dropped 0.7 per cent to \$16,185.

Hindustan Zinc proposes two units with revised demerger plan

Abhishek Law
New Delhi

Hindustan Zinc continues to pursue its demerger proposal to create a separate silver unit and a zinc & lead unit — with the Mines Ministry, the largest minority shareholder.

Revising its demerger plan, Hindustan Zinc has now proposed to create two separate entities — a silver unit and one for zinc and lead — instead of the earlier three and has taken up the matter with the Mines Ministry. The Vedanta-owned company, as part of its revised demerger plan, is proposing a two-company-structure wherein the zinc and lead units will be clubbed together, while the recycling unit will function as a subsidiary.

The decision to create a second unit for silver is riding on the belief that separating the silver unit will add \$3-4 billion to market capitalisation, Arun Misra, CEO, Hindustan Zinc, told *businessline*.

TO UNLOCK VALUE

“Our demerger proposal proposes creating two companies — one for zinc and lead; and the second for silver.... and it



Arun Misra, CEO

will unlock another \$3-4 billion in market cap,” he said. Previously, Hindustan Zinc had proposed to create three separate entities, namely for zinc and lead, silver and a recycling unit and have them listed individually.

This was shot down by the Mines Ministry citing profitability concerns of individual companies and the impact that such a demerger can have on disinvestment, officials in the know said. Any such demerger proposal of the zinc miner requires shareholder approval, especially from the Mines Ministry that holds 29.54 per cent in Hindustan Zinc. The Ministry has three of its representatives on Vedanta’s board. Vedanta Chairman Anil Agarwal’s daughter, Priya Agarwal Hebbbar, heads Hindustan Zinc. “There is no further update on this matter.

We continue to engage with them. There is no new proposal. But we re-worked the existing one,” Misra said.

SILVER PRODUCTION

It is to be noted that the zinc miner is also among the top three global silver producers.

According to the CEO, there are plans to ramp up silver production to 800 tonnes (it produced 746 tonnes in 2023) and subsequently to 1,000 tonnes and 2,000 tonnes “in the coming future”.

“We have consultants working on the proposal plan.... we are ramping up capacities,” Misra said, adding that given the current high prices of silver having a separate company made sense.

“...Add \$3-4 billion market to our market cap and everyone will gain including the Government of India,” he said. The silver vertical of Hindustan Zinc reported a revenue of ₹1,427 crore for the quarter ended June 30 (Q1FY25), indicating a 10 per cent year-on-year increase. “For the recycling segment, we don’t have a separate revenue stream, and we believe that a subsidiary for recycling will add significant value,” Misra said.

Jindal Steel reduces dependence on Australian coking coal by over 50%

Our Bureau
New Delhi

Naveen Jindal-promoted Jindal Steel, one of the largest steel producers in the country, will strategically diversify its coking coal sources to reduce geographical risks and cost pressures.

The company will decrease its reliance on Australian coking coal imports while procuring from other regions across Africa and South-East Asia.

Jindal Steel has incorporated new coking coal supplies from Africa and South-East Asia, it said in a statement, adding that "this initiative has significantly reduced consumption of Australian coking coal by more than 50 per cent."

According to Pankaj Malhan, Executive Director-in-Charge of Jindal Steel, An-

gul, diversifying coking coal sources was imperative due to global uncertainties and supply chain disruptions.

"By reducing reliance on Australian coking coal imports and increasing intake from other regions, we've strengthened our supply chain and improved cost efficiency.

"Our coke oven team (has) develop (ed) new blends and is producing higher-quality coke at a lower cost," he said.

businessline.

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Eff to aid in market, IT work



documents filed with SEBI as well as draft letters for buy-backs and takeovers; mutual fund surveillance; identifying the role of public interest directors and shareholder directors; corporate governance matters; analysing data of compulsorily delisted firms, and analysis of past and current court cases of credit rating agencies and debenture trustees.

"Working for a year or two at SEBI can add a lot to the CV of these youngsters and help them chalk a bright career path in the financial services industry. The regulator, however, needs to be mindful of ensuring a culture that

offers flexible work schedules and work-life balance," said Parag Shah, Strategic Advisor-BFSI, Xpheno.

RULES OF THE GAME

YPs shall not indulge in trading or speculation of stocks, securities or commodities of any description. They cannot make any direct or indirect investment in equity and equity-related instruments, including convertible debentures and warrants, except in units of mutual funds, exchange-traded funds, non-convertible bonds and non-convertible debentures, and in rights issues of shares already held by them.

YPs will be deemed to be "insiders" and shall not act on, cause someone else to act on or communicate any unpublished price-sensitive information. Every year, the regulator conducts exams to recruit grade A officers. The results for the phase 1 grade A exams for this year were declared earlier this month.

As deposits turn pricier, banks up lending rates

Our Bureau
Mumbai

In a reflection of the rising cost of deposits, amid challenges for mobilising resources and the ongoing transmission of the cumulative repo rate hike of 250 basis points (bps) during May 2022-February 2023, more banks are upping their Marginal Cost of Funds-based Lending Rate (MCLR).

This comes in the wake of the RBI's rate-setting Monetary Policy Committee keeping the repo rate unchanged at 6.5 per cent at its Thursday meeting.

