



खनिज समाचार

KHANIJ SAMACHAR

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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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खनिज समाचार

KHANIJ SAMACHAR



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Second facility of Nuclear Fuel Complex being expedited in Kota

It will have a capacity to produce about 500 tonnes of fuel

OUR BUREAU

Hyderabad, March 15

Nuclear Fuel Complex is in the process of expediting the implementation of a ₹4,200-crore second facility coming up at Kota in Rajasthan.

The Hyderabad-based strategic Public Sector Undertaking serves as a critical support link powering the fuel needs of the country's nuclear power programme.

Interacting with a group of journalists, on the sidelines of a meet on 'Radiation and Environment,' today, Dinesh Srivastava, Chairman and Chief Executive of Nuclear Fuel Complex, said, "We are in the process of implementing the second Nuclear Fuel Complex in the country at Kota which will be ready by next year. This will have capacity to pro-



Dinesh Srivastava, Chairman and Chief Executive, NFC

duce about 500 tonnes of fuel and be developed with a capacity to expand up to 1000 tonnes per annum.

Increasing demand

"The Hyderabad NFC complex has a capacity to produce about 1,500-tonne bundles with capacity to be expanded up to 1,800 tonnes. Currently we are producing about 1100-1200 tonnes. The increase in production capacity is aimed at meeting the growing requirement of Indian nuclear plants with many more plants at various stages of

planning and development," he said.

The Kota facility coming up is located adjacent to the existing Heavy Water Plant. The project will be located on a 190-hectare site with additional township area of 25 hectares. The plant capacity is 500 tonnes per annum fuel fabrication and 65 tonnes per annum of fuel cladding fabrication. The capacity of fuel cladding fabrication will be further augmented by 100 tonnes a year.

The project is in advance stage and many work orders and purchase orders have already been placed and the NFC project is progressing. NFC Kota project has already achieved several milestones including site grading, basic infrastructural activities, ware houses, provision of construction power and provision of construction water among others. The plant and non-plant construction is in advance stages of completion.

Uranium Corporation to start work on more mines in Andhra

OUR BUREAU

Hyderabad, March 15

Uranium Corporation of India Limited is awaiting the outcome of the public hearing to start work on the second uranium mine at Thummalapalle in Andhra Pradesh with an outlay of ₹700 crore.

"Once we secure this, we will go ahead with the mine. We are also working to secure permissions for a third mine at Kannampally," MS Rao, General Manager, Engineering Services, AP, Uranium Corporation, said.

Public hearing

Interacting with a group of journalists, on the sidelines of a meet on 'Radiation and Environment,' he said "The public hearing was to take place in January but due to a stay it was postponed. We expect to take up the hearing again soon after securing various clearances," he said.

The UCIL now operates six underground mines at Bagjata, Jaduguda, Bhatin, Narwapahar, Turamdih, and Mohuldih and one open pit mine - Banduhurang in Singhbhum shear zone in Jharkhand. Ore from these mines is processed in two plants at Jaduguda and Turamdih. The uranium concentrate is then purified at the Nuclear Fuel Complex in Hyderabad. They are purified enriched and fabricated to serve as nuclear fuel rods.

The UCIL currently operates a large underground mine and process plant at Thummalapalle in YSR district of Andhra Pradesh.

AMD starts exploratory work for uranium near China border

Arunachal project will play a critical role in uranium production

V RISHI KUMAR

Hyderabad, March 15

The Atomic Minerals Directorate for Exploration and Research, a unit of the Department of Atomic Energy, has begun exploratory work for uranium in Arunachal Pradesh, close to the Chinese border.

DK Sinha, Director, AMD, said, "The Arunachal project is located within a few kilometers of the Chinese border and is likely to play a critical role in uranium production as its mining timeline can be significantly cut short."

He was participating in an interaction on 'Radiation and Environment,' where the unit heads of various Department of Atomic Energy establishments — UCIL, NFC, AMD and ECIL were present, to communicate the importance of nuclear power in the energy basket.



DK Sinha, Director, Atomic Minerals Directorate

"The directorate is also working on many exploratory projects which have yielded rare earths, and lithium in Mandya, gold, zirconium and other elements in various sites. Lithium is expected to play a significant role in domestic electric vehicle development and electric mobility drive," said Sinha.

While the projects are being taken up and executed through seven regional centres, several potential sites across various States, including Tripura, Meghalaya, Jharkhand, Rajasthan, Andhra Pradesh and Karnataka have been identified for next phase of development,

he said.

He said, "AMD is currently engaged in mining at Jaguguda, Bhatin, Narwapahar, Turamidh, and Banduhurang in Jharkhand and Thummalapalle in Andhra Pradesh along with exploratory mining in Karnataka and Rajasthan." As of December 2019, the directorate has identified 3.25 lakh tonnes of uranium oxide resource with a major chunk in Andhra Pradesh and Jharkhand, Meghalaya and Telangana along with some other States.

Telangana project suspended

However, the uranium mining project in Telangana has been suspended after the locals, some NGOs and the State opposed the project, he explained.

"We put in a lot of effort to convince the locals against the misinformation that has been spread by some. However, we had to suspend the project as we cannot do something which is against what the locals think and Government does not want," he said.

How demand for electric vehicles has helped lithium gain the most this year

The commodity has gained 83% since the beginning of 2021

SUBRAMANI RA MANCOMBU

Chennai, March 15

Lithium topped rhodium last week as the commodity that has gained the most this year on strong demand from Chinese battery manufacturers following demand mainly from Europe.

Tight spot availability has resulted in prices spiking sharply to 85,000 Chinese yuan (₹9.50 lakh) a tonne. *Metal Bulletin* website said prices were up nearly three per cent last week, with lithium rising to 85,000-90,000 yuan (₹9.50 lakh-10.05 lakh).

According to the *Trading Economics* website, the commodity, which has been at the forefront of many technological changes since the 1990s with the commercialisation of lithium-ion batteries, has gained 82.80 per cent since the beginning of this year.

50 per cent EV growth

US multinational and financial services group Morgan Stanley sees a 50 per cent growth in EVs this year. Sales of EVs are particularly higher in Europe as the continent looks to decarbonise by 2030 by phasing out vehicles running on fossil fuels.

EV sales more than doubled in January this year, with total sales expected to top five million.

Lithium-ion batteries are preferred in EVs as they are re-

chargeable. Lithium-ion batteries make up over 50 per cent of the demand for the metal currently. The batteries are scalable and have higher energy density besides a longer life-cycle with lower maintenance. An EV has nearly 5,000 battery cells and it could need, at the most, 10 kg of lithium. Thus, a tonne of lithium can help meet the demand for 90 electric cars.

Batteries in EVs are lithium-ion having many individual cells. About 60,000 tonnes of lithium carbonate equivalent are required to produce one million electric cars.

The commodity is extracted from minerals found in igneous rocks composed of large rocks (spodumene) or in water with a high concentration of lithium carbonate. Both processes contribute equally to lithium production today, though carbonate is the main source.

Lithium availability is a problem since global mineral reserves are about 80 million tonnes (mt) with Bolivia holding 21 mt, Argentina 17 mt and Chile nine mt, according to NS Energy Business.

Three other major sources of

the mineral are the US (6.8 million tonnes), Australia (6.5 million tonnes) and China (4.5 million tonnes).

China is the top consumer of lithium, processing nearly 90 per cent of the total lithium hydroxide available globally.

