



ONGC News as on 18 June 2024 (Print)

Day trading guide

23457 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
23400	23340	23490	23540	Go short on a break below 23400. Keep a tight stop-loss at 23420

₹1597 » HDFC Bank

S1	S2	R1	R2	COMMENT
1590	1575	1615	1640	Take fresh longs now. Stop-loss can be placed at 1585

₹1489 » Infosys

S1	S2	R1	R2	COMMENT
1480	1470	1500	1510	Immediate outlook is not clear. Avoid trading this stock

₹431 » ITC

S1	S2	R1	R2	COMMENT
430	426	432	435	Go short only below 430. Stop-loss can be kept at 431

₹275 » ONGC

S1	S2	R1	R2	COMMENT
272	269	279	284	Go long only on a break above 279 with a stop-loss at 278

₹2955 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2935	2910	2960	2985	Go long only above 2960. Keep the stop-loss at 2955

₹840 » SBI

S1	S2	R1	R2	COMMENT
836	833	842	845	Take fresh shorts below 836. Keep the stop-loss at 837

₹3832 » TCS

S1	S2	R1	R2	COMMENT
3820	3800	3845	3880	Go short on a break below 3820. Keep the stop-loss at 3825

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.



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QUICK TAKE: HIGHER DEMAND TRIGGER FOR GUJARAT GAS



The stock of Gujarat Gas is up 18 per cent from its lows this month. Elara Capital expects it to benefit from LNG surplus and a surge in propane demand, resulting in a rise in long-term operating profit to standard cubic metre margin and a gas volume annual growth of 18 per cent in FY24-26

Oil dips, copper slides to 8-wk low on China data

AGENCIES
17 June

Oil prices slipped in Asian markets on Monday after a survey on Friday showed weaker US consumer demand and as May crude production rose in China, the world's biggest crude importer. Copper, too, extended four weeks of declines after Chinese economic data highlighted persistent weak spots in the metal's biggest market.

Copper fell as much 1.1 per cent to \$9,631 a ton on the London Metal Exchange, heading for its lowest close in two months. The world's second-biggest economy released figures on Monday that bolstered concerns over a disappointing demand recovery. While retail sales were stronger in May, growth in industrial output and fixed-asset investment slowed, and the housing slump deepened.

Copper has rapidly retreated due to worries about rising global inventories and signs of weakness in China. Metals also came under pressure last week as the Federal Reserve dialed back expectations for rate hikes. Prices traded 1.1 per cent lower at \$9,639.50 a ton.

Global benchmark Brent crude futures for August delivery were down 40 cents, or 0.5 per cent, at \$82.22 per barrel.

The more-active August delivery WTI contract slipped 0.5 per cent to \$77.7 per barrel.

That followed prices slipping on Friday after a survey showed US consumer sentiment fell to a seven-month low in June, with households worried about their personal finances and inflation.

However, both benchmark contracts still gained nearly 4 per cent last week, the highest weekly rise in percentage terms since April, on signs of stronger fuel demand.

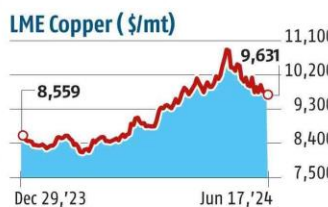
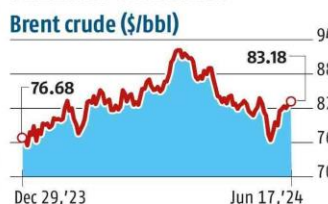
"Last week's robust rally was fuelled by forecasts of strong 2024 demand from OPEC+ and the IEA. However, given OPEC's vested interest in crude oil, there is some scepticism around OPEC's forecasts," said Tony Sycamore, a market analyst at IG in Singapore.

"Friday's soft US consumer confidence numbers suggest that the resilience of the American consumer and the US economy will be tested as households run down their savings to combat higher interest rates and cost-of-living pressures," he added.