RATE HIKE

Bank of Baroda, Canara Bank and UCO Bank on Friday announced raising their MCLR. BoB will increase its MCLR by 5 basis points on certain tenors with effect from August 12. Following this increase, the revised six-month and one-year MCLR

will be 8.75 per cent (8.7 per cent) and 8.95 per cent (8.9 per cent) respectively.

Canara Bank, too, will increase its MCLR by 5 basis points across the board with effect from August 12. Following this increase, the revised six-month and one-year MCLR will be 8.8 per cent (8.75 per cent) and 9 per cent (8.95 per cent) respectively.

UCO Bank has decided to up its MCLR on certain tenors by 5 basis points with effect from August 10. The revised six-month and one-year MCLR will be 8.8 per cent (8.75 per cent) and 8.95 per cent (8.9 per cent) respectively.

All floating rate rupee loans sanctioned and renewed with effect from April 1, 2016, were priced with reference to MCLR, which is the internal benchmark for such purposes.

BENCHMARK LINKAGE

Further, to ensure better



All floating rate loans sanctioned and renewed with effect from April 1, 2016, were priced with reference to MCLR, that is the internal benchmark

transmission of changes to the policy rate, the RBI asked banks to ensure that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans extended to Micro and Small

Enterprises from October 1, 2019, and floating rate loans to Medium Enterprises from April 1, 2020, are linked to external benchmarks such as the repo rate or 3/6-month Treasury Bills.

In response to the 250 bps policy rate hike since May 2022, scheduled commercial banks have revised upwards their repo-linked external benchmark-based lending rates (EBLRs).

The one-year MCLR of SCBs increased to 168 bps during May 2022-June 2024, according to the RBI.

Consequently, the weighted average lending rates (WALRs) on fresh and outstanding rupee loans increased by 188 bps and 111 bps respectively from May 2022 to May 2024.

In the case of deposits, the weighted average domestic term deposit rates on fresh and outstanding deposits increased by 244 bps and 190 bps respectively during the same period, per RBI data.

A strategy for securing critical minerals

Apart from skilling, tech upgrade and proactive regulation, India must tie up with other countries to ensure stable supply

Chandrajit Banerjee

Advanced materials, critical minerals and metals are revolutionising nations' progress as they are widely employed in both industrial and strategic sectors. From renewable energy to electronics and healthcare, these materials are essential for innovation and play a crucial role in addressing key socio-economic challenges, such as climate change and improved resource efficiency.

The global demand for such materials is steadily increasing due to the rapid pace of technological development. For example, materials like rare earth elements, lithium, cobalt, indium, and many others are being extensively used in high-tech devices, electric vehicles, renewable energy systems, and advanced healthcare technologies.

However, only a few countries are leading the production and supply of critical minerals and metals, thereby controlling a significant portion of the global market. This dependency raises concerns about supply chain vulnerabilities and geopolitical risks. As a result, countries worldwide are now actively seeking to diversify their sources and reduce dependencies.

India is one of the world's largest consumers of critical minerals, materials and metals, with a rapidly growing demand driven by its expanding manufacturing and technology ecosystem.

Through industry consultations, CII has identified 10 critical areas in advanced materials, critical materials, and metals for focused collaboration to fast track their commercial development and utilisation.

These include biomaterials, ceramics, composites, graphene, rare earths, recycling materials, titanium, semiconductor materials, aluminium, and steel. While these materials are extensively worked upon and often are exploited commercially, largescale production to meet the increasing future demand is lagging.

Among the most important challenges in this regard relate to the unavailability of raw materials. For example, India has limited resources of rare earth elements. For metals also, high quality metallurgical coke concentrates are mostly imported.

Another challenge is the shortage of skilled manpower in the materials, minerals and metals sectors. This is primarily because of gaps in specialised training, advanced skills, and collaborations. Regulations, standards, and environmental concerns are other challenges to be addressed.

India has recognised the need to develop a robust domestic supply chain for critical minerals and metals. The government has initiated pioneering measures to promote exploration, mining, and processing of these resources within the country.

Budget 2024-25 announced the Critical Minerals Mission to boost the domestic production and recycling of



IN HIGH DEMAND. For tech products

critical minerals like copper and lithium. This is a significant step towards securing the supply chains of essential minerals vital for modern technologies.

LOOKING AHEAD

Going forward, there's a need for several actions:

First, regular updates to regulatory guidelines by incorporating insights from research and academic experts, will be essential. This iterative process ensures that new materials or techniques are appropriately regulated, thereby potentially reducing entry barriers for indigenous technologies.

Two, it is important that artificial intelligence, machine learning, and various advanced manufacturing technologies be adopted to solve problems related to materials and manufacturing.

Three, enhanced skilling through integrating practical training into technical education programmes,

establishing skill development centres specific to advanced materials manufacturing and encouraging summer training for technology students in core engineering industries would be useful.

Four, industry academia collaboration projects, setting up state of the art testing and validation centres, understanding of regulatory compliances, and knowledge of international standards should be incorporated in the course curriculum.