Chinese automobile makers are investing more in increasing the capacity of electric vehicles.

In order to encourage the manufacturing of EVs, the Chinese government is extending subsidies to EV makers and Beijing is set to pass a new law to support the production of such new vehicles.

EV industry experts say that Chinese subsidies have either been equal to or higher than production costs, though they could end in a couple of years.

Subsidies

Subsidies for new EVs in China are likely to be cut by 20 per cent this year. Beijing extended a subsidy of ₹1.82 lakh-2.55 lakh for an electric car that had a driving range of 300 km last

year. China is also the largest supplier of batteries and EVs, apart from being the top producer of both. Beijing has increased its battery manufacturing capacity, thanks to its dominance in lithium refining. According to Austrade, China has improved its scale of economies also.

Chinese firm Tianqui is one of the few companies in the world that has access to high-

quality lithium mines and salt lake brine mines. These abundant resources provide the company with low-cost lithium concentrates as raw materials for the production of lithium carbonate and lithium hydroxide.

South Korea and Japan have developed and fine-tuned battery manufacturing technology, but they rely on China for the supply of lithium.

Steel firms may find it tough to export next fiscal

With economy limping back to normalcy, consumption topped 10 mt in Dec and Jan

SUBRAMANI RA MANCOMBU

Chennai, March 16

Indian steel companies will face problems in maintaining steel exports at current levels during the next financial year given the fact that domestic production will just about meet demand within the country, a top industry official has said.

During the current fiscal, domestic steel production would be 103 million tonnes (mt) of which 94 mt will be consumed locally, according to Seshagiri Rao, Joint Managing Director, JSW Steel, and Group Chief Financial Officer.

"We exported 15 mt of steel and imported seven mt. We had a 13.5 mt inventory last fiscal which would have now been cut to 8.5-9 mt," he told *BusinessLine*.

With the economy returning to normal slowly, steel consumption topped 10 mt in

December and January. "In February, consumption dropped due to fewer number of days. But at the current level, consumption will be 120 mt next (fiscal) year," he said.

Several sectors of the economy were doing well and plans of automobile manufacturers over the next three years are "mind-boggling," Rao said.

As against the consumption, steel production could increase to 122 mt next fiscal from 94 mt this year.

China production curbs

Rao was responding to a question on the outlook for the steel sector in view of China's Tangshan City, the largest steel producer, ordering steel mills to halt iron ore sintering and steel-making due to the pollution they were causing.

The Tangshan government imposed curbs on steel production on a few occasions in

February and early March, affecting demand and procurement.

Care Ratings analyst Rashmi Rawat said that this could result in China's iron ore consumption coming down, though it could be a short-term effect only. According to Chinese customs data, Beijing's iron ore imports during January-February were up five mt at 181.5 mt compared with the same period a year ago.

Rawat said that public sector mineral producer National Mining Development Corporation (NMDC) had cut ore prices for the first time in seven months last month due to higher production. NMDC output has increased with the resumption of operations at Donimalai mines.

This has resulted in domestic steel firms cutting prices, but they could be encouraged to export in view of higher prices abroad, Care Ratings said.

Rao said that though do-



mestic users have been complaining about the spike in steel prices, it was lower than the hike seen in the global market.

Prices, capacity addition

"Before the Covid-19 pandemic, Chinese steel prices were \$397 (₹28,800) a tonne. They have now increased to \$750 (₹54,400) a tonne. In the US, steel prices were \$600 (₹43,500) a tonne before the pandemic struck but now, they have almost doubled," he said.

Compared with global prices, Indian steel prices (HR coils) were available at a dis-

count. "Our prices had increased from ₹35,000 a tonne during Covid-19 to ₹53,000-54,000, now," he said.

Though Indian steel companies were not utilising the installed 142 mt capacity, further capacity was being added as consumption was set to increase further.

"JSW Steel is adding a five mt capacity by June this year, while other producers are adding 2-3 mt. This will take the total capacity to 150 mt soon," Rao said.

With the mines resuming operations, domestic iron ore supplies are increasing. Rising ore production would help steel companies get the raw material at a competitive price.

In addition, China's measures against pollution are pulling down iron ore prices.

According to *Trading Economics* website, 63.5 per cent Fe content iron ore prices were \$163 a tonne, while 62 per cent Fe content ores were quoted at \$168.26, down from the 10-year highs seen last month.

Gondwana Geological Society elects new Council



Dr A Chatterjee



Dr M K Roy



Dr P Sarolkar



Dr P K Jain



Dr S Humane

■ Staff Reporter

THE 39th Annual General Meeting (AGM) of the Gondwana Geological Society (GGS) was held virtually on Google Talk. The AGM agenda items included Secretary's and Treasurer's report for the years 2018-20. It was resolved to institute the Late Dr Sri Chand Srivastava Gold Medal to be awarded by the society annually for the best research work/publication on geochemistry from all over India.

The family members of late Dr Srivastava made this gesture to the GGS. Incidentally, Dr Srivastava was awarded PhD in Chemistry by the Nagpur University at age 78, the oldest recipient at this age till date from this University. He celebrated his 80th birthday on

December 1, 2020 and passed away on December 28, 2020.

The GGS has 696 life members from India and abroad and 4 institutional members. It is the second largest geological society of its kind in India. The election process began earlier on 28.12.2020 and results were announced by Dr Smita Deshpande, Senior Geologist, GSI and Election Officer at the AGM. The office bearers elected for the new Council are Dr Anjan Chatterjee, President, Dr M K Roy and Dr P K Jain, Vice-Presidents, Dr P B Sarolkar, Secretary, Dr Savita Chaturpagar and Dr Hemant W Khandare, Joint Secretaries, Dr Samaya Humane, Treasurer and Dr Sumedh Humane, Editor, Dr Sandip Roy, Joint Editor.

The Council members are Dr A M Pophare, Dr D R Kanungo,

R Kalamkar, Dr P P Kundal, M Chandradas, Dr D M Kolte, Dr S J Sangode, Dr A K Raina and M S Dhakate. The Society was founded in 1981 by Prof Y G Dekate, then HoD, PG, Department of Geology, Prof P H Kulkarni, Prof N K Moha-bey, Dr G G Deshpande, Dr A G Bhusari, all then faculty members PG Department of Geology, Nagpur University. The fact that a large number of offices of Earth Science Department are located here, some with headquarters at Nagpur prompted the founder visionaries to establish such a geoscientific society here. The GGS has grown with 696 life members from India and abroad and 4 institutional members and is the second largest such society in India. Besides having forums for scientific lectures and discussions, it has successfully organised 14 national seminars on topical and scientific issues of national interest.

REVISED PRICE now at premium to market price may find acceptance among 75-80% of shareholders, say analysts

Vedanta's New Offer may Lure More Investors

Bhavya Dilipkumar and Sanam Mirchandani

Mumbai: Vedanta Resources' higher open offer price to buy back shares in its Indian subsidiary from the public could find acceptance among investors, said analysts.

The metals and mining giant has raised its open offer price to repurchase shares of Vedanta Limited to ₹235 a piece from ₹160 earlier. Analysts said the acceptance ratio is likely to be as high as 75-80% with the revised open offer price, which is at a nearly 4% premium to Vedanta's closing price of ₹226.55 on Tuesday.

