

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. 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 Bharia, 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

Russian crude oil imports by public refiners at 12-month high in July

Rishi Ranjan Kala
New Delhi

Crude oil imports by public refiners such as Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation rose to a 12-month high in July 2024.

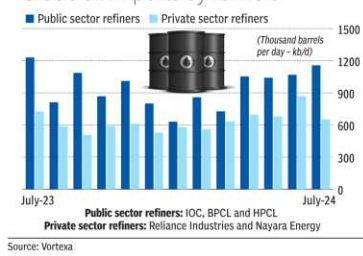
Analysts and trade sources attributed the growth to attractively priced Russian grades compared to some Middle Eastern ones. Tepid demand in China also led to more cargo being redirected to India.

According to data from energy intelligence firm Vortexa, public sector refiners bought 1.157 million barrels per day (mb/d) crude oil from Russia on a provisional basis in July 2024, the highest since July 2023. The shipments last month were lower by almost 6 per cent y-o-y but were higher by 8 per cent m-o-m. However, average grade loadings during January-July 2024 by state refiners fell by more than 9 per cent y-o-y to 1.6 mb/d from 1.73 mb/d a year ago.

RUSSIAN VOLUMES

Imports by private refiners, such as Reliance Industries

Crude oil imports by refiners



Source: Vortexa

and Nayara Energy from Russia, fell by 10 per cent y-o-y to around 653 barrels per day (mb/d) in July 2024. The decline in shipments on a monthly basis was steeper at 25 per cent.

Average loadings during January-July 2024 (666.57 b/d) were also lower, albeit by 5 per cent compared to the same period a year ago (701.57 b/d).

Imports of Russia's flagship medium sour grade, Urals, fell by 13 per cent y-o-y to around 1.36 mb/d.

"In July, the decline in Russian Urals outweighed the increase in supplies of Russian Far East and Arctic

grades, which resulted in a net decline in overall imports of Russian crude into India," Vortexa's Head of APAC Analysis Serena Huang told *businessline*.

Imports of ESPO blend rose to 1,70,000 b/d in July 2024 from 70,000 b/d in June. Similarly, shipments of Varandey rose to 1,60,000 b/d last month from 1,41,000 b/d in June 2024.

PRICE ARBITRAGE

India's cumulative crude oil imports fell by over 2 per cent y-o-y and 3 per cent m-o-m to 4.48 mb/d in July 2024.

On pricing dynamics,

Huang said, "Russian crude is likely attractively priced compared to Middle Eastern grades, driving higher import appetite from public refiners."

For instance, Saudi Arabia's official selling price of its flagship Arab Light grade, similar to Urals, in June 2024 was the highest since February. Prices for July have been fixed lower, likely due to rising non-OPEC crude supplies and a gloomy global economic outlook.

"Despite narrowing discounts of Russian crude, it remains a more attractive feedstock compared to Middle Eastern grades from Saudi Arabia and the UAE. The average delivered price of Russian crude in India in May was \$84 per barrel, a \$3 per barrel and \$11 a barrel discount compared to the average UAE and Saudi crude delivered prices respectively," Huang explained in a July 16 commentary by Vortexa.

On crude oil import momentum, Huang said, "With lower Russian crude exports last month (July 2024), coupled with rising planned maintenance, supplies to India will likely be lower in August and September."

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 holding 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 officials

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.

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STATEMENT UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2024

Rs. in lakhs, except EPS and unless otherwise stated

Sl No	Particulars	Standalone		Consolidated		Year ended (Audited)
		30.06.2024 (Unaudited)	31.03.2024 (Unaudited)	31.03.2024 (Audited)	30.06.2024 (Unaudited)	
1	Total Income from operations	19,502.26	18,210.87	64,159.26	19,314.82	17,629.47
2	Net Profit / (Loss) for the period (before tax) Exceptional and/or Extraordinary items	3,957.42	3,607.68	9,908.17	3,631.17	2,983.05
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	3,957.42	3,607.68	9,908.17	3,631.17	2,983.05
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	2,994.65	2,599.09	6,818.77	2,668.39	1,974.46
5	Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after tax) and other Comprehensive Income, after tax)	2,994.59	2,586.68	6,808.93	2,668.33	1,962.05
6	Equity Share Capital	665.00	665.00	665.00	665.00	665.00
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the year	-	-	95,635.45	-	89,793.67
8	Earnings Per Share (of Rs.1/- each) (for continuing and discontinued operations):-	4.50	3.91	10.25	4.11	3.03
	Diluted	4.50	3.91	10.25	4.11	3.03

By order of the Board
Sridhar Chandrasekharan
Whole-time Director
DIN:06434415

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EXTRACT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(Amounts in ₹ Crores)