Five, facilitation of technology transfer from academic and national laboratories to startups or MSMEs is vital. Implementing policies to curb duplicate efforts in academia and industrial R&D further optimises resource utilisation and fosters innovation.

Finally, India has been actively engaging in collaborations with other countries to secure a diversified and sustainable supply of these materials. We need to continue focus on enhancing collaborations with other countries to ensure a stable supply of critical minerals and metals. Bilateral and multilateral agreements and strategic alliances can help in developing sustainable supply chains.

Adopting sustainable mining would also ensure responsible extraction of critical minerals and metals. This includes promoting environmental protection, social responsibility, and ethical sourcing practices.

The writer is Director-General, CII

BOARD LIKELY TO MEET IN NEXT 2 WEEKS TO CONSIDER PAYOUT

Hindustan Zinc Likey to Dole Out ₹6,000 crore in Special Dividend

Rajesh Mascarenhas

Mumbai: Hindustan Zinc (HZL), an integrated producer of zinc and silver, is likely to announce a special dividend of ₹6,000 crore to its shareholders this month, according to sources. Last month, the National Company Law Tribunal (NCLT) had approved the transfer of ₹10,383 crore from the company's general reserves to retained earnings.

The company's board is likely to meet over the next two weeks to decide on the payout, said one of the sources. Hindustan Zinc declined to comment.

The special dividend, which translates into a payout of ₹14.2 per share for shareholders, will be in addition to the regular annual dividend.

Vedanta, which holds a 64.92% stake in Hindustan Zinc, will receive ₹3,895 crore in the event of the di-



vidend payout. The company may use the special dividend to cut debt.

The government with a 29.54% stake is expected to receive ₹1,772 crore.

The Jaipur bench of the NCLT issued the order on July 16, allowing the reclassification and transfer of funds from general reserves to re-

tained earnings. The total reserves of the company as of March 31, 2024, was ₹14,350 crore while the total debt was ₹8,722 crore.

In the financial year ended March 2024, Hindustan Zinc paid a total dividend of ₹5,493 crore. In FY 2022-23, the company made a record dividend payout of approximately ₹32,000 crore, with the government receiving ₹9,500 crore.

Hindustan Zinc shares have returned 87% so far in 2024 compared to an 11% gain in the benchmark Sensex. During the June quarter, Hindustan Zinc's market capitalization more than doubled, adding nearly ₹1.6 lakh crore.

For the quarter ended June, Hindustan Zinc reported a 12% year-on-year revenue growth to Rs 8,130 crore, a 17% increase in EBITDA, and a 19% rise in profit after tax to Rs 2,345 crore. Additionally, the company generated a free cash flow from operations of ₹3,432 crore.

Coal imports rise by 6 pc to 75.26 MT in Q1



NEW DELHI, Aug 11 (PTI)

INDIA'S coal import rose by 5.7 per cent to 75.26 million tonnes (MT) in the first quarter of the current fiscal compared to 71.16 MT of coal in the same period of the previous fiscal.

Coal imports in June were also higher by 6.59 per cent at 22.97 MT compared to 21.55

MT in the same month of the previous fiscal, according to data compiled by Mjunction Services Ltd, a B2B e-commerce platform from a joint venture between Tata Steel and SAIL. Mjunction MD and CEO Vinaya Varma said that given the surplus coal available in the system and the slowdown in industrial activity during

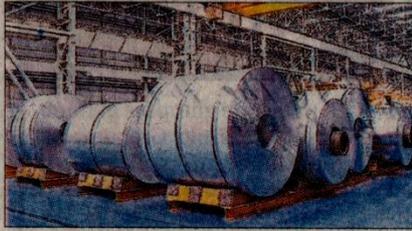
monsoon, import demand is likely to remain subdued in the coming month.

Of the total imports in June 2024, non-coking coal imports stood at 14.19 MT, higher than 13.29 MT imported in June last year. Coking coal imports were at 5.45 MT, against 5.33 MT imported in June 2023.

During April-June 2024, non-coking coal imports were at 49.12 MT, higher than 46.53 MT imported during the same period last year. Coking coal imports stood at 15.45 MT during April-June 2024, against 15.20 MT recorded for April-June 2023.

India's coal import rose by 7.7 per cent to 268.24 million tonnes in FY24 driven by softness in seaborne prices and likelihood of increase in power demand during summer.

IIP GROWTH SLOWS TO 5-MONTH LOW OF 4.2 PER CENT IN JUNE: GOVT DATA



NEW DELHI, Aug 12 (PTI)

INDIA'S industrial production slowed to a five-month low of 4.2 per cent in June 2024, mainly due to poor performance of the manufacturing sector, though power and mining sectors continue to perform well, as per official data released on Monday.

The factory output growth, measured in terms of the Index of Industrial Production (IIP), was 6.2 per cent in May, 5 per cent in April, 5.5 per cent in March, 5.6 per cent in February and 4.2 per cent in January 2024. During the April-June period this fiscal, the IIP growth was 5.2 per cent against 4.7 per cent in the same period of the preceding financial year.

India's Index of Industrial Production grew by 4 per cent in June 2023, according to a statement by the Ministry of

Statistics & Programme Implementation.