"While the minimum acceptance ratio in the offer comes to around 39%, we expect the final acceptance ratio to be around 75-80%," said Sriram Velayudhan, vice-president, IIFL Alternative Research. "We would recommend these hol-

ders to tender the shares in the open offer and book profits rather than wait for a delisting exit premium in near future."

If all the investors tender their shares, then promoters will hold 72.2% which will make it easy to delist in future

The company said on Tuesday it has raised the open offer size to 65.1 crore shares representing a 17.5% stake in Vedanta. The earlier open offer size was 37.17 crore shares.

The market was abuzz that the open offer price is likely to be revised from ₹160 apiece as the stock had surged sharply since the January announcement of the open offer due to the rally in commodity prices. Between January 9 when the open offer was announced and Tuesday's market closing, the stock had gained 24.44%.

Vedanta



As a result, the previous open offer price was less than Vedanta's current market price. The stock ended down 0.8% at ₹224.70 on Wednesday after hitting a 52-week high of ₹230.80 during the day.

"Assuming full tendering of shares happen, promoters will hold around 72.6% stake in the company

which will improve their clout if they proceed with a delisting bid in near future. Moreover, they won't be over-dependent on the long term holders for discovering an exit mode under the reverse book building process," said Velayudhan.

However, some analysts believe that sailing will not be as smooth.

"...the fragmented nature of shareholding may affect tendering of shares nevertheless. The last date for upward revision of offer price is March 19, and this may cause volatility in the stock price in the short term," said Amit Dixit, research analyst at Edelweiss in a report on Tuesday.

"We understand that the promoter group has tied up an additional debt facility of \$1.2 billion, 8.95% due in 2025. The proceeds might be partially utilised for funding the acquisition of shares in the open offer," Dixit said.

Edelweiss expects standalone total debt at Vedanta Resources to increase to \$8.2 billion.

"While higher shareholding would result in a higher share of dividend from Vedanta, we still believe that debt servicing would be onerous," said Dixit, maintaining a hold rating at ₹186.

COMMODITY CALL

Buy MCX aluminium above ₹178

MCX-Aluminium

Return: 28.2%



AKHIL NALLAMUTHU

BL Research Bureau

Since the beginning of this month, aluminium futures on the Multi Commodity Exchange (MCX) have been witnessing increased volatility. Though the contract has not been trending, there have been quite a few price swings i.e., the March expiry contract is quickly moving back and forth between ₹170 and ₹178 - the key levels. This has made life difficult for short-term traders. Unless the contract moves out of this range, the next leg of short-term trend will remain uncertain.

Whatsoever, the major trend has been up and the bull run that aluminium futures have been seeing for nearly a year still stay valid. Notably, the price of futures has made significant gains from about ₹126 in May last year to current price levels of ₹175, appreciating by nearly 40 per cent. So despite some volatility, one can take bullish approach towards aluminium futures.

73 days' delay in moving HC leads to court's denial of participation in tender process for mining

■ Legal Correspondent

THE High Court denied interim to the petitioner Dev Mining Company to permit it to participate in new tender process for mining contract by the respondent Manganese Ore (India) Ltd (MOIL), due to moving the High Court after a delay of 73 days.

Ordering notice to the respondents MOIL and others for filing submissions in reply to the writ petition in three weeks, Justice Sunil B Shukre and Justice Avinash G Gharote have stated that the court "would have certainly considered such a prayer (for interim relief) on its own merits, had the petitioner approached this Court with reasonable promptitude".

The court has pointed out that the impugned notice was issued to the petitioner on December 31, 2020 and the petitioner wait-

ed till March 15, 2021, to take recourse to writ remedy. Such delay cannot be ignored in the present case and apparently no justifiable reason has been given for condoning the delay so occurred. Therefore, the court has said that it is not inclined to grant any inter-

im relief in the matter or otherwise it would amount to placing premium on the indolence of the petitioners.

It was submitted on behalf of the petitioners that the new tender document did not ask for bifurcation of total cost into Basic Rate, and charges for SGST, CGST and IGST, and simply said that

the quoted price of bid should be referring only to Basic Rate. Another contention advanced by the petitioners was that no hearing was granted to them, nor any show cause notice was issued to them in the matter.

Adv A S Shukla appeared for the petitioners.



LS passes Bill to amend MMDR Act

NEW DELHI, Mar 19 (PTI)

LOK Sabha on Friday passed a Bill to amend the Mines and Mineral (Development and Regulation) Act, with Union Minister Pralhad Joshi saying the changes will help create employment opportunities and allow private sector with enhanced technology in mining activities.

"The reform in the mining sector would generate 55 lakh direct and indirect employment. To enhance mining activity, we will allow private sector with enhanced technology in mineral exploration," Joshi said. The Lower House passed the Mines and Minerals Development (Amendment) Bill, 2021.

According to the Minister, India produces 95 minerals and has same potential like South Africa and Australia but still import minerals like gold and coal.

"The reform in the mining sector would generate 55 lakh direct and indirect employment. To

(Contd on page 5)

FROM THE FRONT PAGE

LS passes Bill to amend...

enhance mining activity, we will allow private sector with enhanced technology in mineral exploration," the Minister said. According to the Minister, the mining sector currently contributes 1.75 per cent to the country's GDP and through the reforms proposed in the bill the contribution will rise to 2.5 per cent and strengthen the

economy. The Bill seeks to amend the Mines and Mineral (Development and Regulation) Act, 1957, and would bring in mega reforms in the sector with resolution in legacy issues, thereby making a large number of mines available for auctions. It will help strengthen the auction-only regime and boost transparency in the system.

Methane from upcoming coal mines may impact climate more than US coal plants: Report

REUTERS

March 19

Methane leaks from planned coal mines around the world could have a bigger climate impact than carbon emissions from US coal plants, a research group said on Thursday, detailing what it said was an overlooked source of planet-warming emissions.

Despite efforts by governments to crack down on fossil fuels, non-profit Global Energy Monitor said in a report there are more than 430 proposed coal mines in the world which are likely to emit large amounts of methane, the second biggest contributor to climate change after carbon dioxide.

The countries with the highest amount of potential methane emissions from planned coal mines are China, Australia, Rus-



Planned mines could leak methane at a rate equal to 1.14 billion tonnes of carbon dioxide annually

sia, India, South Africa, the US and Canada, it said.

"Coal mine methane has dodged scrutiny for years even though there's clear evidence it poses a significant climate impact," said Ryan Driskell Tate, a Global Energy Monitor research analyst and the report's author.

"If new coal mines pro-

ceed as planned, without mitigation measures in place, then a major source of greenhouse gas will go unrestrained."

Planned mines, some of which are in the late development stage, could leak methane at a rate equal to 1.14 billion tonnes of carbon dioxide annually, the report said, more than the

952 million tonnes of carbon dioxide US coal plants released in 2019.

Coal companies can capture methane and burn it in operations or sell it to industry, resulting in less of a climate impact than allowing it to leak.

The World Coal Association, in a response to a request for comment on the report, said its members are committed to playing a role in helping the countries achieve emissions reductions goals and that zero emissions coal is technically achievable.

Explosive leaks of methane at coal mines have been a safety risk since mining began. The US Environmental Protection Agency estimated in 2019 that emissions from abandoned and operating coal mines account for 9 per cent of global methane releases.

Mining law amendments passed in Lok Sabha

OUR BUREAU

New Delhi, March 19

The Lok Sabha on Friday passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2021.

