खनिज समाचार

KHANIJ SAMACHAR

Vol. 3, No-8

(As appeared in National/Local Newspapers Received in Central Library, IBM, Nagpur)

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In continuation of this it is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email **ibmcentrallibrary@gmail.com** (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information on Pan India basis.

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KHANIJ SAMACHAR

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FROM

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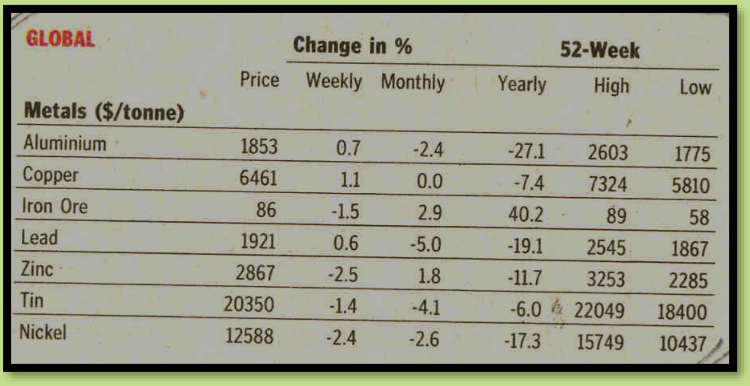
INDIAN BUREAU OF MINES

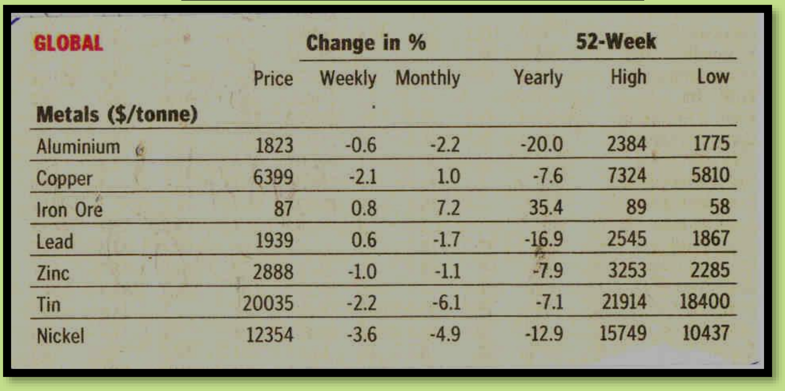
VOL. 3, NO-8 , 16th – 30th APRIL , 2019

BUSINESS LINE DATE : 22/4/2019 P.N.11



GLOBAL		Change in %			52-Week	
Metals ($/tonne)	Price	Weekly	Monthly	Yearly	High	Low
Aluminium	1853	0.7	-2.4	-27.1	2603	1775
Copper	6461	1.1	0.0	-7.4	7324	5810
Iron Ore	86	-1.5	2.9	40.2	89	58
Lead	1921	0.6	-5.0	-19.1	2545	1867
Zinc	2867	-2.5	1.8	-11.7	3253	2285
Tin	20350	-1.4	-4.1	-6.0	22049	18400
Nickel	12588	-2.4	-2.6	-17.3	15749	10437

BUSINESS LINE DATE :29/4/2019 P.N.11



GLOBAL		Change in %			52-Week	
Metals ($/tonne)	Price	Weekly	Monthly	Yearly	High	Low
Aluminium	1823	-0.6	-2.2	-20.0	2384	1775
Copper	6399	-2.1	1.0	-7.6	7324	5810
Iron Ore	87	0.8	7.2	35.4	89	58
Lead	1939	0.6	-1.7	-16.9	2545	1867
Zinc	2888	-1.0	-1.1	-7.9	3253	2285
Tin	20035	-2.2	-6.1	-7.1	21914	18400
Nickel	12354	-3.6	-4.9	-12.9	15749	10437

THE HITAVADA(CITYLINE) DATE : 16/4/2019 P.N.3

Make use of geothermal energy for pollution-free, clean air: Sakhare

- Vishal Sakhare, GSI Director described the significant and leading role played by IIME for development of Mineral Science in India

Staff Reporter

INDIAN Institute of Mineral Engineers (IIME), Nagpur Chapter organised a lecture on "An overview of the geothermal exploration in India: Case study from Munguru Geothermal field, Bhadradri district, Telengana" in the series of Shivani Ghosh Memorial Lecture at the Conference hall of Indian Bureau of Mines, Indira Bhavan on Monday.

Vishal V Sakhare, Director, Geothermal Division, Geological Survey of India (GSI), Nagpur was the chief guest and delivered the lecture. C S Gundewar, Controller General (Retd.), Indian Bureau of Mines and President of IIME, Nagpur Chapter presided over.

Dr Sandhya Lal, Chief Ore Dressing Officer, Dr M L Dora, Director, GSI, Dr C J Radhakrishanan, ARO (Retd) IBM, L B Toal, V V R Murty, Santosh Pani and officials from IBM, GSI, JNARDDC were present during the lecture.

Vishal V Sakhare, Director, Geothermal Division, Geological Survey of India (GSI), Nagpur delivering the lecture at Conference hall of Indian Bureau of Mines, Indira Bhavan. (Pic by Satish Raut)

The programme started by welcoming the new joined member of IIME Nagpur chapter followed by the lecture.

C S Gundewar briefed the delegates and members about contribution and leading role played by IBM scientist in organising international seminars and workshops under the aegis of IIME in different parts of the country.

He described about the significant and leading role played by IIME for development of Mineral Science in India.

Speaking on the occasion, Sakhare addressed the current exploration status of geothermal fields in central India. He told that geothermal energy is a clean energy. It does not produce and environmental pollution and can be utilised in different fields like air conditioning, desalination, and power generation. India has huge potential of geothermal energy for answering the future energy demands.

Indian Institute of Mineral Engineers (IIME) is a national level professional body of scientists, engineers and academicians working in the field of ores and minerals to serve the cause of mineral survey, exploration, extraction and processing for Indian Mineral Industries.

IIME, Nagpur chapter conducts various lectures and workshops quarterly on various topics and this lecture was also a part of it. The event attended by a large number of scientists.

The meeting was jointly compered by Namrata Choudhary from GSI and Prathama Diwakar, Assistant Research Officer from IBM. S K Nanda, AODO and Secretary IIME Nagpur Chapter proposed a vote of thanks.

THE HITAVADA DATE : 17/4/2019 P.N.10

Cement prices give tough time to realty sector

■ Business Bureau

RISING prices of cement seems to have been giving sleepless nights to players in real estate sector. The sector that is already passing through a sluggish phase for quite some time, is now facing hardship as cement prices have gone up considerably in recent past.

Cement prices had gone up by Rs 20 per bag with effect from April 1. This was in addition to the hike of Rs 30 per bag which was introduced in first half of March taking the total hike to Rs 50 per bag in a span of 30 days.

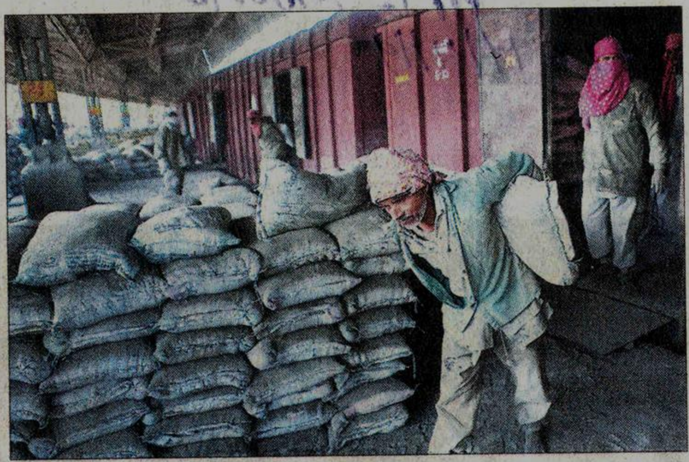
At the beginning of March, a cement bag of 50 kg was sold at a price of Rs 250 (including Goods and Services Tax) in non trade category (for bulk buyers) while Rs 265 (including GST) in retail customers. But after price revision, the prices went up to a level of Rs 300 for non trade category and Rs 315 for retail customers.

"Despite of the fact that the demand for cement has not increased, the prices have gone up. It clearly shows that the manufacturers have joined hands to earn more profit. It is putting additional burden on the home buyers," said one of the developers on a condition of anonymity.

He said that the overall cost of households in his scheme has gone up by 2 to 3 per cent because of increased cement price.

He further said that the home-seekers eyeing households under the affordable housing schemes would be the worst sufferers.

"Such a price rise was not expected by the market and thus it affects the sector. We need some mechanism to control such price rise, especially if happens in a very short span of time," he said.



Echoing similar sentiments, another builders said that cement manufacturers are playing with the prices as it is an election period. "During the election period, the authorities pay no heed to price hike and the manufacturers get enough space to manipulate the system," he said.

Ideally speaking, he said, there is no reason for price rise. "It is all against the market conditions. Water scarcity in many parts of the country and unsatisfactory demand of households are already restricting growth in reality sector and thus one cannot justify rise in cement price," he said.

One of the cement dealers in the city, who also preferred not to be quoted, said that many buyers have been asking the reason for price rise. "But we are unable to give them satisfactory answers. It is a very awkward situation for us. Moreover some the buyers have been cutting short their demand," he said.

BUSINESS LINE DATE : 17/4/2019 P.N.4

EU-India discussions on re-testing of imported steel products fail to cut ice

New Delhi must accept tests conducted in foreign-accredited labs, maintains EU

AMITI SEN

New Delhi, April 16

The EU has said that its discussions with Indian authorities on the compulsory re-testing of specified stainless steel product imported into the country at BIS authorised laboratories has failed to resolve the issue. It sought to pursue the matter further at the World Trade Organization's committee on technical barriers to trade.

In a fresh representation, the EU reiterated its demand that India should accept the tests carried out in foreign accredited laboratories attesting compliance with ISO standards (or Indian standards) and stop conducting factory inspections in the EU steel mills that have quality management systems as defined in ISO 9001.

"Given that the intermediate product is a low risk one and that the EU producers comply with international requirements and specifications, the EU is making these demands," the representation stated. The EU, however, has not indicated if it would file a dispute with the WTO over the matter.

India already has 50 carbon steel and three stainless steel products under the ambit of its quality control order. The Indian Steel Ministry recently notified its plans of including a few more steel items to the list. The EU had alleged that such controls were a non-tariff barrier, but India argued that the BIS standards were necessary in order to take into account the manufacturing practices here.

Responding to India's defence, the EU said that it had already complied with internationally recognised standards, as well as with safety and quality standards recognised around the world. "The EU would like to ask the Indian authorities to confirm whether these standards are equivalent to the relevant international standards. If that is the case, those international standards should be referred to in the text as well," it said.

The European Union has alleged that the controls imposed by India were a non-tariff barrier ISTOCK/JORDACHELR

The EU also asked India to apply the certification only with reference to stainless steel grades. "There should be no restrictions on physical dimensions (thickness, width or length) and no restriction on the finishing of the products (finishes, edge conditions etc.) as there are many different sizes and finishing for stainless steel products," it said.