As per the data, the mining output growth accelerated to 10.3 per cent in June against a 7.6 per cent expansion in the year-ago month.

The manufacturing sector's growth decelerated to 2.6 per cent in June compared to 3.5 per cent a year ago.

The power generation increased by 8.6 per cent in June against a growth of 4.2 per cent in the same month of the last year. As per use-base classification, the capital goods segment growth fell to 2.4 per cent in June 2024 from 2.9 per cent in the year-ago period.

In June this year, consumer durables output expanded 8.6 per cent compared to a 6.8 per cent contraction in June 2023.

Consumer non-durable goods production contracted 1.4 per cent during the reporting month against a growth of 0.5 per cent in May 2023.

According to the data, infrastructure/construction goods reported a growth of 4.4 per cent in June 2024, down from a 13.3 per cent expansion in the year-ago period. The data also showed that the output of primary goods logged a 6.3 per cent growth in June this year, up from 5.3 per cent a year earlier.

Hindalco net up on higher aluminium prices on LME

Our Bureau
Mumbai

Hindalco Industries, an Aditya Birla Group company, reported 25 per cent growth in net profit at ₹3,074 crore in the June quarter, against ₹2,454 crore logged in the same period last year, on the back of a sharp jump in aluminium prices on the LME.

Revenue from operations increased 8 per cent to ₹57,013 crore (₹52,991 crore). EBITDA was up at ₹7,992 crore (₹6,109 crore).

The company has made a provision of ₹330 crore for the damage at the Novelis plant in Switzerland caused by unprecedented heavy rain. The group expects to incur some additional costs related to repairs, clean-up and others until the operations are restored at the facility. The company will reverse the provision once it receives compensation from the insurance company.

Satish Pai, Managing Director, Hindalco Industries,



Production cost will go up after the State levies tax on mined ores but there will be no retrospective impact

SATISH PAI
Managing Director,
Hindalco Industries



said the company benefited from operational efficiency and the sharp rise in aluminium prices on the LME to \$2,500 a tonne against \$2,300 in the same period last year. The copper business achieved its highest quarterly EBITDA, driven by high domestic sales (especially downstream products), healthy by-product credits and better operational efficiencies following a successful planned shutdown, he added.

MANY CHALLENGES
Though the ongoing war in

West Asia will not have an impact on exports from India, he said shipment cost from Novelis to European countries had gone up substantially.

On the Supreme Court verdict allowing the State governments to levy tax on mined ores, Pai said the Jharkhand government had levied tax of ₹70 per tonne on bauxite and ₹100 a tonne on coal. The cost of production will go up after the State government levies tax on mined ores, though there will be no retrospective impact, he added.

However, Pai said the company sources only 10-12 per cent of its ores from the State.

NOVELIS IPO

On the possibility of reviving the Novelis IPO, he said the market was not willing to give the kind of valuation the company was looking for and hence the plans will be reviewed after getting the right premium. The company had placed its bids for acquiring Hindustan Copper but the entire process was scrapped abruptly. Once the process is revived, Hindalco will look into it, he said.

Raising concerns on the increase in aluminium scrap imports, Pai said the company was working with the Bureau of Indian Standards to frame an appropriate quality control mechanism on scrap shipments.

Besides the recent fall in LME aluminium prices, Hindalco expects the September quarter to be better in terms of demand for both aluminium and copper.

Outflows of Indian aluminium boost share of Russian metal in LME warehouses

Reuters
London

The share of available aluminium stocks of Russian origin in warehouses approved by the London Metal Exchange rose to 65 per cent in July from 50 per cent in June, while the share for Indian origin fell to 33 per cent from 40 per cent, LME data showed.

Russian aluminium stocks on LME warrant edged up to 233,775 metric tonnes last month from 232,350 in June. Stocks of Indian origin fell to 119,575 tons from 188,800 tons. The May surge in stocks followed a decision by the LME to ban all Russian aluminium, copper and nickel produced from April 13 from its system to comply with the US and British sanctions.

Copper futures: Go short at ₹750; stop-loss at ₹759

Gurumurthy K
bl. research bureau

Copper prices have been broadly stable after its sharp fall on Monday last week.

COMMODITY CALL.

The copper futures contract on the Multi Commodity Exchange (MCX) fell to a low of ₹765.70 per kg and has risen back slightly from there.

It is currently trading at ₹777 per kg.

The broader trend is down and it is intact. However, the price action over the last one week indicates that there could be a corrective rise in the short-term.

Support is around ₹765 — the 55-week moving average, which has been holding well for now. Resistance is around ₹785, which can be tested this week.

The price action, therefore, will need close watch.

A strong break above ₹785



can boost the momentum. Such a break can take the MCX Copper futures contract up to ₹800-₹805 in a week or two.

On the other hand, if the

contract fails to breach ₹785 and turns down, it can fall back to ₹765.

In that case, a sideways consolidation between ₹765 and ₹785 is a possibility for some time.

A break below ₹765 will keep the broader downtrend intact. It will see the fall extending to ₹745 over the medium-term.

TRADING STRATEGY

Traders can stay out of the market for now.

Wait for the consolidation

or the corrective rise to happen. Trades can be taken after that based on the direction of the breakout.