Introduced by Minister of Coal and Mines Pralhad Joshi in Parliament on Monday, the Bill proposed to conduct all future auctions of mineral mines without a captive use restriction and to allow existing captive coal mines to sell up to half of their production.

"The sale of minerals by captive plants would facilitate increase in production and supply of minerals, ensure economies of scale in



mineral production, stabilise prices of ore in the market and bring additional revenue to the States," the Bill said.

It provides for the pay-

ment of an additional amount to a State government for the extension and grant of mining lease of government companies.

The Bill also empowers the Central government to notify any mineral-rich area and conduct an auction if the State government "fails to notify the area or conduct auction in order to ensure auction of more number of mineral blocks on regular basis for continuous supply of minerals in the country."

It has also proposed for the Central government powers to issue directions regarding the composition of the District Mineral Foundation and the utilisation of its fund.

COVID-19 pandemic hits SCCL coal production

P SRIDHAR
BHADRADRI-KOTHAGUDEM

Coal production in the Kothagudem Area of the Singareni Collieries Company Limited (SCCL) has taken a severe beating in the current financial year 2020-2021 due to COVID-19 pandemic.

The Area comprising three opencast projects (OCPs) and two underground coal mines recorded a lower coal output of 88 lakh tonnes so far in the present fiscal as against the annual production target of 145.50 lakh tonnes, sources said.

With less than two weeks left in the current fiscal, the goal of reaching the stipulated annual output target appears to be out of reach.

The State-owned SCCL suffered major production disruptions owing to the cascading effects of the pandemic mainly during the coronavirus induced layoff period, during which the operations in as many as 22 underground mines/departments were suspended for 50 days in the company's 11 Areas including the Kotha-

gudem Area.

Other factors like the 72-hour strike by a host of central trade unions against the Union Government's move to auction coal blocks for commercial mining and heavy rains that lashed the coal belt region in the last rainy season impacted production in the present fiscal, sources added.

The drastic fall in the demand for coal owing to the prolonged shutdown of some of the major coal consuming units during the coronavirus lockdown period hit the coal dispatches in all the 11 Areas of the company.

Meanwhile, the SCCL officials of the Kothagudem Area scaled up coal production to the tune of 37,000 coal output daily with just 13 days remaining in the current financial year.

The coal production is likely to be up by another five lakh tonnes and the Kothagudem Area is expected to end the present fiscal with an estimated output of 93 lakh tonnes, far lower than the set annual production target of 145.50 lakh tonnes.

JSW Steel to emerge largest producer by next fiscal

SURESH P IYENGAR

Mumbai, March 20

Sajjan Jindal-led JSW Steel is expected complete the project to double production capacity to 10 million tonne per annum (mtpa) by May and emerge as the largest steel producer in the country. The company will remit ₹19,350 crore by March 25 and add another three million tonne to its current capacity of 18 mtpa. The company has proposed merger one mtpa of Monnet Ispat with itself next fiscal.

In 2018, JSW Steel joined hands with Aion Investment to acquire the stressed Monnet Ispat and renamed it to JSW Ispat Special Products. It had planned to merge the company after turning over the asset. JSW Ispat had recorded an EBITDA of ₹152 crore and net profit of ₹29 crore in December quarter.

In all, JSW Steel will add about nine mtpa next fiscal to top the table of large steel companies in India. As of now, JSW Steel is marginally behind Tata Steel and Steel Authority of India in the domestic market.

Mining reforms will increase employment and GDP: Ficci

NEW DELHI, Mar 20 (PTI)

THE mining reforms will play a fundamental role in enhancing the sector's contribution to the employment and GDP of the country, contributing immensely to the vision of Aatmanirbhar Bharat, industry body Ficci said.

The statement comes a day after the Lok Sabha passed a Bill to amend the Mines and Minerals (Development and Regulation) Act. The industry body said it has always advocated for increasing the contribution of mining industry to the national GDP; focusing upon increasing mineral exploration, production and domestic supplies, reducing financial stress for the miners, attracting investments into the sector and enhancing Ease of Doing Business Quotient.

Tuhin Mukherjee, Chair, FIC-



CI Mining Committee and Managing Director, Essel Mining & Industries termed the amendments a step forward for enabling the mining sector's contribution to the nation's economic growth.

"With these reforms in the Indian mining and mineral sector, the Government has embarked on increasing the sectoral contribution to the Indian GDP and also to increase the competitiveness, ease of doing business and creating a favourable investment environment for the sector," he added.

Mukherjee said these amendments would increase the mine development and mineral production in the country. He also thanked the Government for considering many of Ficci's representations and recommendations on the subject.

Rahul Sharma, Co-Chair, FICCI Mining Committee and CEO, Vedanta said: "Amendments in the MMDR are reflective of the fact that Government considers mining sector as contributor to vision of Aatmanirbhar Bharat."

These amendments shall result in enhancement of mineral production across the spectrum, creating more jobs and will be a major boost to critical industries like cement, aluminium and steel, which are primarily dependent upon key raw materials provided by the mining sector, Sharma noted.

OPEN OFFER AT ₹235 Vedanta (₹222.10)

Give it a miss

Offer price doesn't appear attractive enough, given the upturn in the commodity cycle

SATYA SONTANAM
BI Research Bureau

In an attempt to increase stake in Vedanta, the parent company Vedanta Resource, has come up with an open offer to buy 17 per cent of the floating shares at ₹235 per share, which is about 6 per cent higher than the current market price of ₹222. The offer opens on March 23 and closes on April 7. The current open offer has been revised from the previous ₹160 per share for 37.17 crore shares (10 per cent) announced in January 2021.

This follows a failed delisting attempt in October 2020, for which the company proposed to acquire all fully paid-up equity shares of the company that are held by public shareholders. The indicative offer price then was ₹87.5 per share.

Though the current offer price looks like a better deal compared to the earlier offers, it doesn't appear attractive enough given the upturn in the commodities cycle and the earnings visibility of the group.

Also, at the offer price of ₹235 per share, Vedanta trades at 8.43 times its trailing 12-month (TTM) earnings. Note that the TTM earnings considered here are before considering the exceptional items - mainly impairment of oil & gas assets in Q4 2020. The valuation at the offer price is slightly below its historical three-year average of around 9.5 times till December 31, 2019 (after which pandemic hit Indian stock markets).

Having said that, high debt levels of

the parent, Vedanta Resources, and its dependence on Vedanta to repay its obligations is considered a key overhang for the stock. Also, the stock can be volatile given nature of commodities business. Thus, investors with high-risk appetite can continue holding the share.

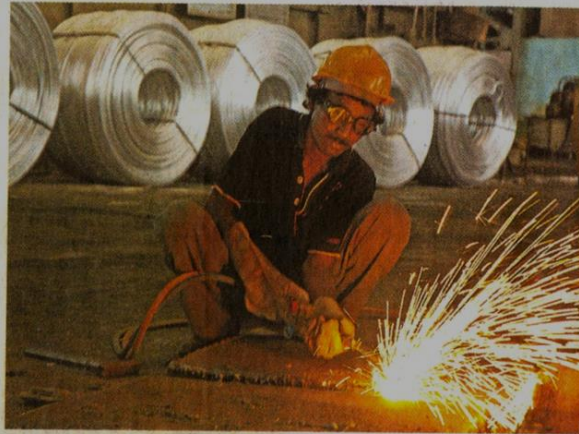
Commodity cycle

The performance of Vedanta is highly dependent on the prospects of base metals and the oil and gas sectors. In the nine months period ended December 2020, the company derived revenue from zinc (almost 30 per cent), oil and gas (8 per cent), aluminium (34 per cent), copper (12 per cent) and others.