Furthermore, once the producing mill is verified and the product certified, the certification should remain valid in case the product is issued to the mill's service centres and then shipped to India to avoid an unnecessary and burdensome double certification process, it added.

Protectionist policies

Countries across the globe are turning protectionist to support their domestic steel industry as a slowdown in demand and low capacity utilisation are hurting bottomlines. Most steel producers, including the EU and India, are resorting to imposition of safeguard duties or anti-dumping duties (in cases where dumping of the product can be established) to make imports less competitive.

India became a net importer of steel in 2018-19 for the first time in three years. The country's finished steel exports reportedly declined by 34 per cent in the fiscal year to 6.36 million tonnes while finished steel imports rose 4.7 per cent to 7.84 million tonnes.

BUSINESS LINE DATE : 18/4/2019 P.N.11

Copper prices at 9-month high

London, April 17

Copper prices hit a nine-month high on Wednesday as firmer-than-expected economic growth figures from China boosted expectations for higher demand in the world's top metals consumer. Benchmark copper rose 1 per cent to $6,565 per tonne by 1250 GMT, its highest since July 3. China, which is in the midst of a trade conflict with the United States, ramped up fiscal stimulus this year to support the world's second largest economy after a slew of disappointing data pointed to a potential slowdown. REUTERS

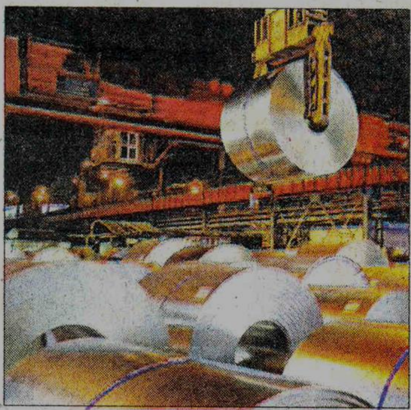
THE HITAVADA DATE : 18/4/2019 P.N.10

Steel demand expected to grow above 7 per cent in 2019, 2020: Report

Business Bureau

STEEL demand in India is expected to grow above 7 per cent in the current as well as next year, according to the World Steel Association.

The global steel body in its report, titled 'Short Range Outlook April 2019', said it forecasts that global steel demand may reach 1,735 million tonne (MT) in 2019, a rise of 1.3 per cent over 2018. In 2020, the demand is projected to grow 1 per cent to 1,752 MT, it said.



"In developed economies, steel demand grew by 1.8 per cent in 2018 following a resilient 3.1 per cent growth in 2017. We expect demand to further decelerate to 0.3 per cent in 2019 and 0.7 per cent in 2020, reflecting a deteriorating trade environment," the body said.

Steel demand in emerging economies, excluding China, is expected to grow 2.9 per cent and 4.6 per cent in 2019 and 2020, respectively, it said.

For India, it said, "The wide range of continuing infrastructure projects is likely to support growth in steel demand above 7 per cent in both 2019 and 2020."

In developing economies in Asia, excluding China, the demand is expected to grow by 6.5 per cent and 6.4 per cent in 2019 and 2020, respectively, making it the fastest-growing region in the global steel industry, it added.

The global association represents steel producers, including nine of the world's 10 largest firms, national and regional steel industry associations, and steel research institutes. Its members represent around 85 per cent of global steel production.

BUSINESS LINE DATE : 18/4/2019 P.N.2

JSW suggests mechanism to sell steel to exporters

SURESH P IYENGAR

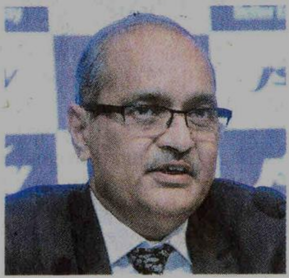
Mumbai, April 17

JSW Steel has offered to supply steel to export-oriented engineering companies at the landed cost of imports without adding customs duty under the advance licence mechanism.

In a bid to incentivise export, the government allows exporting units to import raw material duty-free under the advance licence.

While steel companies have been asking the government to increase duty to prevent cheap imports, the Engineering Export Promotion Council recently voiced concern against the protectionist measure.

In a presentation made to the Commerce Ministry opposing any hike in steel import duty, EEPC highlighted how steel prices have shot up in the past two years. This apart, it said the delivery period has increased to 4-6 months from just a few weeks ago, it claimed.



Seshagiri Rao

Domestic steel prices are pegged to the landed cost of imports, including import duty.

Refuting the claim of EEPC, Seshagiri Rao, Joint Managing Director, JSW Steel, said there are enough schemes for exporting engineering companies to import steel without paying duty.

Assuming they are facing difficulty in importing, he said the industry is willing to supply steel at the landed cost under advance licence, he said.

Instead of allowing Indian engineering companies to import duty free and supporting global steel makers, the government under deemed export basis can reimburse part of the import duty to domestic steel companies for selling steel duty-free, said an analyst.

Sourcing steel domestically will not only bring down dollar-trade but also help government collect more tax from steel companies profit, he said.

In fact, he added engineering companies can source hot-rolled coil at a much cheaper price than importing, if the government reimburse import duty ranging ₹500-1,250 a tonne to steel companies.

Assuming HR coil price at $575 a tonne, it will cost engineering exporters ₹44,150 a tonne if they import duty-free while sourcing it under advance licence from Indian steel companies works out to ₹ 41,750-42,500 a tonne.

In talks with export body

The steel industry is in discussion with engineering export association to understand their issues, Rao said.

The industry has sought product-wise steel requirements of EEPC members with qualitative and quantitative details on an annual basis for next fiscal to ensure product-wise supply on monthly basis.

BUSINESS LINE DATE : 18/4/2019 P.N.4

Steel demand in India seen growing over 7% in two years

PRESS TRUST OF INDIA

New Delhi, April 17

Steel demand in India is expected to grow over 7 per cent in the current as well as next year, according to the World Steel Association.

The global steel body, in its report titled 'Short Range Outlook April 2019', said it sees global steel demand reaching 1,735 million tonnes (MT) in 2019, a rise of 1.3 per cent over 2018. In 2020, the demand is projected to grow 1 per cent to 1,752 MT, it said.

"In developed economies, steel demand grew by 1.8 per cent in 2018 following a resilient 3.1 per cent growth in 2017. We expect demand to further decelerate to 0.3 per cent in 2019 and 0.7 per cent in 2020, reflecting a deteriorating trade environment," the body said.

Steel demand in emerging economies, excluding China, is expected to grow 2.9 per cent and 4.6 per cent in 2019 and 2020, respectively, it said.

For India, it said, "The wide range of continuing infrastructure projects is likely to support growth in steel demand above 7 per cent in both 2019 and 2020."

In developing economies in Asia, excluding China, the demand is expected to grow by 6.5 per cent and 6.4 per cent in 2019 and 2020, respectively, making it the fastest-growing region in the global steel industry, it added.

BUSINESS LINE DATE : 18/4/2019 P.N.11

Why gold isn't glittering despite global uncertainty

G CHANDRASHEKHAR

COMMENTARY

Despite global uncertainties, the gold market is struggling to find upward traction. Many supportive factors are in place — growth concerns, continuing trade tensions, a softening dollar, tepid risk appetite and a relatively more accommodative monetary policy pursued mainly by central banks of the western world; yet the precious metal has been struggling to decisively break above the psychological $1,300/oz.

If anything, on Tuesday, before staging a small recovery, the yellow metal dipped as low as $1,273 per troy ounce, negating the gains of recent months. ETFs, too, have seen steady outflows. Some analysts attribute the fall to technical selling.

It is also argued that financial market participants are still reluctant to move from equities to the safe haven metal. There is still some risk appetite left as the US and China have reportedly agreed to an enforcement mechanism on trade.

This has boosted market confidence. In other words, for the time being, the precious metal is facing headwinds from the stock markets as indicated by record high S&P 500 and indices in Asia. Of course, how long equities will continue to perform well in the backdrop of growth concerns is hazy as yet.

But the consensus is veering to the view that the second half of the year may witness a stock market correction as the positive effects of the US stimulus fade and the dollar begins to decisively weaken. It is well recognised that gold prices and equity market performance are negatively correlated.

So, after the headwinds of 2018, gold is most likely to face tailwinds in 2019. However, the situation will crystallise once data demonstrate that the US is slowing. That tipping point may be reached sometime in the third quarter.

While a slowdown in the US may trigger safe haven demand, we cannot overlook enervated conditions in the

physical market. Physical demand, particularly in Asia, is subdued. After the wedding season, which may last till early June, Indian demand for the yellow metal will all but dry up for at least three months until the next crop harvest gets ready in September. The looming threat of below-normal precipitation because of El Nino conditions should not be dismissed.

Under the circumstances, gold will be buffeted between rising investment demand and weak physical demand. Obviously, prices will move northward; but the pace and extent of rise will be moderated by evolving conditions.

On current reckoning, $1,400/oz seems to be an ambitious target; and even if the metal reaches that level, it may not stay there for long but revert towards $1,350-1,370 levels.

The silver market presents an interesting picture. A recent report of the Silver Institute, which reviewed market conditions in 2018, said the global market was under-supplied last year and that the physical market deficit was an estimated 29.2 million ounces equivalent to 908 tonnes. For the first time in three years, silver demand grew by 3.5 per cent, driven by a 20 per cent jump in demand for coins and bars with India showing a high demand for bars.

However, industrial demand for silver, which is both a precious and industrial metal, slowed because of slower usage in the photovoltaic industry. This year, silver prices are poised for a rebound from the current level of around $15/oz because of the combination of lower supply growth and higher demand growth.

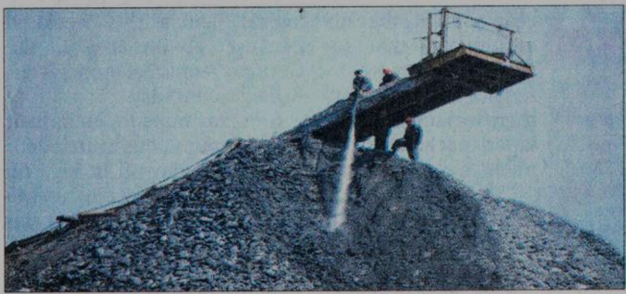
The writer is a policy commentator and commodities market specialist. The views are personal

THE HITAVADA DATE : 18/4/2019 P.N.11

Adani urges Aus Govt to give 'fair go' for coal mine project

By Natasha Chaku

MELBOURNE, Apr 17 (PTI)



INDIAN energy giant Adani has urged the Australian Government to give its controversial coal mine project "a fair go" and indicated that the opposition Labor Party would not derail the proposed billion dollar project if it comes to power. Gautam Adani-led Adani Group entered Australia in 2010 with the purchase of the greenfield Carmichael coal mine in the Galilee Basin in central Queensland, and the Abbot Point port near Bowen in the north.

