

# India may turn net copper exporter in FY26 as Adani unit goes on stream

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From being a net importer of copper, India could become a net exporter of the red metal, probably from the next fiscal, with the ₹8,373-crore Kutch Copper Ltd (KCL), a unit of Adani Enterprises Ltd, set to become operational by the end of the current fiscal in Gujarat.

India turned a net importer in 2017-18 with shipments into the country topping 2.75 lakh tonnes last fiscal.

Coal and Mines Minister Pralhad Joshi told Parliament in December that ₹27,131 crore was spent on the import of the red metal last fiscal compared with ₹21,985 in 2021-22.

KCL, to be set up in Mundra Special Economic Zone, will have 5 lakh tonnes capacity in the first phase and an additional 5 lakh tonnes in the second phase, according to documents seen by *businessline*.

## Copper 2022-23 production

Company	Capacity	Production
Hindustan Copper	0.685	0.000073
Hindalco	5.00	4.07
Sesa Sterlite	2.16	1.48
<b>Total</b>	<b>7.85</b>	<b>5.55</b>

Source: Ministry of Mines

At the Adani Group's annual general meeting last year, its Chairman Gautam Adani said the copper smelter is a key project underway and is on schedule.

### PRODUCTION TO DOUBLE

If KCL becomes fully operational next fiscal, India's copper production will nearly double. According to the Ministry of Mines, copper production in the 2022-23 fiscal was 5.55 lakh tonnes against a capacity of 7.85 lakh tonnes.

Sources said while the country's copper production capacity will increase by 63

per cent, total production could rise to about 10 lakh tonnes.

Until 2017-18, the country's copper production capacity was 10.28 lakh tonnes with Birla's Hindalco having a five lakh tonnes capacity and Sterlite 4.6 lakh tonnes with Hindustan Copper making up the rest.

### LEAVING SURPLUS

However, with the Tamil Nadu government closing Sterlite Copper in 2018 following unrest and protests, the production capacity of the red metal in the country declined from 8.42 lakh tonnes in 2017-18.

Data from the Ministry of Mine show that copper production during the April-January period of the current fiscal was 4.65 lakh tonnes. According to the ministry, the size of the Indian copper industry (consumption of refined copper per annum) is around 6.6 lakh tonnes, which as percentage of world copper market is three per cent.

This would mean the country would have some surplus to export.

During the hearing on Vedanta's plea on resuming the Thoothukudi plant, the Tamil Nadu government argued that KCL "is capable of ful-

filling the country's copper demand" and the Sterlite plant should not be considered a national asset.

The KCL plant will have zero liquid discharge and explore using green power and deploying byproducts for ce-

ment and other businesses.

Besides 5 lakh tonnes of refined copper, KCL will annually produce 2.5 lakh tonnes copper rods, 15 lakh tonnes of sulphuric acid, 25 tonnes of gold, 250 tonnes of silver and 150 tonnes of selenium.

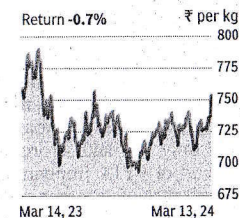
## Copper futures: Buy on dips

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Copper futures on the Multi Commodity Exchange (MCX) has been moving up over the last month after finding support between ₹700 and ₹710.

### COMMODITY CALL

On Wednesday, the contract broke out of a key resistance at ₹740, establishing the next leg of rally. If it turns the near-term outlook positive. Given the upward momentum, we anticipate copper futures to hit ₹785. That said, we might see a minor dip in price,



possibly to retest the resistance-turned-support of ₹740. Post this move, copper futures can establish the next leg of rally. If it rallies past ₹755, we might not witness moderation in price to ₹740. On the other hand, if copper futures falls below ₹740, it could extend the fall to ₹725. In this

scenario, the odds of the upswing to ₹785 will become significantly lower.

### TRADE STRATEGY

Traders can buy copper futures if it breaks out of ₹755 from the current level. Target and stop-loss can be at ₹785 and ₹740, respectively. After initiating this trade, tighten the stop-loss to ₹765 when the contract goes up to ₹775. Liquidate the longs at ₹785. Alternatively, instead of breaking out of ₹755, if copper futures decline from here, go long at ₹740. Place initial stop-loss at ₹720.

When the contract moves above ₹755, alter the stop-loss to ₹740. Tighten the stop-loss further to ₹765 when the price rises to ₹775. Exit at ₹785.