Meanwhile, China's May domestic crude oil production rose 0.6 per cent on year to 18.15 million tons, according to data released by the National Bureau of Statistics on Monday. Year-to-date output was 89.1 million tons, up 1.8 per cent from a year earlier. National crude oil throughput fell 1.8 per cent in May over the same year-ago level to 60.52 million tons, with



FEELING THE HEAT



LME is London Metal Exchange Source: Bloomberg

year-to-date totalling 301.77 million tons, up 0.3 per cent from a year ago.

The country's May industrial output lagged expectations and a slowdown in the property sector showed no signs of easing, adding pressure on Beijing to shore up growth.

The flurry of data on Monday was largely downbeat, underscoring a bumpy recovery for the world's second-largest economy.

On the geopolitical front, concerns of a wider Middle East war lingered after the Israeli military said on Sunday that intensified cross-border fire from Lebanon's Hezbollah movement into Israel could trigger serious escalation.

After the relatively heavy exchanges over the past week, Sunday saw a marked drop in Hezbollah fire, while the Israeli military said that it had carried out several airstrikes against the group in southern Lebanon.

Markets in key oil trading hub Singapore and other countries in the region were closed for a public holiday on Monday.

High prices may burn out India's growing LNG use

S DINAKAR
New Delhi, 17 June

Industries and power plants using liquefied natural gas (LNG) are facing a threat from a surge in prices of the fuel abroad, especially when gas-fired thermal power generation has increased to cope with greater demand and the expanding economy requiring more gas.

Prices of the Asian spot LNG benchmark went above the oil-indexed term contracts for the first time this week since December, with Platts' JKM (Japan-Korea Marker) index surging more than 60 per cent since early March, driven by demand growth in Asia, said Greg Molnar, gas analyst at the International Energy Agency (IEA).

India's benchmark gas index IGX, which belongs to the Indian Gas Exchange (IGX), was at \$13.2 per million British thermal units (MMBtu) for LNG deliveries this month and \$11.6 per MMBtu for July as on June 13.

Spot LNG prices in Northeast Asia were at \$12.20 per MMBtu, according to US market intelligence agency Energy Intelligence for deliveries four to eight weeks ahead.

Term LNG from Qatar is available at \$10-\$11 per MMBtu, a Petronet official

said. This is \$2 per MMBtu cheaper than current spot levels.

India's gas-based power generators need the fuel at \$5 per MMBtu to compete with coal-fired power, according to an NTPC official. They took five-six cargoes of spot LNG in May because of limited access to term supplies, prompting dependence on expensive spot fuels.

LNG imports in the first quarter of this year were 25 per cent higher than last year, and demand for gas in India is expected to grow 7 per cent in 2024 from a year earlier, according to the IEA.

The government will have to subsidise higher generation costs to avoid disruption in power supplies, with heatwaves prevailing in northern India. Pakistan has said it will postpone procuring spot LNG, and Bangladesh too may delay spot purchases, industry officials said.

Indian importers have made no such announcements in the hope that the government will pay for costlier LNG.

Gas volumes traded on the IGX in May were 99 per cent, and 480 per cent in the year at 124 million cubic metres, the market making platform said in a note, attributing higher volumes to an increase in gas demand from gas-based power plants amid hot weather and directives

INDIA LNG IMPORTS

(In billion cubic metres)



ON THE GAS



LOWER UTILISATION

Terminal	Promoter	Capacity (mn tonnes per annum)	Utilisation in Apr-Mar '24 (%)
Dahej	Petronet LNG	17.5	95
Hazira	Shell Energy	5.2	30
Dabhol	Konkan LNG	5.0	43
Kochi	Petronet LNG	5.0	21
Ennore	Indian Oil	5.0	18
Mundra	GSPL LNG	5.0	15
Dhamra	Adani Total	5.0	27
Total		47.7	35.6 avg

from the government to maximise their output to address the growing demand for electricity.

Demand for gas-fired electricity not only in India but also other parts of Asia has sent prices of spot LNG higher, said Rajesh Mediratta, chief executive officer of the IGX. That demand may reduce once temperatures ease, and "I don't see prices going beyond current levels", he added. But Mediratta also cautioned that after demand from gas generators declined in

July and August, LNG must be affordable in India. High LNG prices will impact demand, he added.