The massive coal mine in Queensland state has been a controversial topic, with the project expected to produce 2.3 billion tonnes of low-quality coal.

"All we're asking for (is) a fair go and to be treated like everyone else. I think at certain points, that has not been the case. We're certainly not whinging about it. We just want to get on with it now. We want a fair go," Adani Mining Chief Executive Officer Lucas Dow, told Australian Broadcasting Corporation. He said the sort of scrutiny that the project was facing on the management plans was unprecedented.

The Adani project which still require to clear few more approvals from the Queensland Government, including groundwater modeling, recently received the clearance from federal Government for development.

Commenting if the mine project could run any risk if the Labor Party comes to power, Dow said "I think (Federal Labor) has been crystal clear that if they are to form Government they won't be in the habit of creating sovereign risk by ripping up the existing approvals."

BUSINESS LINE DATE : 19/4/2019 P.N.11

Asia gold: China premiums at 2-year high as yuan gains

REUTERS

Bengaluru/Mumbai, April 18

Gold premiums in top consumer China jumped to their highest in more than two years, as a drop in global prices and strengthening yuan encouraged purchases amid optimism about the state of the economy.

Chinese premiums climbed to about $20 an ounce over global benchmark prices this week, a level last seen in March 2017. Premiums of about $13-15 were charged last week.

"Lower prices are giving way to a rise in buying," said Alfonso Esparza, senior market analyst at OANDA. Along with the weaker spot gold price, strength in the yuan has also lifted premiums to multi-year highs, said an analyst based in Hong-Kong.

In India, demand was steady as lower domestic prices prompted buyers to make purchases for weddings. Indian gold futures were trading near their lowest level in three months.

Dealers were charging a premium of up to $2.5 an ounce, over official domestic prices, the highest in nearly five months, unchanged from last week. The domestic price includes a 10 per cent import tax and 3 per cent sales tax.

"At current price levels, demand is very good from retail buyers," said Mukesh Kothari, Director at Mumbai bullion dealer RiddiSiddhi Bullions.

Indians will celebrate Akshaya Tritiya on May 7, when buying gold is considered auspicious.

BUSINESS LINE DATE : 20/4/2019 P.N.9

Gold imports fell 3% to $32.8 billion in FY19: Govt data

Imports in March grew by 31%

PRESS TRUST OF INDIA
New Delhi, April 19

India's gold imports dipped about 3 per cent in value terms to $32.8 billion during 2018-19, which is expected to keep a lid on the current account deficit.

The total imports of the precious metal in 2017-18 stood at $33.7 billion, according to data from the commerce ministry.

Trade experts said softening prices of the yellow metal in the global market could be the reason for the contraction in the value of imports.

Trade experts said softening prices of the metal in the global market could be the reason for contraction in the value of imports

After recording a negative growth in February, imports grew 31.22 per cent to $3.27 per cent in March.

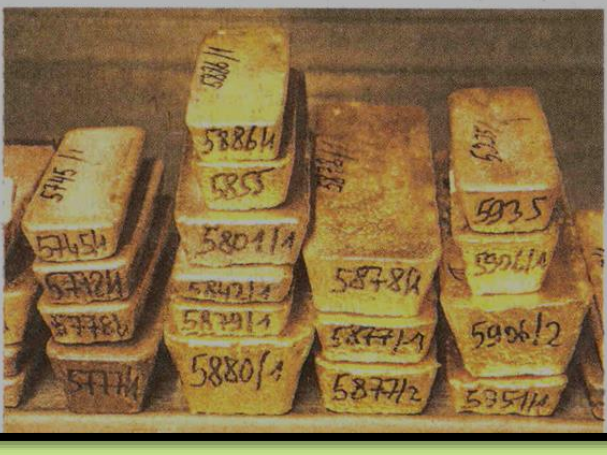
India is one of the largest gold importers in the world, and the imports mainly take care of demand from the jewellery industry.

A jump in imports during March helped gems and jewellery exporters push their exports. The outbound shipments dipped only marginally, by 0.37 per cent to $3.42 billion in March.

The country's current account deficit (CAD), or the difference between outflow and inflow of foreign exchange in the current account, widened to 2.5 per cent of the gross domestic product (GDP) for the third quarter of the fiscal, against 2.1 per cent in the comparable period in the previous year, mainly due to a large trade deficit.

The government had introduced several measures to restrict gold imports. Import of the yellow metal attracts 10 per cent duty.

The domestic jewellery industry always demands a cut in the duty and relaxation of other import norms for increasing availability of the yellow metal to boost jewellery exports.



BUSINESS LINE DATE : 20/4/2019 P.N.9

BUSINESS LINE DATE : 22/4/2019 P.N.11

Global View

LME to address flaws in metal storage rules

London Metal Exchange's load-out rules are currently designed for 2-year queues

PRATIMA DESAI

The London Metal Exchange (LME) is poised to deal with a loophole in its warehousing rules, exposed after commodity trader Glencore bought large amounts of aluminium earlier this year, sources familiar with the matter said.

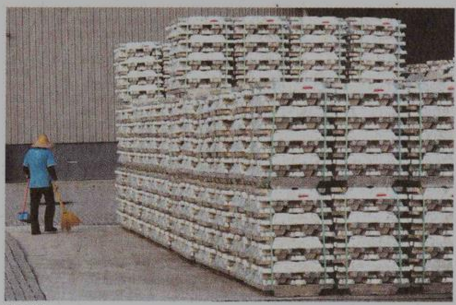
But the exchange will have to wait until a complaint lodged by Glencore with the LME on its inability to take fast delivery of the aluminium from warehouses owned by ISTIM UK in Port Klang, Malaysia, has been resolved, sources said. A problem has emerged in relation to the LME's "load-in and load-out" rules — otherwise known as LILO — which specify the tonnage that has to be shipped out when a queue to deliver metal is longer than 50 days.

The rules were introduced after queues to take aluminium out of storage in Detroit soared to near two years in 2014, sparking complaints from consumers in transport and packaging about artificially high aluminium prices.

"The rules were for another era and aimed specifically at cutting those two-year queues. The LME will revisit and change the rules for the current environment," an aluminium industry source said. "Latest events with Glencore and ISTIM have highlighted the problem with LILO."

The LME, Glencore and ISTIM declined to comment.

Glencore bought 200,000 tonnes of aluminium on the LME in January, creating a queue of more than 50 days at ISTIM's Port Klang facilities at the end of a three-month calculation period ending in January.



REUTERS

The queue would have activated LILO, which stipulates a warehouse must load out its normal requirement and all the metal delivered in over those same three months in March, April and May, which means less rent would be payable by Glencore.

However, Glencore and ISTIM are in dispute over whether the queue started at the end of January or on the first day of February, and LILO was not triggered.

If LILO had been triggered at the end of January, ISTIM warehouses in Port Klang would have had to load out 2,500 tonnes a day and another 222,713 tonnes in March, April and May.

"That's an economic benefit for the company making the queue. A company that makes the queue cannot take advantage of QBRC (queue-based rent capping) and should not be able to take advantage of LILO," an aluminium trader said. QBRC specifies that full rent is payable for 30 days and half rent for another 20 days. Rent for metal in a queue to leave a warehouse after 50 days cannot be charged.

However, the company that creates a queue has to pay full rent for as long as it takes to get the metal out.

"The LME will have to consult on any changes to its warehousing rules, but I don't think anybody will object," a source at an aluminium producer said. "It's a loophole that needs to be closed."

Any consultation on reforming LILO will be separate to proposals for other changes made by warehousing firms and published by the exchange at the end of March. REUTERS

Procedure

'Load-in and load-out' rules specify the tonnage that has to be shipped out when a queue to deliver metal is longer than 50 days

SAIL

Ironing out the dents

While a favourable demand environment augurs well, a possible increase in wages and higher production costs will be dampeners

SATYA SONTANAM

After weathering a rather difficult demand environment until the mid of 2017, State-owned steel major SAIL started to turnaround, shrinking its losses substantially in FY18.

Over the last three quarters of FY19, the company returned to profitable terrain, as operating margins improved remarkably (to 16 per cent in the nine months ended December 2018 from 6 per cent a year ago) as the macro environment improved for metals, and SAIL was able to benefit from the increased demand.

Prior to August 2018, the stock rallied in line with the company's good showing, but the correction in the broader markets over the past year and the uncertainties in the metal sector caused by the US-China trade negotiations have led to a substantial decline in its share price since then.

Fundamentally, while a favourable demand environment augurs well for the company, possibility of an increase in wage cost, higher production costs and delays in the ramp-up of capacities, could be dampeners.

At the current market price of ₹57, the stock is trading at a multi-year low of nine times its trailing 12-month earnings. However, this is at a premium to those of its peers Tata Steel and JSW Steel. Hence, existing investors can hold on to their shares. Any further correction in the stock could be a good buying opportunity for the long term.

Scope for higher sales

SAIL has eight steel plants across Chhattisgarh, West Bengal, Odisha, Jharkhand, West Bengal, Tamil Nadu, Karnataka and Maharashtra. It has an existing steel-making capacity of about 21 million tonnes per annum (mtpa). The company produces both long and flat steel, catering to the needs of several industries such as construction, infrastructure and railways.

The steel plants currently run at an average capacity utilisation rate of about 75 per cent, providing leeway to ramp up production if demand continues to improve.

Also, the on-going modernisation and expansion projects (capex pegged at ₹4,000 crore for FY18-19) could also help increase productio. SAIL's production has increased at a compounded annual growth rate (CAGR) of almost 3 per cent in the last five years.

Thus, the company is well placed to capitalise on the increasing demand for steel in the country. A new report by the World Steel Association forecasts that the demand for the metal would grow above 7 per cent in the current as well as next year on account of a wide range of continuing infrastructure projects.

Also, aside from strong demand, government regulations are expected to support steel prices in the country. Higher sales and improved realisations are expected to help the company boost its top-line.

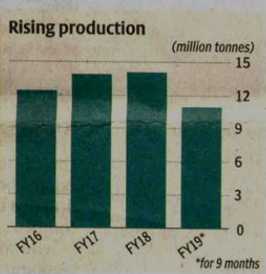
Profitability under check

One notable cost to the company is its employee expense. SAIL has the highest proportion of wage cost to sales in the industry.

Being a government firm, SAIL is required to follow government guidelines on pension benefits and revise the pay scales of its employees. But the company has not provided entirely for the same, following a office memorandum issued by the Department of Public Enterprises which allows lower increments and contributions towards the pension fund.

The company's auditors have stated that pending negotiations with the employees, SAIL should have made additional provisions. This could have impacted profits — for the nine months ended December 2018, the company reported a profit of ₹1,727 crore; this would have been a loss of ₹152 crore had the provisions been made.