However, since the broader trend is down, short positions can be initiated once the contract breaks below ₹765.

Stop-loss can be kept at ₹772. Trail the stop-loss down to ₹761 as soon as the contract falls to ₹758.

Move the stop-loss further down to ₹759 when the contract touches ₹756. Exit the short positions at ₹750.

Coal India clears the decks, allows supplies beyond limit to thermal power plants

Our Bureau
Kolkata

State-run miner Coal India on Tuesday said that it has paved the way for allowing coal supplies beyond annual contracted quantity (ACQ) to the country's thermal power plants, including independent power plants (IPP).

With this, CIL has done away with the earlier provision which allowed coal supplies up to a maximum of 120 per cent of ACQ to power plants and IPPs.

"Now, the simplification will benefit the power plants which prefer to lift higher quantities of coal beyond their stipulated ACQ. The filip for CIL is that it will boost its supplies at a time when coal demand is showing signs of slackening," Coal India said in a stock exchange filing.

CIL's board cleared the decks for allowing supplies beyond annual contracted quantity (ACQ). This new measure will also apply to the Gencos (power generation companies), which have signed the fuel supply agreements (FSAs).

The coal miner feels this move will usher in an ease of doing business, simplicity and avoid duplicity of work. It is also aiming at increasing the company's volume of sale for coal.

Coal India's pitheads currently have a coal stock of 72 million tonnes (mt) which is



The new measure will also apply to gencos that have signed the fuel supply agreements REUTERS

around 47 per cent more than 49 mt as of 12 August, 2023.

SUPPLIES PEAK

"Supplies to coal-fired plants peaked to an unprecedented 619.7 mt in FY24, meeting 101.6 per cent of the demand projected. Compared to 586.6 mt off-take to power sector in FY23, the increase in volume terms was 31.9 mts, which was a growth of 5.4 per cent," Coal India said in the filing.

Out of the total 153 domestic coal-based power plants in the country, CIL has long-term linkages with 127 plants comprising 592 mt. The country has a total of 54 domestic coal-based IPPs and CIL has linkages with 50 of them for 155.7 mt per annum. During the last financial year, 1,177 Billion Units (BU) of power was generated through domestic coal-based power plants.

Of this, tentatively 78 per cent was fuelled by the coal from CIL sources.

Hindalco Profit Rises 25% in Q1, Inducts Birla Siblings on Board

Lower input costs and operational efficiencies help; co delays Novelis IPO over valuation concerns

Our Bureau

Mumbai: KM Birla-promoted Hindalco Industries on Tuesday reported a 25.3% rise in consolidated net profit for the quarter that ended June 2024, on the back of operational efficiencies, and lower input costs, the company said, adding that it has delayed the Novelis IPO on concerns of better valuation.

Hindalco's board also approved the appointment of KM Birla's children, Ananya Birla and Aryaman Birla, as additional, non-executive directors.

During the quarter, the company reported a PAT of ₹3,074 crore. Net sales were up 7.6% to ₹57,013 crore.

The company said it also incurred a one-time exceptional expense of ₹330 crore in the quarter due to a flood impact at its Novelis plant located in Sierre, Switzerland.

"Water entered the plant premises and production halls, and plant operations have been halted," the company said, adding, "As a result of this event, the Group recognised impairment on property, plant, and equipment of ₹250 crore and wrote down inventory worth ₹80 crore du-



Aryaman Birla (left) and Ananya Birla (right)

ring the quarter."

Sequentially, however, the company's net profit dipped 3.2% and net sales rose 1.8%.

Consolidated Ebitda came in at ₹7,992 crore, up 31% from a year ago. The company added that its copper segment Ebitda in this quarter was at an all-time high of ₹805 crore, up 52%.

Satish Pai, managing director, of Hindalco Industries, said, "The copper business achieved its highest quarterly Ebitda driven by high domestic sales (especially downstream products), healthy by-product credits, and better operational efficiencies following a suc-

cessful planned shutdown."

The company's board also approved the appointment of Bharat Gonenka as 'chief financial officer-designate', effective September 23. Hindalco Industries' scrip ended at ₹621.05, down 1.35% on the BSE.'

NOVELIS IPO DELAYED

The company said Novelis IPO was to get a premium valuation for the company, but the US market conditions were not allowing it.

"The primary objective was to discover the right valuation for Novelis, which we did not get under the market conditions then. We will evaluate the right time and op-

portunity," said Pai on a media call post the earnings.

The company is also planning to manufacture copper foils, primarily used in lithium-ion batteries, to take advantage of the booming battery materials market. This will also allow the company to strengthen its position in the energy storage sector.

Lithium-ion batteries are common rechargeable batteries used in electric vehicles (EVs), smartphones, laptops etc.

"Copper foils will be made in a separate facility, we are yet to finalize the location and initial capex. We have selected the technology to make the foil and it would take another 2.5 years to operationalize the plant," Pai said. The company is also setting up a copper and e-waste recycling facility in Gujarat.

Last year, Hindalco announced plans to manufacture fine-quality aluminum foil used in rechargeable batteries, with an investment of ₹800 crore. This plant will be set up near Sambalpur, Odisha, and is expected to be commissioned by 2025.