The base metal prices have been on an upswing, touching multi-year highs on the back of strengthening Chinese economy, cheap liquidity and buoyant sentiment across about vaccines.

In the last one year, the LME prices of aluminium, zinc and copper went up by 38 per cent (\$2,188 per tonne now), 51 per cent (\$2,787 per tonne) and 92 per cent (\$9,036 per tonne), respectively. Crude oil prices also are gradually moving up from the start of November and are now at the pre-Covid levels aided by voluntary production cuts by OPEC plus.

Going ahead, with accommodative fiscal policies and improvement in economic activity (especially China), anchored by the vaccination drive across the globe, the prospects for both base metals and oil and gas sec-



tors looks attractive globally. With the government's push to Atmanirbhar Bharat and the infrastructure activities in the domestic economy, the demand for base metals is expected to be good, at least in the near future.

Improving operating performance

In the nine-month period ended December 2020, the company's consolidated revenues were down by 8 per cent (y-o-y), largely due to the impact of Covid-19 in the first few months of the fiscal.

However, the operating profit during the same period went up by 34 per cent (y-o-y) on the back of fall in input cost during the period and gradual increase in realisations in the third quarter of the fiscal.

The EBITDA (earnings before interest, taxes, depreciation and amortisation) from Zinc India (Hindustan Zinc), stood at ₹7,774 crore (+14 per cent y-o-y) during the 9MFY21, with margin close to 40 per cent. This was better with the cost of production (CoP) falling from \$1,065 per tonne last year to \$958 per tonne.

The aluminium business has seen a

significant turnaround in the current fiscal on the back of lower cost of production and improved production mix. The EBITDA from the segment during the said period was at ₹5,033 crore as against ₹861 crore reported in the last year.

The CoP of aluminium recorded in the third quarter at \$1,315 per tonne, down 26 per cent (y-o-y), and the lowest in the last five years.

However, the oil & gas business got impacted due to the fall in crude oil prices. For the nine-month period in the fiscal FY21, the EBITDA stood at ₹2,137 crore as against ₹6,402 crore a year ago.

The net debt to EBITDA has also gone up to 1.5 times from 1.2 in the September 2020 quarter and one time a year ago. This was owing to the large cash outflow during the third quarter, towards dividend and inter-company loan to promoter entity. Though the management assures there wouldn't be any increase in the inter-corporate loans to the parent, any increase further (if any) will exert pressure on Vedanta that may have an impact on the capex.



Why you can skip it

- Earnings visibility
- Good prospects for base metals, oil and gas
- Green shoots in the economy



Shooting yields queer bullion's pitch

The 10-year US Treasury yield marked a 14-month high of 1.754% on Thursday

AKHIL NALLAMUTHU
BL Research Bureau



PATIENT PURSUE

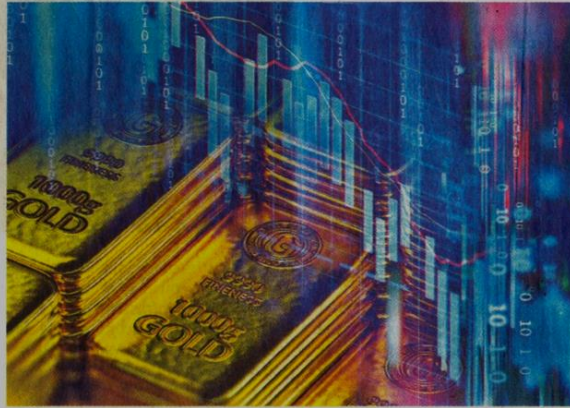
Those looking to make long-term entries in gold can wait for bullish indications, possibly after a breakout of ₹46,500

The US Federal Reserve (Fed), on the expected lines, maintained status quo with respect to the federal funds rate at zero to quarter per cent last week. In fact, the dot plot showed that the rate is likely to stay at current levels through 2023 and as per the Federal Open Market Committee (FOMC) statement, the bond buying programme will be continued at the current pace until the committee deems it necessary to change tack.

This disappointed the dollar bulls, and the initial reaction was a decline, though the greenback made a recovery in subsequent sessions. The dollar index ended the week higher at 91.92 as against previous week's 91.68. But markets refused to be convinced by Fed actions and bond yields continued to rise. The 10-year treasury yield hit a 14-month high of 1.754 per cent on Thursday before closing the week at 1.73 per cent; in the previous week it ended at 1.625 per cent.

Consequent to this, bullion which saw a temporary rise in price gave this away quickly and posted a marginal loss for the week.

In dollar terms, gold closed the week at \$1,744.7 per ounce versus preceding week's close of \$1,726.4 and silver ended at \$26.24 per ounce compared to \$25.91 - its previous week's close. In rupee terms, gold futures (April expiry) on the Multi Commodity Exchange (MCX) closed at ₹45,021 (per 10 grams) against the previous week's close of ₹44,750 whereas silver futures (May expiry) ended at ₹67,527 (per Kg) compared to the preceding



week's close of ₹66,844. There is an upward revision in the latest economic projections for 2021 compared to that in December. While US GDP growth is revised up to 6.5 per cent from 4.2 per cent, the core inflation is expected to be at 2.2 per cent compared to the previous forecast of 1.8 per cent.

This can induce some optimism going ahead because of which the yields can continue to rise, suppressing the bullion prices more.

MCX-Gold (₹45,021)

Apart from a temporary increase in volatility on Thursday following the announcements from the Fed, the April futures contract of gold on the MCX was sluggish all through the week. The contract remained below the resistance at ₹45,000 thereby lingering below the potential trend-defining level of ₹46,500. The 21-day

moving average (DMA) lies at ₹45,300 and thus, the price band of ₹45,000 and ₹45,300 will be a considerable hurdle for the bulls to crack.

The technical indicators on the daily chart are giving mixed signals. The relative strength index (RSI) is flat whereas the moving average convergence divergence (MACD) is showing some sort of optimism as the slope is turning positive. The average directional index (ADX), which was bearish following the decline over the past couple of months, now hints at the bears losing momentum; but on other hand, it shows that the bulls have not really gained traction, essentially indicating that there is no underlying momentum either way.

Along with the above signs, considering that the contract is trading within the important levels of ₹44,000 and ₹45,000, it is better to

stay away from taking fresh positions. The direction of the break of this price band can provide us with clues about the short-term trend. Resistance levels above ₹45,000 are at ₹46,500 and ₹47,000 whereas supports below ₹44,000 are placed at ₹43,000 and ₹42,300. Traders and investors looking to make long-term entries can wait for now. A possible rally above ₹46,500 can establish an uptrend.

MCX-Silver (₹67,527)

Analogous to gold futures, silver futures (May expiry) were also trading in a narrow range over the past week. However, the performance of silver since the beginning of the current year has been better than gold. While silver futures has lost 2.2 per cent year-to-date, gold futures has depreciated by 10.3 per cent. Moreover, unlike gold, the futures contract of silver continues to trade above the base of ₹65,000 and the key 200-DMA support, which now lies at ₹66,110. This means that the silver has good chance to outperform gold, at least in the near-term. But indicators like the RSI and the MACD are flat and there are no signs of silver establishing a trend yet.