Further, the cost of production (CoP) of SAIL is also high owing to the nature and structure of its steel plants. Though the company's CoP is lower than JSW



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BUSINESS LINE DATE : 22/4/2019 P.N.7

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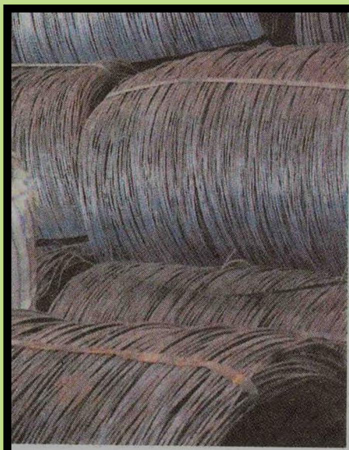


HOLD

Why

- Valuation at multi-year low
- Production moving up
- Profitability could come under pressure

Steel's on account of the former's captive iron-ore mines, it is still way higher than that of Tata Steel's.

The financial performance of the company has improved materially since FY18.

The net losses of the company declined from ₹4,021 crore in FY16 to ₹482 crore in FY18.

In the nine months of FY19, too, the operating performance of the company has been quite impressive.

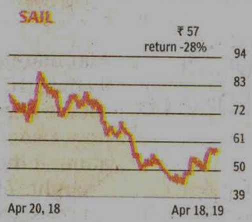
While the revenue rose 20 per cent to ₹47,944 crore, there was a whopping threefold increase in the operating profit to ₹7,806 crore compared with the same period a year ago.

This was on account of improved realisations and reduced production costs.

The firm's realisations in the December quarter stood at ₹48,000 per tonne, a 17 per cent rise from the corresponding period a year ago.

Did you know?

SAIL's requirement of iron ore is wholly sourced from its captive iron-ore mines



BUSINESS LINE DATE : 22/4/2019 P.N. 17

Ban on iron ore mining weighs heavily on Goa elections

NANDANA JAMES

Panaji, April 21

The rows of weather-beaten trucks idling in Goa's mining areas are a grim reminder of the plight of large sections of people deprived of their livelihood.

The ban on iron ore mining is a festering wound, with dependent sectors such as transportation and logistics too bleeding badly.

The simmering anger is palpable among the many who have been deprived of their jobs, and it is likely to cast its shadow over the prospects of political parties in the elections that are two days away.

Govt apathy alleged

"This election, the anger of the mining community will decide the fate of the politicians," Puti Gaonkar, President of the Goa Mining People's Front (GMPF), an umbrella body of those dependent on mining, told *BusinessLine*. He said around 3 lakh people in Goa depend on mining.

"The government is not serious about resuming mining activities in Goa because they want to give these mines to some big industrialists such as Jindal and Adani," Gaonkar claimed.

In February 2018, a Supreme Court order cancelled 88 iron ore mining leases in Goa following a technical review of the government's renewal of leases. Mining in the State has been prone to similar bans and legal entanglements since 2012. In 2012, the Supreme Court had imposed a ban on iron ore mining which was lifted partially in April 2014.

Girish Chodankar, the Congress candidate for the North Goa Lok Sabha seat, holds the BJP responsible for the closure of mines, while alluding to the BJP wanting to hand them to Adani.

Narendra Sawaikar, the sitting MP from South Goa, who is contesting again, told *BusinessLine* that he is confident that the people from the mining belts will stand by the BJP this time.

"Ultimately, I would say it is the bad governance of the Congress, which was responsible for the troubles in the mining sector in the State," he said, adding that the people are sure that only the BJP can find a solution to this.

In the midst of political mudslinging, the mining dependent Goans have a different story to tell.

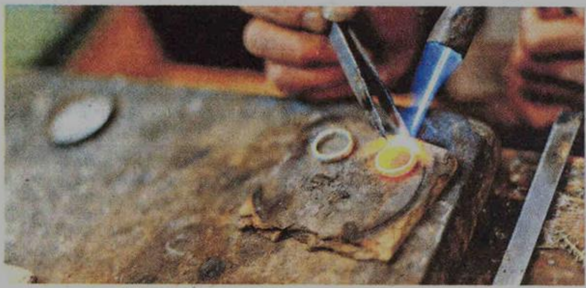
Prakash Gawade, 44, who lives in Dharbandora village of South Goa, has been without a job after the ban, with his two trucks gathering dust outside his house. He vehemently says no, when asked if he will vote for the BJP this time, though he points out how he likes the party at the Centre, particularly Prime Minister Narendra Modi's policies. He said Narendra Sawaikar, the sitting MP from South Goa, hasn't raised the mining issue in Parliament.

BUSINESS LINE DATE : 22/4/2019 P.N.18

ORIGIN CERTIFIED

It's the turn of gold houses to shine on 'responsible' mining

Seek to preserve the environment in terms of extraction methods, decent working conditions and wages for miners



Jewellers are keen to ensure the source of the entire supply to an ethical production cycle ISTOCKPHOTO

AGENCE FRANCE-PRESSE

Paris, April 21

As high-end consumers demand to know the origin of their treasures, some jewellers are ensuring they use responsibly sourced, eco-friendly or recycled gold.

Specialised producers now tack a 'fairmined' ecologically friendly label to their output, and the Swiss house Chopard last year became the first big name to commit to "100 per cent ethical" creations.

The Geneva-based firm, which makes the Palme d'Or trophy for the Cannes Film Festival, says it now uses only verified suppliers of gold that meet strict standards to minimise negative environmental impacts of mining the precious metal.

Good as recycled gold

Among the many certificates and standards claiming to codify "responsible" goldmining, two labels stand out. They are "fairmined" gold — a label certified by a Colombian NGO — and the more widely known "fairtrade" label launched by Swiss foundation Max Havelaar. Both support artisanal mines that seek to preserve the environment in terms of extraction methods, along with decent working conditions and wages for the miners.

Concerned jewellers are keen to ensure they can trace the source of their entire supply to an ethical production cycle and to firms certified by the not-for-profit Responsible Jewellery Council, which has developed norms for the entire supply chain.

RJC members must adhere to tough standards governing ethical, human rights, social and environmental practices across the precious metals industry. The French luxury group Kering, which says it has bought more than 3.5 tonnes of "responsibly produced" gold since 2015 for its Boucheron, Pomellato, Dodo and Gucci brands, has committed to 100 per cent use of "ethical" gold by 2020.

Going a step further, using only precious metal from electronic or industrial waste is an original idea developed by Courbet, a brand launched just last spring. "We do not want to promote mining extraction or use recently extracted gold, so we sought suppliers who recycle gold used in graphics cards or computer processors. That's because we know today that more than half of gold's available reserves have already been extracted," said Marie-Ann Wachtmeister, Courbet's co-founder and Artistic Director.

"The issue of supply really resonates with the public at large," added Thierry Lemaire, Director General of Ponce, a jewellery firm that was established in Paris's fashionable Marais district in 1886.

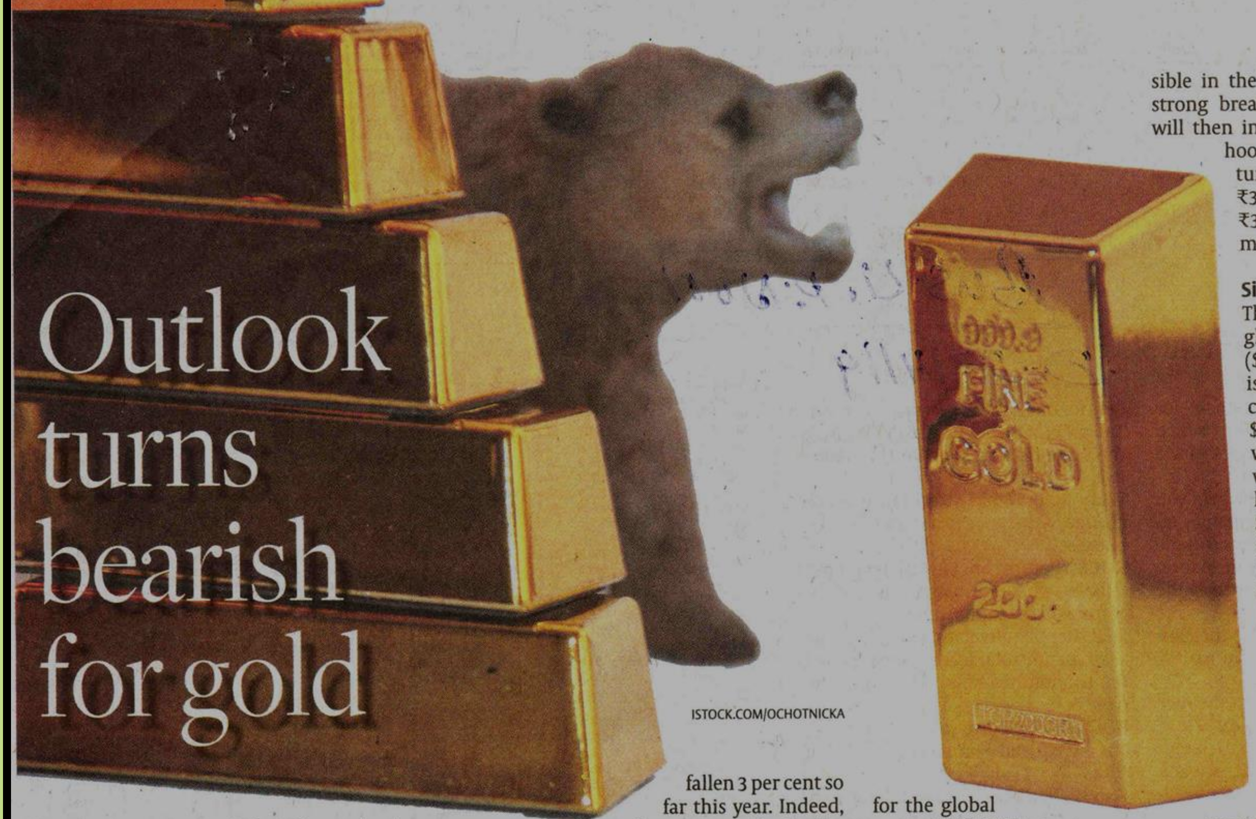
The company is RJC-certified and uses only recycled gold. "There is a logic to that — if we want to do our work well, then let's go the whole hog and respect nature. That can be done today because the entire chain has become standardised. Studios such as ours that work for major names on Place Vendome are all certified," Lemaire said, referring to an upscale square in Paris.

He represents the fifth generation of family firm Ponce, which produces 45,000 gold rings a year from recycled gold.

BUSINESS LINE DATE : 22/4/2019 P.N.11

Bullion Cues

Outlook turns bearish for gold



ISTOCK.COM/OCHOTNICKA

The yellow metal declines below the crucial $1,280 support

GURUMURTHY K

Gold tumbled over one per cent this past week. The global spot gold prices fell sharply, breaking below the crucial support level of $1,280 per ounce last week. It made a low of $1,272 and bounced back slightly, to close the week at $1,275.5 per ounce, down 1.2 per cent. The level of $1,280 had been holding well for gold since the beginning of this year.