Pai added that the company will be interested in Hindustan Copper's mines in Jharkhand.

NMDC Q1 net rises 18% to ₹1,963 crore

The Hindu Bureau
HYDERABAD

India's largest iron ore producer NMDC reported consolidated net profit rose more than 18% for the June quarter FY25 to ₹1,963.35 crore from ₹1,661.04 crore a year earlier.

The increase came on a less than 1% increase in revenue from operations to ₹5,414.19 crore (₹5,394.66 crore).

On a standalone basis, the State-owned miner's net profit in the first quarter rose 20% to ₹1,983.97 crore (₹1,649.91 crore), marking a significant achievement in its ongoing growth trajectory, the company said in a release on July 12. Revenue from operations was marginally



lower at ₹5,377.80 crore (₹5,394.66 crore).

"This is a good start to the fiscal year. Our strategic focus on technological innovation and operational excellence has driven remarkable results, positioning us as a cornerstone in the industry. Buoyed by this momentum, we are on track to achieve a production target of 50 million tonne by FY25," CMD (additional charge) Amitava Mukherjee said.

Hindalco Q1 net rises 27% on revenue growth

P.13 (The Hindu)

The Hindu Bureau
MUMBAI 14-08-2024

Hindalco Industries Ltd. reported first-quarter net profit grew 27% from the year-earlier period to ₹3,074 crore on higher revenue growth, as per regulatory filings.

Revenue from operations increased 8% to ₹57,013 crore. Novelis, the group's aluminium company headquartered in the U.S., contributed to 2/3rd of the revenue in the reporting quarter.

Novelis incurred a one-time loss of ₹330 crore on account of damages to its factory at Switzerland following flooding, as per company statements.

PSUs, mining cos to pay states royalty, tax dues from 2005: SC

Payouts To Be Staggered Over 12 Years

Dhananjay.Mahapatra
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New Delhi: In a financial bonanza for mineral-rich states, Supreme Court on Wednesday asked public sector undertakings and private entities engaged in mining activities, as well as those using mineral produce as raw material, to pay arrears of royalty and tax on mineral-bearing land to states from 2005 in a staggered manner over the next 12 years.

A 9-judge bench of CJI DY Chandrachud and Justices

PAYMENTS TO BEGIN FROM APR 2026

- > Arrears won't include interest on principal amount due, no penalty for late payment on demands made before July 25, 2024. **Prerogative of state legislatures to forego dues**
- > Payouts, in instalments over 12 yrs, to begin Apr 1, 2026
- > Financial implication for PSUs, without interest, stands at ₹70,000cr. Together with pvt sector industries, **arrears from 2005 would be ₹1.5L crore**



- > States expected to reap huge windfall are **Jharkhand, Odisha, Chhattisgarh, Madhya Pradesh, Karnataka, Andhra Pradesh and Rajasthan**

Hrishikesh Roy, AS Oka, JB Pardiwala, Manoj Misra, Ujjal Bhuyan, SC Sharma and AG Masih, with Justice BV Nagarathna dissenting, said the arrears would not include interest on principal amount due, or penalty for late payment "on demands made for the pe-

riod before July 25, 2024".

Solicitor general Tushar Mehta had told the court that retrospective application of the July 25 judgment would require payment of arrears for the last 33 years (since 1991).

► **Continued on P 14**

Retro blow to cos; mining stocks bruised

The apex court's order on mining arrears is expected to impact the industry at large, with public and private sector players staring at ₹1.5 lakh crore to be paid in dues, report **Sanjay Dutta and Reeba Zachariah**. NMDC chairman Amitava Mukherjee said the company was evaluating implications. SAIL is looking at an outstanding of ₹3,000 crore. Among private players, Tata Steel saw an impact of ₹17,347 crore. Major metal and mining stocks took a beating Wednesday, with NMDC falling 6.1%, Hindustan Copper 4.3% and Coal India 3.2%. **Inside Jacket**

'Rising cost of minerals will spiral essential goods prices'

► Continued from P 1

Increased cost of minerals will lead to spiralling prices of essential products, from needles to healthcare equipment, denting the economy and give a northward push to inflation," solicitor general Tushar Mehta had told court.

The bench had by 8:1 majority on July 25 overruled a 1991 7-judge bench ruling (India Cement case) and agreed with a 2004 5-judge bench decision (Kesoram case) to give states right to levy royalty and tax on mineral-bearing land. On Wednesday, it rejected fervent pleas from Union govt and private players for prospective application of the judgment.

The argument, however, did not fly with the court as it asked for retrospective application of the landmark order, although the waiver of penalty and interest and the staggered implementation of arrears would help soften the blow somewhat for PSUs and private companies.

The financial implication for public sector undertakings, without interest, is estimated to be Rs 70,000 crore. If the dues from private sector industries are included, the total arrears from 2005 are estimated to be around Rs 1.5 lakh crore. Mineral-rich states which would benefit hugely are Jharkhand, Odisha, Chhattisgarh, Madhya Pradesh, Karnataka, Andhra Pradesh and Rajasthan.