The contract should breach either ₹65,000 or ₹68,700 to confirm the next leg of trend and until then one can stay on the sidelines. While the breakout of ₹68,700 can lift the contract to ₹72,000, a breach of the support at ₹65,000 can result in bears dragging it to the nearest support at ₹63,000. Long-term investments and trades can wait until silver shows clear signs of bullishness. Perhaps a move above the psychological level of ₹70,000 can turn the tide in its favour.



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चालू आर्थिक वर्षात सोने, चांदीची आयात घटली व्यापारी तोटाही ४० टक्क्यांनी कमी

लोकमत न्यूज नेटवर्क

नवी दिल्ली : मावळत्या आर्थिक वर्षात सोन्याची आयात ३.३ टक्क्यांनी घटली असून २६.११ अब्ज डॉलर्स एवढी आयात झाल्याची माहिती वाणिज्य मंत्रालयाने दिली आहे. गेल्या आर्थिक वर्षात २७ अब्ज डॉलर्स एवढ्या मूल्याची आयात झाली होती. तसेच चांदीची आयातही ७० टक्क्यांनी घटली आहे. आयात घटल्यामुळे देशाचा व्यापारी तोटा कमी होण्यास मदत झाली आहे. चालू आर्थिक वर्षाच्या पहिल्या ११ महिन्यांमध्ये व्यापारी तोटा सुमारे ४० टक्क्यांनी घटला आहे.

भारत जगातील सर्वाधिक सोने आयात करणारा देश आहे. दागिन्यांची मागणी भारतात मोठ्या प्रमाणत असून दरवर्षी सुमारे ८०० ते ९०० टन सोने आयात होते. फेब्रुवारीमध्ये मात्र आयात ५.३ अब्ज डॉलर्सने वाढली आहे. सरकारने दागिन्यांच्या निर्यातीला प्रोत्साहन देण्यासाठी आयात शुल्क



कमी करून ७.५ टक्क्यांवर आणले आहे. तसेच २.५ टक्के कृषी अधिभार लावण्यात आला आहे. चालू आर्थिक वर्षात रत्न व दागिन्यांची निर्यातही ३३.८६ टक्क्यांनी घटली असून २२.४० अब्ज डॉलर्स एवढी निर्यात झाली आहे. चालू आर्थिक वर्षात व्यापारी तोटा ८४.६२ अब्ज डॉलर्सपर्यंत घटला आहे. यापूर्वीच्या आर्थिक वर्षात व्यापारी तोटा १५१.३७ अब्ज डॉलर्स होता. एप्रिल आणि फेब्रुवारीदरम्यान चांदीचीही आयातही ७० टक्क्यांनी घटून ७८ अब्ज डॉलर्सवर आली आहे.

THE HITAVADA DATE : 22/3/2021 P.N.6

Gold imports slip 3.3 pc to USD 26.11 bn in Apr-Feb

■ Business Bureau

GOLD imports, which have a bearing on the country's current account deficit (CAD), fell 3.3 per cent to USD 26.11 billion during April-February 2020-21, according to the Commerce Ministry data. Imports of the yellow metal stood at USD 27 billion in April-February 2019-20.

The decline in gold imports has helped in narrowing the country's trade deficit to USD 84.62 billion during the 11-month of the current fiscal, as against USD 151.37 billion a year ago.

India is the largest importer of gold, which mainly caters to the demand of the jewellery indus-

try. In volume terms, the country imports 800-900 tonnes of gold annually.

The Government has reduced the import duty in this Budget on the metal to 7.5 per cent. However, it also attracts agriculture infrastructure and development cess at the rate of 2.5 per cent. Gems and jewellery exports declined 33.86 per cent to USD 22.40 billion in April-February 2020-21. The imports of gold jumped to USD 5.3 billion in February as compared to USD 2.36 billion in the same month last year, the data showed.

Silver imports during the 11 months have dipped by 70.3 per cent to USD 780.75 million.

Hot steel cools pace of Railway projects

Soaring steel and copper hurting electrification project of vendors, too

MAMUNI DAS/KUWAR SINGH

New Delhi, March 23

Higher steel prices have started hitting Railway projects to such an extent that projects are getting delayed, with contractors slowing procurement. Also getting affected are the electrification project vendors because of soaring steel and copper prices. Meanwhile, Steel Ministry officials are confident of the prices going down this year.

While the freight corridor project has price variation clause to compensate for such eventualities, it is not enough.

"The sharp increase in steel prices in last six months has become a big challenge. For us, steel is a key component for tracks and bridges. We are seeing an increase in demand for claims under price variation clauses, particularly from contractors of engineering procurement contracts, which were awarded much earlier," Ravindra Kumar Jain, Managing

Director, Dedicated Freight Corridor Corporation of India Limited (DFCCIL), told *BusinessLine*.

"Large contractors can still manage, but it is a big challenge for others. Earlier, contractors would buy steel and stock it for use. Also, steel is not being sold on credit now. So, now, contractors are avoiding ordering till the last moment when they would actually need to use the steel," said Jain. "Our contracts usually have a range of price variation clause that does not take care of sharp spikes," said Jain.

"A typical Railway Electrification contract comprises overhead catenary equipment, traction substations, signalling and telecom, electric works and associated civil buildings. In a typical project cost break-up, copper and steel contribute to 25-30 per cent and 15-20 per cent respectively," Rajeev Jyoti, Rail Business, said.

Jyoti indicated that the prices



Domestic steel prices have risen sharply by around 40% during Oct-Jan this fiscal

of these metals have gone up by more than the extent to which the company will be compensated as per its price variation clause.

LME prices

"In the last one year, London Metal Exchange copper escalated by around 90 per cent and cost of steel increased by 26 per cent. The price variation formula in the contract document is based on Reserve Bank of India indices. RBI indices are not well correlated with LME for copper and Indian Electrical and Electronic Manufacturers Association for steel. All these

uncontrollable variables significantly increase the electrification cost," Jyoti said.

One of the Railways' coach production unit official said it is seeing 8-10 per cent increase in steel prices compared to last year. However, the spare part prices are not increasing probably because vendors are taking a hit on their margin to grab the contract as last year there was a dearth of contracts.

Domestic steel prices across product categories have risen sharply by around 40 per cent mainly during October-January this fiscal. Transport Minister Nitin Gadkari has alleged that big players in the steel industry were cartelising to hike prices artificially. The industry, however, argues that the sharp rise in steel prices in other countries shows that this is the work of the market forces.

Domestic steel prices fell 6-8 per cent month-on-month in February. This correction is likely to continue, according to Ranjan Bandyopadhyay, Executive Secretary, Joint Plant Committee, Ministry of Steel.

Steel off the peaks

Massive infra investments are set to boost demand

ISHAAN JAIN

After enjoying a prolonged period of highs over the past six months on the back of a strong recovery in domestic demand and high international prices, steel prices in India have finally started to normalise and inch back to their usual range. From a multi-year high level of ₹58,000/tonne, steel prices have now started trading around ₹48,000/tonne and are expected to continue to decline.

The drop has been primarily driven by resistance from end-user industries. Barring a fleeting uptick in prices in the near term (as China returned from its New Year celebrations), in the medium term steel prices in India are expected to dip, in line with weakening global rates as production picks up globally.