Surprisingly, silver managed to remain insulated from the sharp sell-off in gold. The global spot silver prices, though volatile, continued to oscillate around the psychological support level of $15 per ounce in a broad sideways range between $14.85 and $15.10. Silver closed marginally higher by 0.4 per cent last week at $15.03 per ounce.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) fell sharply in tandem with the global price. The MCX-Gold futures contract was down 1.3 per cent. It closed at ₹31,463 per 10 gm. The MCX-Silver futures contract, on the other hand, closed the week on a flat note at ₹32,246 per kg.

The up-trend in the global equity markets that gained momentum, weighed on gold. A sharp rally in global equities since the beginning of this year has taken the sheen off gold. Major equity indices such as the Nikkei (Japan), Dow Jones (US) and Shanghai (China) have so far surged between 10 per cent and 31 per cent this year. India's Nifty 50 is up about 8 per cent, whereas gold is down 0.4 per cent and silver has fallen 3 per cent so far this year. Indeed, the strong rally in the global equities has seen gold and silver plummeting 5 per cent and 8 per cent, respectively, from their highs, over the last couple of months.

The global indices have room for further rally. This may continue to add pressure on gold, and can take prices lower in the coming months.

Gold outlook

The sharp fall below $1,280 has turned the outlook bearish for the global spot gold ($1,275.5 per ounce). The region between $1,280 and $1,282 will now act as a strong resistance. An intermediate bounce to this resistance zone can find fresh sellers coming into the market and cap the upside in gold. Some support is around $1,270.

As long as gold sustains above $1,270, a range-bound move between $1,270 and $1,282 is possible in the near term. However, the bias will continue to remain negative. An eventual break below $1,270 will drag gold lower to $1,265 and $1,260 in the coming weeks/months.

The outlook for the MCX-Gold (₹31,463 per 10 gm) futures contract is also negative. The contract has been facing strong resistance between ₹32,300 and ₹32,400 over the last one month. A key near-term resistance is at ₹31,800. As long as the contract trades below this resistance, a fall to ₹31,250 and ₹31,200 is possible in the coming days. A strong break below ₹31,200 will then increase the likelihood of the contract tumbling to ₹30,900 and even ₹30,500 over the medium term.

Silver outlook

The outlook for the global spot silver ($15.03 per ounce) is mixed. It has a crucial support at $14.80 per ounce, which is holding well as of now. A key resistance is at $15.20. As long as this support holds, and if gold remains stable between $1,270 and $1,282 in the near term, silver can bounce back to $15.10 and $15.20 in the coming days. Broadly, silver can remain range-bound between $14.85 and $15.20.

Silver will come under pressure only if it declines below $14.80. Such a break can drag silver lower to $14.50. This move could be swift. It will also increase the likelihood of silver prices tumbling to $14 over the medium term.

The MCX-Silver (₹37,246 per kg) was stuck in a narrow range between ₹36,890 and ₹37,470 in the past week. The near-term outlook is mixed. The immediate resistance is at ₹37,500 and the next important one is at ₹37,900; support is at ₹36,500.

The MCX-Silver futures contract has equal chances of either going up to ₹37,500-37,900 or fall to ₹36,500 from the current levels. On the charts, the possibility looks high for it to fall to ₹36,500 in the coming days.

The writer is Chief Research Analyst at Kshitij Consultancy Services

Taking the sheen off gold

Index	Year-to-date return (%)
Shanghai Composite	31.2
DAX	15.8
Dow	13.9
Nikkei 225	10.4
Nifty 50	8.2
Sensex	7.5
Gold	**-1.0**
Silver	**-3.0**

THE HITAVADA DATE : 23/4/2019 P.N.10

Coal import rises 9 pc to 234 million tonnes in 2018-19

■ **Business Bureau**

INDIA'S coal import increased by 8.8 per cent to 233.56 million tonnes in fiscal 2018-19, according to a report.

Coal imports were at 214.61 million tonnes in 2017-18, according to provisional data by mjunction services, based on monitoring of vessels' positions and data received from shipping companies. Mjunction, a joint venture between Tata Steel and SAIL, is a B2B e-commerce company that also publishes research reports on coal and steel verticals."India's coal and coke imports during 2018-19 through 31 major and non-major ports are estimated to have increased by 8.83 per cent to 233.56 million tonnes (MT) (provisional) as compared to 214.61 million tonnes (revised) imported in 2017-18," it said.

Non-coking coal imports were at 164.21 million tonnes in FY2018-19, about 13.25 per cent increase over 144.99 million tonnes recorded in FY2017-18.

Coking coal import was almost flat at 47.73 million tonnes compared to 47.22 million tonnes in 2017-18. "The double-digit growth in thermal coal imports during 2018-19 was on expected lines and caused by the coal shortage at power plants until recently. In contrast, the bearish trend in steel consumption and prices, especially during the fourth quarter, restricted coking coal import," mjunction MD and CEO Vinaya Varma said.

"Thermal coal import is likely to remain subdued in the near term, but may rebound if PLF (plant load factor) in thermal power plants goes up post-monsoon," Varma added.

Coal imports during March 2019 were at 19.93 million tonnes (provisional), against 18.02 million tonnes in the corresponding month of 2017-18.

Coal Minister Piyush Goyal had earlier urged state-run Coal India to pledge self-sufficiency in production to eliminate import of the dry fuel.

The Government has set a target of 1 billion tonne of coal production by 2019-20 for the mining major, but is considering relaxing the timeline.

THE TIMES OF INFDIA DATE : 24/4/2019 P.N.10

Copper exports crash 70% on Sterlite plant shutdown

TIMES NEWS NETWORK

Coimbatore/New Delhi: India's copper exports fell nearly 70% to $1.1 billion in 2018-19 as a government order, following protest by locals, forced Sterlite to shut down its smelter in Tuticorin.

The Tuticorin smelter, with an annual production capacity of 4 lakh tonnes, accounted for 40% of the country's copper smelting capacity. The domestic copper demand was estimated to touch 4.8-5 lakh tonnes by the end of FY19.

The data exposes India's vulnerability in key segments as the closure of one plant has had a devastating impact on the sector. As reported by **TOI** on Monday, silver jewellery exports plummeted 75% in FY19 as Nirav Modi and Mehul Choksi fled the country.

In case of copper, a fall in exports is not the only concern. The closure has resulted in an increase in shipments of the key metal into the country, with commerce ministry data showing that imports during the first 10 months of the last financial year were almost equal to the value of consignments that came into India during the full 2017-18 financial year *(see graphic)*.

"Recently, the Supreme Court refused to allow Vedanta to reopen Sterlite Copper's Tuticorin plant. Therefore, the trend in exports of copper will continue," the Engineering Export Promotion Council (EEPC) said, while releasing the annual numbers.

The industry body is lobbying for a cut in import duty from 2.5% to zero, arguing that the levy creates an inverted duty structure, with the finished products having higher taxes than inputs and raw materials. It has also pointed to Indonesia's decision to levy a tax on concentrate exports, which makes imports more expensive.

Government officials said that exports to China have been adversely impacted by the closure of the plant. In March, shipments to Taiwan (-99%), Peru (-99.7%), Korea Rep (-95%), China (-66.4%), Nepal (-38%).

FACING THE HEAT

Imports for 2018-19 for April-Jan; Source: EEPC, commerce dept

THE TIMES OF INDIA DATE : 24/4/2019 P.N.3

In mineral-rich Kendrapara, anger against BJD govt

BJP candidate Baijayant Panda with PM Modi in Kendrapara on Tuesday

Ashis Senapati | TNN

Kendrapara: The BJD government, which has reaped the benefits of the one-rupee rice scheme and other rural welfare work for years, faces one of its toughest electoral battles in the mineral-rich Sukinda assembly segment of Jajpur district. The seat will vote on April 29.

In the Lok Sabha seat of Kendrapara, it is a prestige battle for Baijayant Panda, the sitting MP who switched from BJD to BJP and will take on Dharanidhar Nayak of Congress and Anubhav Mohanty of BJD. Panda is now national general secretary of BJP.

The seat has been a BJD bastion but anger is rising over illegal mining in the area. Sukinda valley has 97% of the country's chromite deposits and is home to one of the largest open-cast chromite mines in the world.

The Congress candidate for the assembly segment, former minister Sarat Rout, will face sitting BJD MLA Pritiranjan Ghadei, son of former minister Prafulla Ghadei, and BJP candidate Pradip Bal Samant in Sukinda. Going by the mood of the electorate there, no one can be assured of a win.

"Large-scale illegal mining has posed a serious danger to the residents of Kaliapani, Puranapani and other villages in Sukinda. Without doing any development work, many companies here mine chromite. We have staged many protests against illegal mining but the authorities have not paid heed to our pleas," said Kanhu Charan Das, sarpanch of Trijanga gram panchayat.

"Many mines continue to operate without any environmental management. Untreated water is discharged by them into the river. Chief minister Naveen Patnaik is dancing to the tune of the mine mafia," said Rout.

THE HINDU
DATE : 24/4/2019 P.N.6

NGT order hits availability of sand in A.P.

G.V.R. SUBBA RAO
VIJAYAWADA

The National Green Tribunal (NGT) slapped an interim penalty of ₹100 crore on the Andhra Pradesh government for illegal sand mining in the first week of this month. Subsequently, the mining reaches that are in the vicinity of Vijayawada and Guntur have been closed, severely impacting the construction industry.

A truckload of sand that used to cost ₹4,000 just before the NGT pronounced its order now costs over ₹15,000, and sometimes it is not available even if the buyer is willing to pay more. The officials are clueless when the sand reaches would be reopened.

Capital Region Builders Association Chairman Gadde Rajling says that work has come to a grinding halt for various reasons, primarily due to non-availability of sand. The city requires 750 to 1,000 lorries of sand every day if the number of ongoing projects were to be considered. The government hasn't acted in the "desired manner" after the NGT imposed the fine. The sand reaches were closed in the State with no alternative mechanism in place.

Lone exception

When contacted, Mines and Geology Joint Director V. Koteswara Raju said the sand reaches that had environmental clearances were open.

There are about 70 sand reaches across the State which have environmental clearances. The NGT order was "primarily about desiltation" caused by sand reaches. Following the NGT order, three reaches in Vijayawada and five in Guntur were closed. Some of the reaches in inland areas such as Nandigama were functioning, he said.

RBI joins other central banks in gold hunt

It has bought 50.4 tonnes since December 2017. Like Russia and China, the aim is to reduce dependence on the US dollar

LOKESHWARRI SK

POINT BLANK

The much-coveted yellow metal has been losing its lure of late. Gold prices have been stagnating around $1,260 per ounce since 2016, pushing away investment demand from exchange traded funds and buyers of gold coin and bars. Changing cultural preferences has reduced sale of heavy gold jewellery in markets such as India even as the mine output has been increasing, exerting further pressure on prices. In these challenging times, gold has received support from an unexpected quarter — global central banks.

It was largely due to the purchase of 651 tonnes of gold by global central banks and other institutions in 2018, that the surplus in gold reduced to 75 tonnes, helping support prices. Additions to central bank reserves spiked 74 per cent last year.