India, the world's most price-sensitive large LNG market, is comfortable when LNG trades at \$8-\$9 per MMBtu, senior officials of Petronet LNG and the IGX said. Petronet LNG has forecast a 15 per cent increase in demand this year to as much as 27 million tonnes.

But surging LNG prices affect Indian fuel use, which in turn is reflected in lower

utilisation at Indian LNG terminals.

The Petroleum and Natural Gas Regulatory Board has expressed concern over lower utilisation—barring Petronet LNG's 95 per cent utilisation at its Dahej facility, which accounts around 30 per cent of India's LNG capacity. The rest average less than 30 per cent, with Mundra operating its facilities at around 15 per cent last financial year. Average utilisation across the roughly 48 million tonnes a year of capacity is below 50 per cent after LNG

imports declined. Two new floating regasification storage facilities of over 10 million tonnes a year, in a combined capacity in Gujarat and Maharashtra, were scrapped because of a lack of demand and pipeline connectivity. The sharp surge in spot prices also highlights the dilemma Indian consumers face.

Petronet LNG Chairman Akshay Kumar Singh told this reporter in a recent earnings call that Indian buyers must lock up 70-80 per cent under term contracts, with the rest procured from the spot market. But when LNG prices were trading at around \$2/MMBtu during the pandemic, LNG importers, including Petronet LNG, had slowed signing term deals.

There are reasons why spot LNG prices are rising (the price was as low as \$8/MMBtu in March compared to \$70/MMBtu in 2022, after Russia invaded Ukraine). A primary one is a surge in demand from China, the world's largest importer, and India. Coupled with unexpected outages at Australia's Gorgon, Wheatstone LNG, and Brunei production facilities, and an inability among Asian buyers to take US LNG because of Houthi attacks on tankers crossing the Red Sea, prices soared in the last two months, Molnar said in a post.

India imports around 45 per cent of its daily gas needs—around 185 million cubic metres per day. The country plans to increase the share of gas in its energy mix to 15 per cent by 2030.

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Corporate capex growth hit speed bump in FY24

KRISHNA KANT
Mumbai, 17 June

After picking up pace in 2022-23 (FY23), growth in capital expenditure (capex) by the corporate sector in capacity expansion and new projects slowed in 2023-24 (FY24).

The combined fixed assets of India's top 990 listed companies, excluding banks, financial services, and insurance (BFSI), and stockbroking firms, increased by just 7.6 per cent year-on-year (Y-o-Y) in FY24, down from 12.2 per cent a year earlier.

The slowdown was across the board and companies in most key sectors.

The combined fixed assets of the non-BFSI sector excluding oil and gas companies (including Reliance Industries) were up 6.3 per cent Y-o-Y in FY24, down from the 9.9 per cent a year earlier.

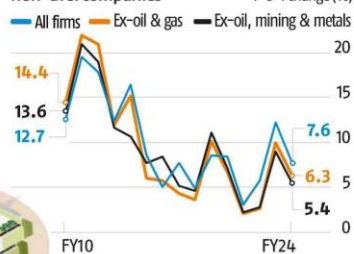
Similarly, the combined fixed assets of non-BFSI companies excluding oil and gas and mining and metals companies were up 5.4 per cent Y-o-Y in FY24, slowing from the 8.9 per cent a year ago. (See the adjoining charts).

Oil and gas and mining and metal companies — such as Reliance Industries, Oil and Natural Gas Corporation, Indian Oil, Tata Steel, JSW Steel, Hindalco, and Coal India — are two of the most capital-intensive sectors in the country.

The firms in these two sectors together accounted for 30 per cent and 15 per cent of the fixed assets of all companies, respectively, in the sample in FY24.