Prices will be further dampened by a fall in domestic iron ore prices as issues related to iron ore availability in India ease out. As mines have started production, pellet prices have gone down. Consequently, miners such as NMDC have reduced iron ore prices, giving breathing space to steel-makers. A correction in prices is taking place across the value chain.

An indirect effect of this enhanced availability of iron ore, that will soften steel prices, is resumption of steel production by smaller units. Earlier, smaller- and medium-sized steel production mills could not function due to unavailability of the feedstock, resulting in a demand-supply mismatch.

Further, the government's move of reducing import duties and doing away with anti-dumping duty and countervailing duties temporarily will force domestic producers to align their prices with the landed cost of imports.

Duty cuts

In the latest Budget, Customs duty on semis, flats, and long products of non-alloy, alloy, and stainless steels was reduced to 7.5 per cent. Duty on steel scrap was exempted for a period up to March 31, 2022.

Also, anti-dumping and countervailing duties on certain steel products were revoked till September 30, 2021.

Fifty per cent of India's imports comes from FTA nations.

If domestic steel prices are higher than that of imports — which is currently the case

— then the latter flood the market. Now, as supplies from countries such as Japan, Korea and Russia resume in 2021, there will be a price correction in the domestic market. This correction is expected to take place in the next two months — the average lead time for imports to arrive at Indian ports.

The resulting drop in steel prices due to the aforementioned reasons would be partially offset by a few factors.

One, the large fiscal stimulus packages rolled out by governments across Europe, US and South-East Asia region. China alone has announced a \$550-billion stimulus package aimed at recovery in the economy and uptick in steel demand.

These stimulus packages will spur growth in these nation's respective infrastructure sectors, pumping up demand for steel.

In India too, the biggest push to steel would be from government spending on infrastructure projects, something that is contributing to 50-60 per cent of incremental demand.



Second, the strong growth in end-user industries, primarily automobiles, white goods, bearing and forging industry, piping industries, drums and barrels and packaging industries, is also boding well for the sector.

Consequently, steel offtake has risen and demand in rural India has also picked up.

Additionally, the introduction of PLI scheme in end-use sectors will also spur production in these industries, accounting for increased domestic demand for steel.

Lastly, central banks' efforts to enhance liquidity in market will also significantly contribute to the commodity's positive outlook.

The coming few months will be very critical for the Indian economy. An imbalanced steel market has the potential to arrest India's booming growth and severely impact the downstream industries associated with the metal.

It will be interesting to see how steel prices move as the economy continues to pick up from the slump it witnessed in 2020.

The writer leads the Metal & Mining Sector, Invest India, the National Investment Promotion and Facilitation Agency of Government of India.

BUSINESS LINE

DATE : 25/3/2021 P.N.8

COMMODITY CALL

Support strong at ₹170 for MCX aluminium



AKHIL NALLAMUTHU

BL Research Bureau

The direction of the major trend of the aluminium futures, established almost an year ago, is up though there has been an increase in volatility in the past month. That is, the April futures contract of aluminium on the Multi Commodity Exchange (MCX) has been witnessing frequent price swings on both sides since the beginning of March.

However, the support at ₹170 stays strong and prevented the bears from turning the tide in their favour. So, the overall trend being bullish and that the support at ₹170 is holding strong, the likelihood of a rally from here is more.

Supporting the positive bias, the relative strength index and the moving average convergence divergence indicators on the daily chart remain in their respective positive territory and the contract price is above the 21-day moving average (DMA).

At the same time, the bulls are showing some hesitation in breaching the resistance at ₹178. Traders can stay on the fence for now and initiate fresh long positions with a stop-loss at ₹174 if the contract breaks out of ₹178. On the upside, it is likely to rally to ₹182, a breach of which can lift the contract to ₹185.

Refined copper imports treble, but exports slump 90% since 2017-18

OUR BUREAU

Mangaluru, March 24

India's import of refined copper has more than trebled between 2017-18 and 2019-20, while exports have declined by over 90 per cent during the period, the Centre informed Parliament on Wednesday.

In a written response in the Lok Sabha, Union Minister of Mines, Coal and Parliamentary Affairs Pralhad Joshi said refined copper imports increased from 44,245 tonnes in 2017-18 to 92,990 tonnes during 2018-19



Similarly, exports declined from 3.78 lt in 2017-18 to 47,917 tonnes in 2018-19 and 36,959 tonnes in 2019-20, respectively.

"Consequently, there was a net import of 44,373 tonnes and 1,15,005 tonnes in 2018-19 and 2019-20, respectively, against

Joshi said the closure of the UK-based Vedanta Group's Sterlite Copper Plant in Thoothukudi since May 2018 affected domestic production of refined copper. The plant, which has the capacity to produce four lakh tonnes of refined copper, was ordered shut by the Tamil Nadu government after protests demanding its closure turned violent on May 22, 2018.

Joshi said copper production in the country, as a result, dropped to 4.1 lt in 2019-20 from 8.3 lt during 2017-18. Refined

THE HITAVADA DATE : 25/3/2021 P.N.5

Malabar Gold to invest Rs 1,600 cr on expansion

KOCHI, Mar 24 (PTI)

KERALA-BASED Malabar Gold & Diamonds, which is one of the largest gold and diamond retailers, is on an expansion spree investing Rs 1,600 crore next fiscal to add 56 more stores. The Kozhikode, Kerala-based gold retailer said of the 56 new stores, 40 will be in the country and the rest 16 overseas. The company expects to generate 1,750 new jobs with this next year.

Malabar Group Chairman M P Ahammed on Wednesday said "expanding our presence by 56 more stores will see us investing Rs 1,600 crore and will generate 1,750 new jobs." The domestic expansion will be in Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, Maharashtra, Delhi, Bengal, UP, Odisha and Kerala, he said.

The international expansion plan will further strengthen its position in Singapore, Malaysia, Oman, Qatar, Bahrain and the UAE, he said, adding "this is in line with our ambitious plan to treble our retail network from over 250 showrooms this year to 750 outlets by 2023."

Of the total planned expansion, 12 stores will come up in the first quarter of FY22 as in these places it has already secured retail spaces. Started in 1993 in Kozhikode, Malabar Gold has come a long way to become the world's fifth largest jewellery retailer with over 250 showrooms spread over 10 geographies with an annual turnover of around Rs 30,000 crore.

It has 13 cluster manufacturing units in the country and in the GCC and has 12 jewellery brands.

THE INDIAN EXPRESS
DATE : 26/3/2021 P.N.15

Govt offers 67 coal blocks in 2nd tranche

ENSECONOMIC BUREAU
NEW DELHI, MARCH 25

THE CENTRAL government on Thursday launched the second tranche of coal block auctions for commercial use, offering 67 mines including 7 coking ones, in the largest such auction since the start of the auction regime. The announcement marks the beginning of rolling auctions of coal mines, under which any unsold mine will continuously be available for auction.

This is the highest number of mines on offer in a single tranche of coal block auctions, after the commencement of the auction regime since 2014.

"There are huge opportunities that the Indian coal sector is offering. Therefore, I invite investors to come and be a part of vastly untapped coal reserves in the country. Grow your businesses and take India along on the growth course," said Coal Minister Pralhad Joshi while launching the auction.

He adding winning bidders should try to employ locally as much as possible and take care of the environment in their operations.