Of particular interest is the fact that the Reserve Bank of India too has joined the gold buying bandwagon since December 2017.

Scan & share

https://bit.ly/2IT0ohW

Anti-Americanism

There is a definite pattern apparent in the countries that are leading this central bank gold hunt. Countries with a strong anti-American sentiment, that wish to reduce their dependence on the US dollar, top the list of nations that have been adding gold to their forex reserves in the last few years.

This buying spree has, in fact, been led by Russia and its allies. Russia has been steadily adding to its gold stock-pile since 2006 but the additions accelerated after 2014.

While average annual gold purchase by Russia averaged 81 tonnes between 2006 and 2013, this number spiked to 215 tonnes after 2014, when Russia's incursion into Ukraine flared its conflict with the US. With these purchases, Russia now possesses the fifth largest gold reserves, with 2,113 tonnes. Almost one-fifth of Russia's forex reserves are now held in the form of gold.

Another country that seems intent to add to its gold reserves is Turkey. Relations between Turkey and the US have been steadily deteriorating since 2016, when Turkey demanded that the US extradite a cleric who was suspected of being involved in the failed coup in Turkey that year.

With counter-moves by Turkey and US sanctions that followed further roiling the relations, it is not surprising that Turkey decided to bolster its war chest by purchasing 85.9 and 51.5 tonnes of gold in 2017 and 2018, respectively, according to World Gold Council.

China too has shown a growing penchant for gold in recent years with purchase of 454 tonnes of gold between 2003 and 2009 and another 604 tonnes between 2009 and 2015. The country has been adding gold over the past three years as well. Allies of Russia such as Kazakhstan, Uzbekistan, Tajikistan and Kyrgyz Republic are other nations that have been adding gold to their reserves over the last decade.

These countries are also making a conscious effort to reduce their dependence on dollar by reducing their investments in US government securities and trying to settle bi-lateral trade in local currencies.

Piling up The buying spree has been led by Russia BLOOMBERG

Why is RBI buying gold?

Besides the above countries that want the world to move towards de-dollarisation, few other central banks in emerging economies such as Poland, Hungary and India too seem to have decided to add to the gold reserves since late 2017.

There has been a long hiatus since the last time the RBI added gold to its reserves in 2009, when 200 tonnes was bought from the IMF. But there appears to have been a change in the central bank's line of thought since 2017; a small quantity, 0.3 tonnes were added in December 2017.

But since March 2018, the RBI has been buying gold consistently, averaging 4.2 tonnes every month between March 2018 and December 2018. These purchases have continued in 2019, with purchases of 8.2 tonnes in the first two months this year. With these purchases, the country's gold reserves have risen to 606 tonnes towards the end of February 2019.

It is obvious that the trade war unleashed by the US has made emerging economies, including India, nervous about future policies of the US government. The clear anti-globalisation stand taken by the current US government, and the scant respect displayed for policies that promote peace and inclusive growth have made it imperative to reduce dependence on the US currency; that can turn volatile in tandem with the policies of the government. The mounting debt in the US and unbridled printing of notes for successive quantitative easing programmes since 2009 have also eroded the intrinsic worth of the dollar significantly.

Unfortunately, there is no viable alternative to dollar yet among the currencies of other major economies. The euro has not really lived up to its promise due to the problems in the weaker economies in the Euro Zone and yuan's aspiration to de-throne the greenback is still a couple of decades away. That leaves gold as the only alternative avenue for global central banks that wish to divert part of their reserves away from the dollar.

Lessons for you and me

Global central banks turning champions of gold, in one its worst years in recent times, will be sweet music to the ears of those who have stashed a large portion of their savings in the form of gold. For, it signals that gold retains its position as a premier store of value. An asset that is a store of value is one which is expected to retain its purchasing power in the future.

Gold has retained this position as a store of value for thousands of years due to its key features — durability, divisibility, portability and scarcity. Due to this position, gold has been accumulated by the wealthy, and the not-so-wealthy too, over centuries, and passed down from one generation to the next.

These accumulated wealth of households in the form of gold is unlikely to be depreciate significantly, as the consumption demand, while slowing in countries such as India, is increasing in the US, China, Hong Kong, Thailand and some countries in the Middle East.

Also, gold supplies are likely to diminish if its price declines below $1,200, which is the average cost of mining for top gold miners.

The central bank buying further emphasises that gold will continue to be viewed as a reliable diversifier and a hedge against volatility in other currencies.

But if you think that the money you park in gold is going to grow your wealth, as it did in the past, think again. That appears difficult, at least at this juncture.

BUSINESS LINE DATE : 25/4/2019 P.N.13

Gold edges up from multi-month low

Base metals rebound on hopes of Big 2 trade deal, Chinese growth

REUTERS

April 24

Gold prices edged up from the previous session's four-month low as a dollar rally relented and equities softened on Wednesday.

Spot gold was up 0.1 per cent at $1,273.22 an ounce by 1146 GMT after hitting its lowest since the end of last year at $1,265.90 in the previous session. US gold futures also gained 0.1 per cent, rising to $1,275 an ounce.

Gold prices have fallen about 6 per cent from a peak in February as the dollar firmed and global equities ticked up, with some of the risks of a global growth slowdown fading.

Meanwhile, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.3 per cent on Tuesday to 749.63 tonnes, the lowest since October 23.

Other metals

Silver edged up 0.3 per cent to $14.85 an ounce after touching its lowest level since December 26. Platinum was up 0.8 per cent at $891.50, while palladium was steady at $1,390.75.

Copper and other base metals recovered on Wednesday from the previous day's losses, buoyed by hopes for a trade deal between the world's largest economies, the US and China, and stronger economic growth in top metals consumer China.

No interest in copper

Three-month copper on the London Metal Exchange

Gold prices have fallen about 6 per cent from a peak in February as the dollar firmed and global equities ticked up, with some of the risks of a global growth slowdown fading

failed to trade in official open-outcry activity and was bid up 0.5 per cent to $6,440 a tonne.

London Metal Exchange aluminium rose 0.3 per cent to trade at $1,872 a tonne in official rings.

LME lead traded 0.4 per cent firmer at $1,925 after dropping 1.2 percent in the previous session.

Zinc was bid up 0.3 per cent to $2,756 in official rings; nickel was bid up 0.3 per cent at $12,425 after touching a two-month low on Tuesday and tin was bid down 1.5 per cent at $19,600, its lowest since January 8.

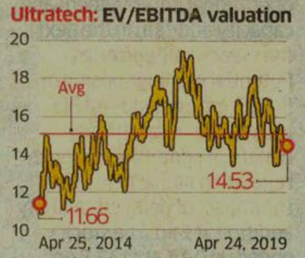
THE ECONOMIC TIMES DATE : 25/4/2019 P.N.7

IN DEMAND

Rising Demand & Firm Cement Prices to Help UltraTech

Higher cement prices in March not fully captured in the March performance

Rajesh.Naidu@timesgroup.com



Source: Bloomberg, compiled by ETIG

ET Intelligence Group: UltraTech Cement, which commands valuations similar to those at consumer companies, beat Street estimates of operational performance in the March quarter, pointing to further gains at the leading manufacturer that acquired stressed assets to plug supply gaps in India's highly regional cement market.

Against Bloomberg's earnings per share (EPS) estimates of Rs 29.7, UltraTech returned Rs 37.7 in EPS in the three months under review.

ET ANALYSIS

Sales volumes climbed 16% and net revenues rose 17% to Rs 10,739 crore. UltraTech had net debt repayment of Rs 2,205 crore, which reduced its interest costs by 24%. Furthermore, benign raw material prices helped net profit more than double to Rs 1,013 crore in the March quarter.

And UltraTech may not be done just yet. Higher cement prices, raised in the first week of March, have not been fully captured in the company's March performance. In a conference call with analysts, UltraTech said that prices are trading higher than the average for the just-concluded fourth quarter, meaning that the full revenue-enhancing impact of high prices may well be visible in the future.

As the leader in the world's second-biggest market for the primary building material, UltraTech has significant advantages. First, the demand cycle has improved and prices have revived. This situation is likely to sustain in the coming quarters.

The demand-supply equation is also favourable for the industry. In FY20, there will be incremental capacity addition of 12MT. By contrast, the industry is expected to generate cement demand of 38 MT. Besides infrastructure and low-cost housing, demand for cement is rising from two key segments. There has been a pronounced improvement in housing demand in rural areas. Also, there is more construction activity in industrial and commercial segments. This is reflected in double digit bank credit growth and increasing office space development.

UltraTech's acquired assets—JP and UltraTech Nathdwara (erstwhile Binani Cements)—have successfully integrated with the company. UltraTech Nathdwara is operating at an average capacity utilization of 62%, which the company plans to take to more than 80% in the coming quarters. Also, JP's assets are operating at 82% capacity utilization. On the whole, UltraTech is operating at 90% of capacity. So, cash flows in FY20 are likely to be robust.

This fiscal year, the company's focus is to deleverage its balance sheet and bring its net debt to EBIDTA below 2. At the end of March, UltraTech's net debt to EBIDTA stood at 2.71.

BUSINESS LINE DATE : 26/4/2019 P.N.3

Tata Steel Q4 profit plummets 84%

OUR BUREAU

Mumbai, April 25

Tata Steel has reported that its net profit plunged 84 per cent in the March quarter to ₹2,295 crore against ₹14,688 crore logged in the same period last year due to higher operational and finance costs.

Sales were up 24 per cent at ₹41,186 crore (₹33,278 crore).

The company announced a dividend of ₹13 a share on fully paid equity share and ₹3.25 a share on partly paid equity share. The dividend will be paid on July 23 after getting the shareholders' approval at the Annual General Meeting to be held on July 19.

Merger of Bhushan Steel

Tata Steel has decided to merge erstwhile Bhushan Steel (now Tata Steel BSL) with itself to maximise value to all stakeholders. Tata Steel will issue one share of itself for every 15 shares of Tata Steel BSL. The merger will drive operational synergies and efficiencies, reduce the regulatory burden and simplify the group structure, said the company in a statement on Thursday.

Higher operational and finance costs impacted the profit

Sales volume in India increased 12 per cent to 4.72 million tonnes (mt), while consolidated sales was up at 7.52 mt (5.85 mt).

Acquisitions, JVs

On Tata Steel and thyssenkrupp AG proposed joint venture, it said the European Commission has issued its 'Statement of Objection' and a comprehensive package of proposed remedies have been submitted.

Tata Sponge Iron Ltd, a subsidiary of Tata Steel, has recently completed the acquisition of Usha Martin's steel business for ₹4,094 crore.

TV Narendran, Managing Director, Tata Steel, said despite subdued steel markets, the company's domestic sales volume grew leading to a significant improvement in overall profitability and cash flows.

In the fourth quarter, the company's consolidated gross debt has come down a tad to ₹1 lakh crore from ₹1.18 lakh crore. Despite the liquidity issues in the domestic markets, Tata Steel had extended its debt maturity profile by raising ₹4,315 crore through 15 years non-convertible debentures and completed long-term financing of Tata Steel BSL.