Authoring the judgment, a clarificatory addenda to the July 25 verdict, CJI Chandrachud said since the SC in West Bengal vs Kesoram Industries in 2004 had ruled in favour of the state, it was inclined to order collection of arrears from Apr 1, 2005. "While states may levy or renew demand of tax, the demand of tax shall not operate on transactions made prior to Apr 1, 2005," it said.

Allowing PSUs and private entities some time to assess their finances for making staggered payment of arrears, the SC said, "The time for payment of the demand of tax shall be staggered in instalments over a period of 12 years commencing from April 1, 2026."

राज्यांना मिळाली रॉयल्टीची मोठी खाण

केंद्र, खाण कंपन्यांकडून २००५ पासूनचा थकीत कर वसूल करण्याची कोर्टाची परवानगी

लोकमत न्यूज नेटवर्क

नवी दिल्ली : केंद्र सरकार व खाण कंपन्या यांच्याकडून खनिजे आणि खनिजयुक्त जमिनीवरील रॉयल्टी आणि कर यांची १ एप्रिल २००५ पासूनची थकबाकी वसूल करण्याची परवानगी सर्वोच्च न्यायालयाने राज्यांना बुधवारी दिली. ही वसुली १२ वर्षांत टप्प्या-टप्प्याने होणार आहे.

सरन्यायाधीश (सीजेआय) डी. वाय. चंद्रचूड यांच्या नेतृत्वाखालील ९ सदस्यीय न्यायपीठाने हा निर्णय दिला. हा निर्णय देणाऱ्या न्यायपीठात न्या. ऋषिकेश रॉय, न्या. अभय एस. ओका, न्या. बी. व्ही. नागरत्ना, न्या. जे. बी.



पारदीवाला, न्या. मनोज मिश्रा, न्या. उज्जल भूइयां, न्या. सतीशचंद्र शर्मा आणि न्या. ऑगस्टीन जॉर्ज मसीह यांचा समावेश आहे.

कंपन्यांवर ७० हजार कोटी रुपयांचा बोजा

१ खाणी आणि खनिजयुक्त जमिनीवर कर लावण्याचा वैधानिक अधिकार राज्य सरकारांनाच आहे, असा निर्णय सर्वोच्च न्यायालयाने २५ जुलै रोजी दिला होता. या निर्णयाची अंमलबजावणी 'पूर्वलक्षी प्रभावाने' न करता 'आगामी प्रभावाने' करावी, अशी विनंती केंद्र सरकारच्या वतीने करण्यात आली होती. ती फेटाळण्यात आली.

२ १९८९ पासूनची रॉयल्टी व कर आपल्याला मिळावा, अशी मागणी राज्य सरकारांच्या वतीने करण्यात आली होती. त्या संदर्भात केंद्राने म्हटले होते की, अशा प्रकारे वसुली झाल्यास सार्वजनिक क्षेत्रातील कंपन्यांवर ७० हजार कोटी रुपयांचा बोजा पडेल. त्यामुळे या निर्णयाची अंमलबजावणी आगामी प्रभावाने करण्यात यावी. तथापि, ती न्यायालयाने फेटाळली. काही अटी घालून न्यायालयाने १ एप्रिल २००५ पासूनची रॉयल्टी व कर वसूल करण्याची परवानगी राज्य सरकारांना दिली.

Govt mulls funding global acquisition of critical minerals

Abhishek Law

New Delhi

India is mulling financial support towards development of processing facilities for critical minerals such as lithium, apart from eyeing acquisition of mines and exploration activities overseas. The Mines Ministry is also eyeing ways to help finance such overseas acquisitions by state-owned entities and private companies.

A “whole of government approach” would mean handholding will be done for PSUs under other Ministries

like Steel, Power and Coal, apart from facilitating access to private companies for acquisition of mines overseas, a senior official aware of the discussions told *businessline*.

It will work with the Ministry of External Affairs (MEA) for the “development of mineral evacuation infrastructure” too.

India acquired five lithium blocks in Argentina recently, and is carrying out due diligence for the mineral in Australia and in LatAm nations like Chile.

Representatives of several African nations have sought a meeting with ministry offi-

cial for exploration and investment opportunities for minerals like copper, cobalt, and lithium, among others. Some of these nations include Zimbabwe, Congo, Kenya, and Tanzania.

Under the proposed National Critical Minerals Mission, the preparation for which is underway, the Centre will provide targeted subsidies for mining and for setting up evacuation infrastructure.

“An incentive scheme for setting up mineral recycling is being explored and will soon be introduced,” the official said.

Ministry officials met industry participants and have been taking feedback before finalising the details.

The Mission components will include a PLI scheme for mineral recycling and a push for having pilot projects that will look at the recovery of critical minerals from overburden. The timelines will be decided later.

As part of the proposed Mission, attempts will be made to secure loans from multilateral financial institutions while there will be Budgetary provisions for securing foreign and domestic sources of critical minerals.

Mining sector faces ₹1 lakh cr hit due to SC ruling: Centre

TAX BURDEN. Levy of GST on such royalty could be taken up 'in future', says official

Abhishek Law
New Delhi

There could be "a ₹1 lakh crore or more" hit on miners operating across sectors such as coal, steel, power, cement, iron ore and others following the Supreme Court verdict allowing the States to collect dues on royalty of minerals since April 2005, a senior Mines Ministry official said.