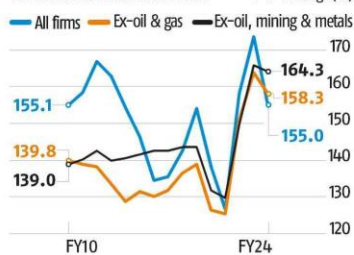
SLOWDOWN ACROSS BOARD

Trend in capex growth of listed non-BFSI companies



ASSET UTILISATION DECLINES

Trend in the non-BFSI companies' revenues to fixed asset ratio



Note: Based on common sample of 990 non-BFSI companies, excluding listed subsidiaries of other companies in the sample
Source: Capitaline
Compiled by BS Research Bureau

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India Inc capex growth slows down in FY24

The combined fixed assets of oil and gas companies were up 10.9 per cent in FY24, slowing down from the 18.7 per cent growth reported in FY23.

Similarly, the fixed assets of mining and metals firms were up 9.8 per cent in FY24, down from the 13.9 per cent Y-o-Y growth in FY23.

Capex growth in FY23 was the highest in the last nine years and raised hopes of revival in private-sector investment. The slowdown in corporate investment last financial year has belied them. Analysts attribute that to weak demand in the economy and companies' poor sales growth.

The combined fixed assets of the 990 companies increased to ₹69.7 trillion at the end of FY24 from ₹64.74 trillion a year earlier. With this, these companies' fixed assets have increased at a compound annual growth rate (CAGR) of 7.6 per cent in the last five years (FY19-24), up from the 6.9 per cent during FY14-19 but down from 15.7 per cent during FY09-14.

The fixed assets include cumulative investment in tangible and intangible assets minus accumulated depreciation plus capital work in progress. This includes investment in plants and equipment, land and buildings, telecom spectrum patents, intellectual property, office equipment, and transport equipment.

"There is little financial imperative for private capex growth in the country right

now. Sales growth for non-financial firms was nearly flat in FY24 and companies were busy protecting their margins and profits rather than tying up capital in capacity expansion or new projects," said Dhananjay Sinha, co-head, research and equity strategy, Systematix Institutional Equity.

The combined net sales of the 990 were up just 2.1 per cent Y-o-Y in FY24, down sharply from the 23.2 per cent in FY23 and 31.9 per cent in FY22. In comparison, these companies' combined net sales grew at a compound annual rate of 6.9 per cent between FY14 and FY19 and 13.9 per cent during FY09-14. After the slowdown in FY24, these companies combined net sales have grown at a CAGR of 7.7 per cent during FY19-24.

"The capex slowdown is largely due to weak demand for manufacturing companies. FMCG (fast-moving consumer goods) companies are growing in low single digits; chemicals firms have seen a sharp decline in price realisation; capacity utilisation in cement was only 70 per cent last financial year and in the auto sector only SUV (sport utility vehicle) segment has grown while demand for commercial vehicles and tractors is flat and small cars have seen de-growth. Two-wheelers sales grew in FY24 but volumes are much lower than in the past," said G Chokkalingam, founder & chief executive officer, Equinomics Research.

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Devolution of taxes to states rose in Modi govt, says Puri

The Narendra Modi-led government has increased the devolution of taxes to state governments contrary to claims by Karnataka Chief Minister S Siddaramaiah, Petroleum and Natural Gas Minister Hardeep Singh Puri said on Monday.

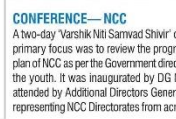
"Between April 2004 and April 2014, the government devolved 32 per cent of the Centre's taxes to the states. In our ten years, from April 2014 to April 2024, we devolved 42 per cent," Puri stressed.

SUBHAYAN CHAKRABORTY

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EVENT — IREDA
PK Das, CMD IREDA, participated in a panel discussion on "Accelerating Onshore Wind Energy Adoption in India" as part of the Global Wind Day celebrations - Pawan-Urja: Powering the Future of India. The event was hosted by Ministry of New & Renewable Energy at the Lalit, New Delhi. During the discussion, Das offered valuable insights into India's journey towards energy transition.



CONFERENCE — NCC
A two-day 'Yashik Niti Samvad Shivir' of the National Cadet Corps took place in New Delhi recently. The conference's primary focus was to review the progress of the ongoing expansion plan of NCC as per the Government directives to meet the aspirations of the youth. It was inaugurated by DG NCC Lt Gen Guripal Singh & attended by Additional Directors General & Deputy Directors General representing NCC Directorates from across the country.