Shares of the company were down 2.74 per cent at ₹511 apiece on NSE on Thursday.

THE HINDU DATE : 26 /4/2019 P.N.13

Tata Steel net plunges even as revenues grow 25.86%

Company reduces debt by ₹18,000 crore in last one year

SPECIAL CORRESPONDENT
MUMBAI

Metrics	Q4 FY19	Q4 FY18	Growth(%)
Total revenue (₹ cr.)	42,424	33,705	25.86
Net profit (₹ cr.)	2,295	*14,688	(84.37)
EPS (₹)	20.44	96.86	
Dividend (₹)	13	-	

* Includes one-time gain of ₹11,376 crore on account of restructuring U.K. pension scheme

India's largest steel maker, Tata Steel reported a net profit of ₹2,295 crore for the fourth quarter ended March 31. Revenues grew 25.86% to ₹42,424 crore on higher volumes.

The profit for this quarter is not comparable with that of the corresponding quarter last year (₹14,688 crore) which was boosted by an one-time exceptional charge of ₹11,376 crore on account of restructuring of U.K. pension scheme.

During the quarter, the earnings before interest, tax and depreciation (EBITDA) increased by 33% year on year to ₹7,814 crore, compared to ₹5,857 crore in Q4FY18.

Commenting on the results, T.V. Narendran, managing director & chief executive officer, Tata Steel said, "Despite subdued steel markets and weak growth in our key customer segments, this year, our volumes in India grew by over 33% leading to a significant improvement in our overall profitability and cash flows."

The company closed FY2018-19 with net profit of ₹9,098 crore, and 27% growth in sales to ₹1,57,669 crore.

'Record growth'

Koushik Chatterjee, executive director and CFO, Tata Steel said, "Tata Steel reported one of the highest ever consolidated adjusted EBITDA with a record growth of 55% y-o-y to ₹30,734 crore, and 27% y-o-y increase in revenues to ₹1,57,669 crore in FY19.

Consolidated reported profit after tax for the year stood at ₹9,098 crore, which is a diluted EPS of ₹87.74, representing a strong underlying performance of the company."

During the quarter, consolidated steel production and deliveries grew 27% and 29% year-on-year, respectively. India production and deliveries increased by 46% and 55% year-on-year in Q4FY19, respectively.

"The board of directors of Tata Steel and Tata Steel BSL proposed merger of both companies in the interest of maximising value to all stakeholders. The merger will drive operational synergies and efficiencies, reduce the regulatory burden, and simplify the group structure," the company said in a statement.

The company has reduced its debt by ₹18,000 crore in the last one year to about ₹1,00,000 crore.

THE TIMES OF INDIA
DATE : 26 /4/2019 P.N.11

Tata Steel consolidated Q4 net dives over 84%

New Delhi: Tata Steel on Thursday reported a sharp 84.4% fall in consolidated net income at Rs 2,295 crore for the three months to March due to a high base last year. The company had booked a net income of Rs 14,688 crore in the year-ago period, boosted by an "exceptional" gain of Rs 11,376 crore, including a non-cash gain of Rs 14,077 crore on account of the restructuring of the British pension scheme in the March quarter of FY18, the company said.

Consolidated income rose to Rs 42,914 crore in the reporting quarter from Rs 38,984 crore a year ago.

For the full fiscal 2019, consolidated net income almost halved to Rs 9,098 crore from Rs 17,763 crore, while consolidated revenue rose to Rs 1,59,090 crore, up from Rs 1,24,991 crore. The company, which after many years of being the No. 2 to JSW Steel, became the largest alloy maker with an annual output of close to 20mt in FY19.

"Higher revenue growth reflects the increase in consolidated steel production and deliveries which rose 27% and 29%, respectively, year-on-year. Also, domestic production and deliveries, which include the numbers of Tata Steel standalone and Tata Steel BSL (Bhushan Steel), jumped 46% and 55%, respectively," group chief financial officer Koushik Chatterjee told reporters.

Total expenses stood at Rs 38,729 crore during the quarter under review as against Rs 30,237 crore a year ago.

Meanwhile, the company also announced the merger of Bamnipal Steel and Tata Steel BSL. Tata Steel MD and CEO T V Narendran said the shareholders of the merging companies will get one share of Tata Steel for every 15 shares they own. AGENCIES

BUSINESS LINE DATE : 27/4/2019 P.N.3

'Steel'ing the show on home turf, but tepid performance abroad

TATA STEEL Q4 COMMENT

SATYA SONTANAM
BL Research Bureau

The stock price of Tata Steel surged 7.19 per cent on Friday due to healthy earnings in the quarter ended March, 2019. The consolidated steel production and deliveries grew above estimates by 27 per cent and 29 per cent year-on-year, respectively.

The consolidated operating profit increased 33 per cent to ₹7,814 crore on the back of higher sales and good realisations.

It is to be noted that the earnings of the company's South-East Asian operations were not consolidated in the profit and loss account but shown as a discontinued operations as it recently entered into an agreement to pare off those low-profitable operations.

Together, highe

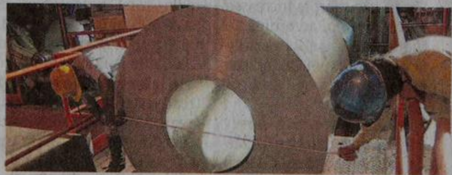
Indian operations contributed 63 per cent to the consolidated sales of 7.52 million tonnes (mt) for the quarter ending March 31, 2019. In the said quarter, Tata Steel India's collective production and sales grew 48 per cent and 55 per cent to 4.48 mt and 4.72 mt, respectively. Production increased on account of acquisition of Bhushan Steel (Tata Steel BSL) and ramping-up of capacities at both Kalinganagar and Tata Steel BSL. The increase in sales was driven by higher demand from the infrastructure sector.

As a result of higher sales volume, revenues grew by 51 per cent y-o-y for the fourth quarter of FY19.

However, there was pressure on operating profits in the March quarter. Tata Steel India's standalone EBITDA (Earnings before interest, tax, depreciation and amortisation) per tonne fell by about 8 per cent y-o-y to ₹13,619.

Bhushan Steel, which was acquired by Tata Steel in May 2018, also felt the pinch, as EBITDA per tonne fell to ₹6,911 per tonne from its high of ₹11,000.

Weak operating profits could be attributed to marginally lower realisations and higher costs of coking coal. Also, because of the weaker domestic demand in the initial part of the quarter, the company increased its exposure to overseas market where realisations are weaker than in India.



Indian operations contributed 63 per cent to the consolidated sales of 7.52 million tonnes in the quarter ending March 31, 2019

Flat growth in Europe

Further, high-margin automotive sales has declined 14 per cent from a year-ago period due to slack demand from the automotive industry.

While the sales volume in the European business grew by a marginal 0.7 per cent to 2.57 mt, the operating profit increased by 5.18 per cent to about ₹1,200 crore (excluding one-off gain) on the back of improved realisations and savings on maintenance costs.

With regards to Tata Steel Europe's joint venture with Thyssenkrupp AG, the European commission issued a statement of objection for which both the companies submitted a package of proposed remedies.

The deal is expected to take quite some time before it sees the light of the day.

THE ECONOMIC TIMES DATE : 27/4/2019 P.N.6

Analysts Upgrade Tata Steel Stock Price Target, Profit Estimates on Debt Reduction

Experts say EBITDA upgrades and stable debt profile make co a preferred choice

Our Bureau

Mumbai: Tata Steel's stabilising debt profile has prompted analysts to increase their target price and upgrade profit estimates after the fourth-quarter earnings. The stock, analysts believe, could give returns of up to 60% in the next one year with continued reduction in debt from internal accruals and divestment of non-core businesses.

The March quarter consolidated EBITDA increased 12% QoQ and 16% YoY to Rs 7,510 crore, surpassing consensus estimates, mainly driven by heavy destocking across the group and higher margins in Europe. Margins, however, contracted in India. The company repaid Rs 10,100 crore of debt in the quarter.

The stock, which rallied 10% so far this year, ended 6.67% higher at Rs 545 on Friday. Currently, Tata Steel is trading at 6.31 times its trailing 12 months earnings, cheaper compared with peers such as JSW Steel and SAIL.

Due to the combined impact of EBITDA upgrades and lower-than-expected debt, several analysts have increased their price target.

"Tata Steel remains our preferred play on the steel cycle, given the stabilising debt profile and impending Tata Steel Europe-Thyssen JV," said Ashutosh Somani, analyst, JM Financial.

According to the management, the company's net debt is expected to come down by another Rs 2,300 crore with divestment of SEA operations. However, debt taken to buy Usha Martin's steel business could offset the impact of the reduction in net debt through divestments.

Tata Steel incurred capex of Rs 9,090 crore in FY19 and has guided for an FY20 outlay of Rs 8,000 crore, with the primary expenditure on the KPO-II project. It approved the merger of Tata Steel BSL with Tata Steel. Tata Steel BSL, along with Usha Martin, is expected to deliver an additional 1MT of steel volumes in FY20.

Investec raised its target price from Rs 750 to Rs 800, and JM Financial from Rs 683 to Rs 715. Motilal Oswal Securities has raised the target price by 45% to Rs 533 whereas IIFL has raised it to Rs 621 from Rs 618. JPMorgan and Credit Suisse maintained their targets at Rs 880 and Rs 628, respectively.

"Going ahead, we see value enablers for the stock, such as restructuring of European operations, cash accretion of $327 million from part divestment of southeast Asian operations and enhanced focus on profitable domestic operations," said Amit Dixit, analyst, Edelweiss Securities. "We believe domestic operations are better placed compared with peers to tide over the current subdued operating environment."

Solid Show

Firm	Recommendation	Target Price (₹) New	Target Price (₹) Old
Investec	Buy	800	750
Credit Suisse	Outperform	628	628
JP Morgan	Overweight	880	880
SBICAP Securities	Buy	664	664
JM Financial	Buy	715	683
ICICI Securities	Hold	514	477
Emkay Sharel	Buy	715	683
Antique Stock Broking	Buy	576	576
IIFL	Buy	621	618
Motilal Oswal Securities	Neutral	533	367

Source: Bloomberg

NAVBHARAT(NAGPUR PLUS) DATE : 27 /4/2019 P.N.7

NMDC ने पेश की दूसरी सस्टेनेबिलिटी रिपोर्ट

लोह अयस्क की खोज और खनन में विशेष योगदान

नवभारत समाचार सेवा

हैदराबाद. एनएमडीसी के सीएमडी एन. बिजेंद्र कुमार द्वारा 'एक्सपेंडिंग हॉरिजॉन्स-फ्राम ओर टू स्टील' टाइटल वाली सेकंड सस्टेनेबिलिटी रिपोर्ट जारी की गई. इस अवसर पर एनएमडीसी के फंक्शनल डायरेक्टर्स डा. टीआरके राव, पीके सतपथी, अमितवा मुखर्जी सहित प्रमुख अधिकारी उपस्थित थे. एनएमडीसी का लोह अयस्क की खोज और खनन में विशेष योगदान है. इसके साथ ही समाज में बदलाव और प्राकृतिक संरक्षण का कार्य एक जिम्मेदारी के साथ किया है. वित्तीय वर्ष 2017-18 की अवधि के लिए सेकंड वार्षिक सस्टेनेबिलिटी रिपोर्ट प्रकाशित की है. सीएमडी ने इसके लिए एनएमडीसी की टीम की सराहना की.