The levy of GST on such royalty could be taken up/considered "in future" but it will not solve the "immediate concerns of retrospective taxation", the official told *businessline*.

The payment of tax for this period would be in staggered instalments across 12 years, commencing from April 1, 2026.

The Centre had opposed the retrospective levy of tax (since 1989) on mines and mineral-bearing land by the States. It argued that any order requiring retrospective payment would have a "multi-polar impact" on the economy. It had then stated that the hit on public sector undertakings could be as high as ₹70,000-80,000 crore (for a 35-year period).

"Such refunds will ultimately burden the end user, with the mining industry facing a bill of at least ₹1,00,000 crore across sectors," the official said. "Immediate concerns" continue to be on the financial burden of such dues on PSUs and private companies.

Earlier, on July 25, a 9-judge Constitution Bench of the Supreme Court held by an 8:1 majority that the States have the power to levy tax on mineral rights. It held that legislation like Mines and Minerals (Development and Regulation) Act, 1957, do limit such power of States (like Odisha, Chhattisgarh and Jharkhand – whose per



LEVY CONFLICT. The Centre had opposed the retrospective levy of tax (since 1989) on mines and mineral-bearing land by the States.

capita income is below the national average and trail in economic development).

It said royalty paid to the States (by mining lease holders) was not tax.

Royalties arise from mining lease agreements rather than legal requirements, payments are made to lessors (either the State government or private parties) rather than public authorities, and royalties compensate for access to mineral reserves rather than serving public purposes.

On Wednesday, the top court settled matters whether such taxation would have a retrospective or prospective effect.

INDUSTRY CONCERN

According to BK Bhatia, Additional Secretary General, Federation of Indian Mineral Industries (FIMI) — one of India's major lobby groups that has representation from Vedanta, Coal India and NMDC, among others — the country's mining sector is already saddled with high taxation.

Allowing collection of dues retrospectively "will further jolt the mining industry as arrears may work out to the tune of more than

₹1,50,000-2,00,000 crore. This is bound to have a crippling impact on the entire value chain and will lead to an unprecedented inflationary rise in all end products," he said. Legislative measures to mitigate the impact on the industry is required on an urgent basis, he said.

Mines Ministry officials said Mahanadi Coalfields, a Coal India subsidiary, will have a retrospective tax burden, without interest component, of ₹35,000 crore while Tata Steel would be cut a bill of ₹15,000 crore.

PSU steel-major SAIL, in its affidavit, stated that retrospective application of the Mineral Area Development Authority Act (MADA) will lead to cumulative demands of approximately ₹3,000 crore from the States. It was also presented that the total amount (principal plus the interest) due "may be substantial in comparison to their total net worth".

India's largest iron ore miner NMDC was evaluating impact of the verdict. "It will impact the mining industry at large... We are assessing both short-term and long-term implications," Amitava Mukherjee, CMD, NMDC, told *businessline*.

Levy of interest in such dues or penalty in demand stand waived.

While some companies have made provisions, the "hit will still be very high" with "substantial financial implications" on their profitability and net worth.

According to Mayur Karmarkar, Managing Director of the International Copper Association India, "The Supreme Court's decision can disrupt existing business models within the industry."

MINING STOCKS TAKE A HIT

Mining stocks faced the brunt of the court order on Wednesday.

Shares of NMDC slumped 6.08 per cent at ₹210.95, followed by Hindustan Copper (4.25 per cent), MOIL (3.47 per cent), Coal India (3.18 per cent), National Aluminium Company (2.71 per cent), SAIL (2.26 per cent), GMDC (1.39 per cent), Tata Steel (1.81 per cent) and Vedanta (0.63 per cent) on the BSE.

Among the sectoral indices, The BSE Metal was the worst performer, dropping 1.51 per cent to 30,312.05.

Inputs from KS Badri Narayanan in Chennai

Vedanta ups Hindustan Zinc's OFS size to 3.31%

Press Trust of India
New Delhi

Mining conglomerate Vedanta on Wednesday said it has raised the offer-for-sale size of Hindustan Zinc (HZL) and will now offload 3.31 per cent stake in the company, representing up to 14 crore shares.

On Tuesday, the Vedanta board approved the sale of up to 11 crore shares or 2.60 per cent stake in HZL through offer-for-sale.

"The duly authorised Committee of Directors of Vedanta, at its meeting held on August 14, 2024, has approved the sale of up to 14 crore shares of HZL, representing 3.31 per cent of the is-

sued and paid-up equity share capital of HZL, by way of an OFS," Vedanta said in a filing to BSE.

At Wednesday's closing price of ₹572.95 apiece on BSE, the sale of HZL's 14 crore shares will fetch Vedanta ₹8,021 crore.

At the end of the June, Vedanta owned 64.92 per cent stake in HZL and the

government 29.54 per cent.

Vedanta plans to demerge its aluminium, oil and gas, power, base metals, and iron and steel businesses into separate listed entities.

The demerger aims to reduce refinancing risks and reliance on dividends from Vedanta Resources. As on June 30, Vedanta's net debt stood at ₹61,324 crore.

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