MOU — HUDCO
Sanjay Kulkreshtha, CMD, HUDCO, executed an MoU with Dr. Padmanabhan Raja Jaisankar, MD, IIFCL, with the aim of reinforcing co-operation & collaboration to leverage respective strengths for extending Infrastructure Co-Financing, Refinancing, Project Management Consultancy Services & Capacity Building activities, subject to compliance with their respective mandates & policies.



WORLD ENVIRONMENT DAY — NDMC
Satish Upadhyay, Vice Chairman of the NDMC, commemorated World Environment Day with the 'Zero Waste Delhi' programme organized by NDMC in collaboration with the NGO Chintan at Khan Market in New Delhi in the presence of CMO Dr. Shakuntala Srivastava, Officers & Officials of the Health Department along with Market Traders' Association of Khan Market.




MOU — THDCIL
THDCIL & the Power Sector Skill Council, New Delhi, have entered into a strategic partnership through an MoU signed at the Takshashila Sustainable Livelihood & Community Development Centre (HRD) of THDCIL in Rishikesh. This collaboration aims to utilize the advanced infrastructure at THDCIL's HRD Centre to conduct residential training programs.



WORLD ENVIRONMENT DAY — BANK OF BARODA
BoB conducted several initiatives on World Environment Day to reaffirm the bank's responsibility towards protecting & preserving the Earth. BoB's offices across the country have adopted parks & gardens & have undertaken 498 plantation programmes. BoB also conducted an awareness drive focused on the recently launched BoB Earth Green Term Deposit Scheme, outlining its benefits for both, depositors & environment.

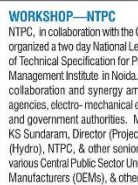


WORLD ENVIRONMENT DAY — INDIAN OIL
Senthil Kumar N, Dir. (Pipelines) holding additional charge of Dir. (Refineries), IndianOil led the World Environment Day celebrations at IndianOil Refineries HQs, wherein he administered the World Environment Day and Mission Life pledge, reaffirming the company's dedication to environmental protection & detailed IndianOil's various sustainability initiatives. The event began with a tree plantation drive, symbolizing IndianOil's commitment to enhancing green cover.



LAUNCH — RAHEJA DEVELOPERS
Following the tremendous success of Phase 1, Raheja Developers announced the grand launch of the "Surakshit Nivesh Yojna Scheme" (Phase 2) in the Delhi Mall Complex. Dia Mirza, the renowned actress and environmental activist, graced the inauguration. The Delhi Mall Complex is part of a Public-Private Partnership with DDA, the Government of India, offering investors a lucrative investment opportunity.

CORPORATE BRIEFS



WORKSHOP — NTPC
NTPC, in collaboration with the Central Electricity Authority, successfully organized a two-day National Level Workshop on the 'Standardization of Technical Specification for Pumped Storage Projects' at the Power Management Institute in Noida. The aim of the workshop was to foster collaboration and synergy among PSP developers, civil execution agencies, electro-mechanical equipment manufacturers, consultants, and government authorities. MAKP Singh, Member (Hydro), CEA & KS Sundaram, Director (Projects), NTPC, graced the inaugural session in the presence of SN Tripathi, RED (Hydro), NTPC, & other senior officials. The workshop saw the participation of over 200 delegates from various Central Public Sector Undertakings (CPSUs), State PSUs, government departments, Original Equipment Manufacturers (OEMs), & other technocrats from across the country.




WORLD ENVIRONMENT DAY — INDIAN OIL
World Environment Day was celebrated at the Haldia Refinery to commemorate its dedication to educating the public on the critical need to reduce water & carbon footprints to protect the environment. This programme was graced by Atanu Sanyal (ED&RH), M. Shankar CGM (TS, HS&E), Dr. D. Chakraborty CGM (HSE-MED), senior officials & representatives of IOQA & HREU. To mitigate the use of plastic & recycle the same, the Plastic Bottle Crushing Machine was inaugurated as a new initiative. Along with this Symbolic Sapling distribution to Ramkrishna Sarada Mission Ashram, CISF, & Plantation drive of Mangrove along the Canal slope of Township was organized to contribute to a sustainable & greener future.