BUSINESS LINE DATE : 29 /4/2019 P.N.11

Gold gets a breather on short covering

But the upside will be capped, and the downtrend is likely to resume thereafter

GURUMURTHY K

Gold fell in the initial part of last week, but managed to bounce back in the second half of the week. The global spot gold price fell, breaking below $1,270 per ounce, and made a low of $1,266. However, the yellow metal reversed sharply higher from this low and surged to a high of $1,288 before closing the week at $1,286 per ounce, up 0.8 per cent.

Silver, on the other hand, remained relatively stable. The global spot silver prices fell to a low of $14.75 per ounce and bounced sharply from there, recovering all the loss. Silver closed the week at $15.08 per ounce.

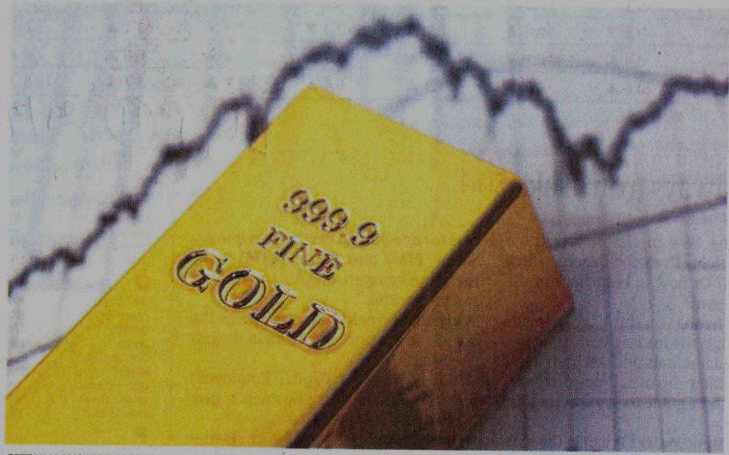
The rally in the global equities kept gold prices stalled last week. This helped the yellow metal bounce back. Gold rallied last week inspite of a strong surge in the US dollar index.

Dollar rallies

The US dollar index has risen, breaking above the crucial resistance level of 97.75. The index came off after making a high of 98.33. However, the outlook remains bullish. The level of 97.75 will now act as a strong support and limit the downside. The dollar index is likely to rise towards 98.75 and 99 in the coming days. Such a rally in the dollar index can cap the upside in gold and trigger a reversal again.

Weak rupee

On the domestic front, weakness in the rupee helped the gold and silver futures contract on the Multi Commodity Exchange to outperform the global prices. The MCX-Gold futures contract closed the week at ₹31,939 per 10 gm and was up 1.5 per cent. The MCX-Silver futures contract was up 0.8 per cent and closed at ₹37,518 per kg. The rupee weakening against the US dollar and falling below 70 last week helped the MCX contract outperform global gold prices.



GETTY IMAGES/ISTOCKPHOTO

Gold outlook

The strong bounce from $1,266 and a decisive close above $1,280 has eased the downside pressure slightly. The global spot gold ($1,286 per ounce) has immediate support in the $1,282-1,280 region. As long as it sustains above this support zone, there is a strong likelihood of gold moving further higher to $1,292 or even $1,295. However, the broader view continues to remain negative. The upside is likely to be capped at $1,295. As such, gold can reverse lower again from the $1,292-1,295 resistance region and can fall back to $1,280 again.

The MCX-Gold (₹31,939 per 10 gm) is continuing to get support near ₹31,400. The contract has been broadly range-bound between ₹31,400 and ₹32,500 for more than a month. Within this range, the near-term outlook is positive for a rise to ₹32,300. A break above ₹32,300 will see the up-move extending to ₹32,500. A breakout on either side of ₹31,400 or ₹32,500 will decide the direction of the next move.

Silver outlook

The global spot silver ($15.08 per ounce) bounced from a crucial $14.80-14.75 support zone last week. However, a key resistance is near current levels at $15.10. Whether silver breaks above this hurdle or not will decide the next move. A strong break above $15.10 will be bullish. Such a break can take silver initially higher to $15.20. A further break above $15.20 will then increase the likelihood of the prices extending its up-move to $15.30 and $15.35 thereafter.

On the other hand, if the prices reverse lower from $15.10 in the coming day, a fall to $15 and $14.90 is possible. It will also turn the possibility high of the prices revisiting $14.80 levels thereafter. In that case, silver can trade sideways between $14.80 and $15.10 for some time.

On the domestic front, the MCX-Silver (₹37,518 per kg) has been stuck in between ₹36,830 and ₹37,730 over the last couple of weeks. A test of ₹37,730 is likely in the near term. But whether the contract breaks above ₹37,730 or not will decide the next move. A strong break above ₹37,730 will take the contract initially higher to ₹38,150. A further break above ₹38,150 will then increase the likelihood of the contract targeting ₹38,500-38,600 thereafter. On the other hand, if the contract reverses lower from ₹37,730 in the coming days, the sideways range will remain intact and a fall to ₹36,830 is possible. A break below ₹36,830 can drag the contract lower to ₹36,500. A further break below ₹36,500 will see the contract tumbling to ₹36,000 thereafter.

The writer is Chief Research Analyst at Kshitij Consultancy Services

MCX-Gold

Supports:
₹31,730/31,400
Resistances:
₹32,300/32,500

MCX-Silver

Supports:
₹37,000/36,830
Resistances:
₹37,730/38,150

BUSINESS LINE DATE : 29/4/2019 P.N.13

Metal firms stare at uncertainty on ore front

Leases of 288 mines set to get cancelled next March

SURESH P IYENGAR

Mumbai, April 28

Metal companies, especially primary steel manufacturers, are facing an uncertain future on sourcing of iron ore, the key raw material, with leases of about 288 mines, including iron ore, bauxite, limestone and manganese, set to get cancelled in March next year.

These mines will be auctioned as per the Mining and Minerals Regulation (Development) Act. They are currently owned by merchant miners without any forward integration with metal production.

In 2015, the government had mooted a competitive auction process to weed out corruption and clamp down on discretionary allotment of mines. Merchant mine owners were given a five-year support before their mines are put on auction. Following this, leases of private mine owners will expire on March, 2020. The government should start the auction from July to ensure adequate ore supply and smooth transition of leases. However, the process is expected to be delayed with the new government taking charge after the ongoing General Elections. Moreover, the auction faces many issues which need special permission from State and central governments.

Sources said a separate lobby of miners is working to put off the cancellation of existing leases by 10 years and delay the auction process.

Seshagiri Rao, Joint Managing Director, JSW Steel, said: "There will be a major disruption in iron ore supply if the government does not take the right steps and expedite the auction of mines before the lease expires."

"There are many hurdles to auctioning. The industry is concerned and hopefully something will be done once the election is over," he added. As per the MMRD Act, only mines that have

The auction process is expected to be delayed with a new government set to take charge after the general elections

completed G2-level of exploration can be auctioned and only select government agencies are allowed to certify G2-level of exploration.

Not enough agencies

The number of government certifying agencies that are involved in the G-2 level of exploration is very few compared to the number of mines that are waiting for exploration.

Some of the mines that have done G2 exploration also need to be approved by State governments and this is delaying the entire mine auction.

Rao said the mines that have not completed G2-level of exploration can also be auctioned with special permission of the central government.

For some reasons, he added, there is a reluctance on the part of various governments to do the auction unless G2-level of exploration is completed.

The industry has appealed to the government that the auction be on a revenue- sharing model which means that a certain amount is paid to the government on every tonne of iron ore mined. Notwithstanding the level of exploration either G2 or G3, the government is going to get its revenue as long as the resources are mined.

Various approvals, including environment clearance, pollution control board and mining plan approvals, get negated once the lease expires. The industry has suggested a seamless transfer of approvals to new lessee after the auction.

In fact, the environment clearance, once approved, is valid till the mining lease expires. In the current context, the lease expires due to change in law.

As per MMRDA Act, existing miners have to be given a six-month time to move out the mined material out of the mining area before the auction is held. This can potentially delay the auction by six months after the lease expires next March.

BUSINESS LINE DATE : 30/4/2019 P.N.9

Steel cos in Karnataka peg iron ore inventory in State at just one-third of that claimed by miners

SURESH P IYENGAR

Mumbai, April 29

Steel companies in Karnataka have pegged iron ore inventory in the State at 2.24 million tonnes (mt) rather than 6.5 mt as claimed by miners who are lobbying hard with government to export the surplus.

Unlike other States, iron ore production and sales in Karnataka is restricted in recent years to weed out illegal mining. A Supreme Court-appointed committee fixes annual production quotas, while sales are channelled through e-auctions.

According to the Karnataka Iron and Steel Manufacturers Association (Kisma) the Supreme Court-appointed committee fixes iron ore production target based on the demand. But steel companies have held back from bidding for certain quantity of iron ore offered in e-auction as some of the miners are fixing a higher base price for low grade iron ore with high manganese and bauxite content, said Ramana Kumar, Secretary, Kisma.

In FY18, miners in the State produced 27.65 mt of ore and sold 27.89 mt through e-auction. In FY19, they produced 28.49 mt and sold 26.25 mt, resulting in an inventory of 2.24 mt.

Inferior quality ore

The inventories are lying largely with the Karnataka State Mineral Corporation (formerly Mysore Minerals) and Sesa Goa each holding about 1.5 mt and with Minerals Enterprises about 0.6 mt.

Most of these miners are setting the base price 40 per cent higher compared to better quality iron ore supplied by NMDC from its Odisha mines, said Kumar.

For instance, Mysore Minerals' material has high levels of impurities and manganese content of over 8 per cent against the benchmark manganese content of less than 0.5 per cent and iron content of 58 per cent.

In an affidavit filed in the Karnataka High Court, NMDC has claimed that iron ore in the State is being sold at ₹2,597 a tonne against ₹1,208 in Odisha in FY19 (up to September). In FY18, NMDC had said Karnataka iron ore was sold at ₹2,475, while in Odisha it was priced at ₹922.

Kumar said Karnataka miners should price their inventory based on the quality of ore.

Royalty issues

They have started increasing prices of inferior iron ore following short supply in market after NMDC's Donimalai mine was shut late last year, he added.

NMDC iron ore production was 2.24 mt lower last fiscal compared to the preceding fiscal after the Karnataka government refused to renew its lease to mine at Donimalai — one of the largest iron mine in the State. The government had demanded 80 per cent of the company's revenue generated from Donimalai.