Sl. No.	Particulars	Quarter ended		Year ended (Audited)
		30.06.2024 (Unaudited)	30.06.2023 (Unaudited)	
1	Total Income from Operation	1,288.49	1,196.68	5,094.26
2	Net Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(294.93)	14.04	(359.90)
3	Net Profit/ (Loss) for the period after (after Exceptional and/or Extraordinary items)	(294.93)	14.04	(359.90)
4	Net Profit/ (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	(294.93)	14.04	(359.90)
5	Total Comprehensive Income for the period (Comprising Profit/ (Loss) for the period (after tax) and other Comprehensive Income (after tax))	(294.93)	14.04	(359.90)
6	Paid-up Equity Share Capital (Face Value of ₹ 10/- per equity share each)	2,450.00	2,450.00	2,450.00
7	Reserves (Other Equity) (excluding Revaluation Reserve)	(1,233.47)	(795.18)	(960.29)
8	Securities Premium Account (Refer note 4)	-	-	-
9	Net Worth (Refer note 5)	1,216.53	1,654.82	1,489.71
10	Paid up Debt Capital/ Outstanding Debt	15,148.75	13,804.90	15,197.22
11	Outstanding Redeemable Preference Shares (Refer note 4)	-	-	-
12	Debt Equity Ratio (Refer Note 6)	12.45	8.34	10.17
13	Earnings Per Share (EPS) (Face value of ₹ 10/- each per equity share) (for continuing and discontinued operations)*	-	-	-
	Basic (amount in ₹)	(1.20)	0.06	(0.74)
	Diluted (amount in ₹)	(1.20)	0.06	(0.74)
14	Capital Redemption Reserve (Refer note 4)	-	-	-
15	Debtenture Redemption Reserve (Refer note 7)	-	-	-
16	Debt Service Coverage Ratio* (Refer note 8)	0.69	0.67	1.15
17	Interest Service Coverage Ratio* (Refer note 8)	0.70	0.67	1.15

* Not annualised (except for year ended March 31, 2024).

Notes to the statement of unaudited financial results for the quarter ended June 30, 2024:

1. The above is an extract of the detailed format of quarterly financial results filed with the BSE Limited under Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly financial results are available on the websites of the stock exchange i.e. www.bseindia.com and on the company's website - www.newdelhiairport.in

2. The applicable information required to be furnished under regulation 32(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been submitted to the stock exchange i.e. BSE limited and the same can be accessed at website of stock exchange i.e. www.bseindia.com and on the company's website - www.newdelhiairport.in

3. There is no impact on net profit/ (loss), total comprehensive income or any other relevant financial item(s) due to change(s) in accounting policies.

4. Securities Premium account, Outstanding Redeemable Preference Shares and Capital Redemption Reserve are not applicable for the company.

5. Net worth (paid up share capital plus other equity instruments designated as Fair Value through Other Comprehensive Income) as on June 30, 2024 is ₹ 1,216.53 crores (June 30, 2023: ₹ 1,654.82 crores and March 31, 2024 is ₹ 1,489.71 crores)

6. Debt Equity ratio represents (Borrowing/ Shareholder's Fund). Shareholder's Fund is Equity share plus Other Equity. Debt Equity ratio (including gain on equity instrument designated as Fair Value through Other Comprehensive Income) as on June 30, 2024 is 12.45 (June 30, 2023: 8.34 and March 31, 2024 is 10.17)

7. Debt service coverage ratio represents Earnings available for debt servicing (Net profit after taxes - Non-cash operating expenses like Depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets)/ Debt service (Interest payments + Option premium + Lease payments + Principal repayments). Interest payments and option premiums also includes borrowing costs capitalised during construction phase.

8. Interest service coverage ratio represents Earnings available for interest servicing (Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets)/ Interest service (Interest payment + option premium payment). Interest payments and option premiums also includes borrowing costs capitalised during construction phase.

For and on behalf of the Board of Directors of Delhi International Airport Limited
K. Narayana Das (DIN:00000022)
Whole Time Director
DIN/ 190 PREM ASSOCIATES

Shaping Tomorrow's Energy Landscape

Extract of the Unaudited Financial Results for the Quarter ended 30th June, 2024 (Rs. in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated		
		30.06.2024 (Unaudited)	30.06.2023 (Unaudited)	31.03.2024 (Audited)	30.06.2024 (Unaudited)	30.06.2023 (Audited)
1.	Total Income from Operations	83,173	66,462	2,53,359	87,307	67,479
2.	Profit before exceptional items and tax	45,022	38,018	1,09,523	48,298	38,283
3.	Profit before tax	45,022	38,018	1,17,408	48,298	38,283
4.	Net Profit after tax for the period	32,715	27,020	90,840	35,709	27,175
5.	Total Comprehensive Income after tax	32,601	26,970	90,389	35,595	27,125
6.	Paid-up equity share capital (Face value of share ₹10/- each)	3,92,980	3,92,980	3,92,980	3,92,980	3,92,980
7.	Other Equity excluding Revaluation Reserve	10,42,649	10,16,187	10,10,048	10,49,700	10,20,099
8.	Net Worth	14,35,629	14,09,167	14,03,028	14,42,680	14,13,079
9.	Paid up Debt Capital	9,67,117	7,54,442	9,66,534	21,61,319	15,23,201
10.	Earnings Per Share for continuing operations (before net movement in regulatory deferral account balance) (of ₹10/- each) (not annualised) (in ₹)	0.89	0.74	2.34	0.96	0.74
11.	Earnings Per Share for continuing operations (after net movement in regulatory deferral account balance) (of ₹10/- each) (not annualised) (in ₹)	0.83	0.69	2.31	0.91	0.69
12.	Debt Equity Ratio	0.67	0.54	0.69	1.50	1.08
13.	Debt Service Coverage Ratio	2.46	3.10	2.30	2.62	3.18
14.	Interest Service Coverage Ratio	3.99	5.90	4.72	4.24	6.18

Note: The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Financial Results of the Company are available on the investor section of our website <http://www.sjvn.nic.in> and under Corporate Section of BSE Limited and National Stock Exchange of India Limited at <http://www.bseindia.com> & <http://www.nseindia.com>.

एसजीवीएन लिमिटेड
SJVN Limited
(A Joint Venture of Govt. of India & Govt. of H.P.)
A Mini Ratna & Schedule "A" PSU
CIN : L40101HP1988GOI008409

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Place : New Delhi
Dated : 13th August, 2024

For and on Behalf of Board of Directors
sd/-
(Akhilshwar Singh)
Director (Finance)
DIN:08627576