EVENT — OIL INDIA
OIL, announced the commencement of its Environmental, Social, and Governance strategy initiatives. The program was held on June 14, 2024, in Noida, in collaboration with a global management consulting firms. These ESG strategy initiatives are a critical part of OIL's ambitious target to achieve Net Zero emissions by 2040. The initiative encompasses not only emissions reduction but also principles related to a Just Energy Transition, signifying a major advancement in OIL's commitment to sustainable development. During the event, Pankaj Kumar Goswami, Dir. (Operations) at OIL, remarked, 'In response to the country's ambitious goal of achieving Net Zero emissions by 2070, Oil India Limited has undertaken a transformative journey, deeply rooted in its commitment to sustainability, aims to position OIL as a net-zero emission energy giant by 2040 while achieving a just energy transition.'



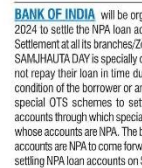
WORLD ENVIRONMENT DAY — HUDCO
On the occasion of World Environment Day, Sanjay Kulkreshtha, CMD, HUDCO, M Nagaraj DCR and Sachavi Samta Ji, Trustee, Seva Dham Plus, along with other dignitaries of Gurukul, joined hands together to plant saplings on the premises of Manav Mandir Gurukul in Delhi. Students of Manav Mandir Gurukul organized engaging activities like quizzes & dramas focused on environmental issues. Winners were honored by Sanjay Kulkreshtha, CMD, HUDCO. The event also witnessed keynote addresses from officials, emphasizing the importance of planting trees and protecting the environment. In his address to the gathering, Kulkreshtha applauded the efforts of everyone involved in organizing the event.



PRE-EVENT CONFERENCE — IREDA
Ministry of New & Renewable Energy (MNRE), in collaboration with the Indian Renewable Energy Development Agency Ltd., organized a pre-event conference for Global Wind Day at the Welcome Hotel in Bhubaneswar recently. Lalit Bohra, Joint Secretary (MNRE) speech was read out by Dr. BK Mohanty, Director (Finance), IREDA, in which he emphasized the rapid development of renewable energy across India and highlighted the measures taken by the Government of India including Odisha. Bohra was unable to attend the conference in person due to some unavoidable reasons. According to the National Institute of Wind Energy, India's onshore wind potential is estimated at 1,164 GW at 150 meters above ground level, with Odisha's potential of 12 GW.




WORLD ENVIRONMENT DAY — CWC
Central Warehousing Corporation celebrated World Environment Day with a significant green initiative aimed at promoting sustainability and environmental consciousness. The event saw the participation of CWC's MD, Amit Kumar Singh, along with Dr. (Fin.) Anuj Kumar, Dir. (Personnel) Mrs. Sangeeta Ramkrishyan, & Chief Vigilance Officer Mrs. Aprajita Sharma, alongside enthusiastic CWC staff members. In a collective effort to enhance the office premises greenery and contribute to a cleaner, more sustainable environment, the CWC team planted saplings. This initiative underscores CWC's commitment to environmental stewardship and sustainable growth, aligning with the global call for action to protect and preserve our planet.




BANK OF INDIA will be organizing SAMJHAUTA DAY on 12 June 2024 to settle the NPA loan accounts of borrowers under One-Time Settlement at all its branches/Zones & FGDs across the country. The SAMJHAUTA DAY is specially designed for NPA Borrowers who could not repay their loan in time due to distress in the business/medical condition of the borrower or any other genuine reason. The bank has special OTS schemes to settle small-value accounts & mid-size accounts through which special discounts are offered to the borrowers whose accounts are NPA. The bank appeals to all the borrowers whose accounts are NPA to come forward to avail of this golden opportunity by settling NPA loan accounts on SAMJHAUTA DAY.



IRCTC, presented one of its flagship products, the Buddhist Circuit Special Tourist Train tour package. IRCTC is offering this special all-inclusive Buddhist Circuit Tour of 7 Nights / 8 Days from Delhi Satisfarjour covering various important destinations associated with the life of Lord Buddha, such as Bodhgaya, Nalanda (Rajgir), Varanasi (Samath), Lumbini, Kushinagar and Shravasti. The tour ends with a spectacular visit to the famous Taj Mahal. The package is being operated in an exquisite air-conditioned Deluxe Tourist Train comprising 12 state-of-the-art ergonomically designed brand-new LHB coaches equipped with modern amenities and facilities.



BHEL has secured two orders for supercritical thermal power plants. The orders are cumulatively valued at over Rs. 7,000 Cr. The first order for the 2x600 MW Rajpur supercritical thermal power plant, being set up in Rajpur district of Chhattisgarh, has been received from Adani Power Limited. The second order for the 2x800 MW Mirzapur supercritical thermal power plant, being set up in Mirzapur district of UP has been received from MTEUPPL (a subsidiary of Adani Power Limited).



PVVNL, Managing Director Mrs. Isha Duhan (IAS) said that not only the facility of free electricity is being provided to the private tube well farmer consumers for irrigation but it has also been implemented for the benefit of the farmers, in this scheme the old dues can be deposited in lump sum or in installments. Farmers and consumers are being given the benefit of huge discount in surcharge on getting it done.



ACADEMICS
AMRITA VISHWA VIDYAPEETHAM Amrita Vishwa Vidyapeetham Secures No. 1 Position in India in THE Impact Rankings for Third Consecutive Year. It continues to reign as the No. 1 institution in India for the fourth consecutive year. The university is also listed among THE's top 100 educational institutions in the world. The results were announced during THE's Global Sustainable Development Congress held in Bangkok recently. Dr. Manasha V. Ramesh, Provost for Strategic Initiatives, Research & Innovation at Amrita Vishwa Vidyapeetham, stood as one of the distinguished speakers at this esteemed event.

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Oil Up 1% on Improving Demand Outlook



New York: Oil prices rose by more than a dollar a barrel on Monday, adding to last week's gains as investors turned more optimistic on demand growth in the months ahead.

Global benchmark Brent crude futures were up \$1.02, or 1.2%, to \$83.64 a barrel at 12:27 p.m. EDT (1627 GMT). US West Texas Intermediate crude futures gained \$1.17, or 1.5%, to \$79.62 a barrel.

- Reuters

Over 50 projects to power Vedanta's \$10-b EBITDA plan

Press Trust of India
New Delhi

Mining conglomerate Vedanta Group's strategic roadmap to a \$10-billion near-term EBITDA will be powered by timely execution of over 50 high-impact growth projects, including those in zinc, aluminium, oil and gas and power businesses.

The projects are at an advanced stage of completion, according to a powerpoint presentation made to more than 45 fund managers and analysts, who were on a site visit organised by the Vedanta Group.

Vedanta's aluminium business has projects underway to achieve 3.1 million tonnes per annum of integrated supply. It sits in the first quartile of the global cost curve, with the cost of production at



multi-year lows — \$1,711 per tonne — with a 100 per cent vertically integrated supply chain. The business has a 2x strong demand outlook with India's domestic market set to double every five years, it said.

BUSINESSES

Vedanta's zinc business produces 1.2 million tonnes of zinc metal at the cost of \$1,000 per tonne while silver volumes are at 800 million

tonnes a year. The business has 75 per cent-plus market share in India's primary zinc market and growth plan for 2 million tonnes is under development.

Similarly, Vedanta Group's oil and gas business is focusing on expanding its resource base to 2 billion barrels of oil equivalent in the next three years, with a production target of 300,000 barrels of oil equivalent per day, more than double of current levels, the presentation said.

Additionally, the Vedanta Group has major projects under execution that include capacity expansion at the Lanjigarh alumina refinery from 3.5-5 million tonnes, BALCO smelter from 0.6-1 million tonnes, and raising the overall power generation capacity from 2.9 GW to 5 GW. Together, the Vedanta Group is investing around \$8 billion in its ongoing growth projects.