MCX Lead futures heading downhill

AKHIL NALLAMUTHU

BL Research Bureau

The lead futures contract on the Multi Commodity Exchange (MCX) which is on an upswing since June last year rallied on the back of the support at ₹130. However, it has been facing considerable downward pressure in the past one month.

After marking a high of ₹173.5 in the final week of February, the April futures contract tumbled and is now trading around ₹160. Even though the contract attempted to rally last week, it faced resistance between ₹162 and ₹163. Unless these levels are invalidated, the contract can be expected to trade with a bearish bias.

Consequent to the recent decline, the futures price is now below both 21- and 50-day moving averages and the average directional index is indicating that the bears are having an edge over the bulls. The relative strength index and the moving average convergence divergence indicators on the daily chart continue to hover in the negative territory.

Moreover, the price of lead in the international market is on a downhill as indicated by the three-month rolling forward contract on the London Metal Exchange (LME). That is, the price fell below the important level of \$2,000 and continues to stay below it.

While the above factors indicate a clear bearish bias, note that MCX lead has a support at ₹157. So, traders can sell the contract with a tight stop-loss if it breaks below ₹157. Support below this level is at ₹150.

'SAIL's the Best Play on Higher Steel Prices'

Higher pricing may drive deleveraging; stock trading at 25-30% discount to Tata Steel and JSPL

Rajesh Mascarenhas
@timesgroup.com

Mumbai: Steel stocks gained on Thursday in a weak market over a buzz that major steel players are planning to raise flat steel prices by ₹2,000-3,000 per tonne given the strength in China hot-rolled coil (HRC) export price and tight demand-supply scenario in the domestic market.

While Tata Steel, SAIL and Tata Steel BSL gained nearly 3%, JSW Steel and Jindal Steel & Power ended in green when the benchmark Nifty fell more than 1.5%.

"Domestic steel producers are expected to see sustained steel margin upcycle as domestic steel price could see further increase of ₹2,000-3,000 per tonne given strength in China HRC export price and tight demand-supply scenario in domestic market as exports becomes lucrative," said Abhijeet Bora, senior analyst, Shrekhan. "We expect domestic steel

How They Compare

	SAIL	Jindal Steel	Tata Steel	JSW Steel
Mcap (₹ Cr)	29,819	31,544	82,837	1,05,886
PE (x)	8.14	7.96	41.57	41.25
PB (x)	0.72	1.17	1.25	2.82
EV/Ebitda (x)	5.79	4.9	7.89	6.6
ROCE (%)	8.43	5.73	5.49	9.1
Debt/Equity (x)	1.17	0.89	1.71	1.33

SOURCE : Bloomberg/ETIG

majority to benefit from high profitability of ₹13,000-14,000 per tonne in near term to medium term and volume growth."

China HRC export price has risen by 16% to \$740 per mt versus since early February 2021. Currently, export prices are at a premium of ₹6,000-7,000 per tonne to domestic prices.

According to analysts, Steel Authority of India (SAIL) is the best

play on higher steel prices as the company is backward integrated with captive iron ore and has a higher financial leverage.

"With limited capex, higher pricing should drive significant deleveraging and boost equity value of SAIL," said Amit Murarka, analyst, Motilal Oswal Financial Services. "Given a strong steel cycle, we expect realisation to remain high in the medium term, which, coupled with

an efficient cost structure, should provide disproportionate margin gains to SAIL."

At current price, the stock is trading at 4.2 times FY22 estimated EV/Ebitda and 0.5 times price-to-book, a 25-30% discount to its peers Tata Steel and Jindal Steel. Every ₹1,000 per tonne of higher steel price improves SAIL's FY22 estimated operating profit (Ebitda) by 11% and earnings per share by 17%. Analysts are also expecting higher dividend payouts going forward, supported by strong free cash flow of ₹19 per share.

SAIL has captive iron ore mines that meet its raw material requirement for steel production. It has nine iron ore mines and seven flux mines (limestone, dolomite, etc.), which provides captive raw materials.

According to Dewang Sanghavi of ICICI Direct, healthy growth in sales volume coupled with relatively firm steel prices augur well for SAIL, which is expected to register a volume CAGR of 10% during FY20-23 on the back of capacity expansion.

BUSINESS LINE DATE : 27/3/2021 P.N.8

Asia gold: India activity slows as dealers close the books

REUTERS

March 26

Top Asian hubs saw moderate physical gold buying this week, with activity in India muted as the country's financial year was coming to a close, while jewellers kept a wary eye on rising coronavirus cases.

"Bullion dealers and jewellers are avoiding buying due to the year end. They're busy with closing the books," said Harshad Ajmera, the proprietor of JJ Gold House, a wholesaler in Kolkata.

Dealers charged premiums of up to \$5 an ounce over official domestic prices, inclusive

of 10.75 per cent import and 3 per cent sales levies, down from last week's \$6.

On Friday, local gold futures traded around ₹44,500 per 10 grams after touching an 11-month low of ₹44,150 earlier this month.

"Retail demand is steady despite rising coronavirus

cases, but jewellers are afraid authorities could start imposing localized lockdowns," said a Mumbai-based dealer with a bullion importing bank.

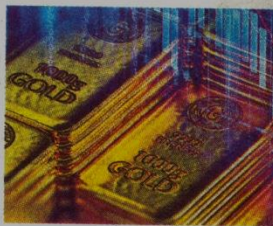
In China, premiums rose to \$7.5-\$10 an ounce over global benchmark spot prices, from last week's \$7-9, while Hong Kong dealers reported premi-

ums of \$1-2 versus \$0.50-1.70 previously.

"We're seeing some steady demand. If (spot) prices fall below \$1,700, we might see additional demand," said Peter Fung, head of dealing, Wing Fung Precious Metals in Hong Kong. China's monthly net gold imports via Hong Kong in February were little changed at 4.192 tonnes, as fresh import quotas were not issued by the central bank.

In Singapore, premiums were unchanged at \$1.5-2. While investors are seeing gold as a safe haven, the muted price action has dimmed their interest, said Brian Lan, Managing Director at dealer GoldSilver Central.

In Japan, premiums rose to \$1 an ounce from \$0.50-0.75 last week.



NMDC plans ₹3,000-cr capex, targets 42 mt iron ore output next fiscal

V RISHI KUMAR
Hyderabad, March 26

NMDC has plans for a capital expenditure of about ₹3,000 crore next fiscal and is targeting iron ore output of about 42 million tonnes, up from 34 mt this fiscal. Steering out of a tough Covid pandemic year, when mining was adversely affected during the first quarter, the State-owned mining major, has managed to catch up over the past three quarters and its output has crossed that of last fiscal of 31.49 mt. Sumit Deb, Chairman and Managing Director of NMDC, explained how NMDC is planning for the year ahead. Excerpts:

How has NMDC managed to handle the Covid pandemic period?

Just like most companies, the first quarter was a total wash out. In June quarter we had a production loss of 1.8 mt. However, following easing of

restrictions, we gradually ramped up output and in the second quarter we performed well registering 10 per cent growth. This was followed up with strong demand and good performance in third and fourth quarter of this fiscal at 13 per cent and about 15 per cent. We have already crossed last fiscal output with over 10 per cent growth.

What are your near term and long term plans and what is the capital expenditure for next fiscal?

We are targeting iron ore output of about 42 mt next financial year. This growth will be possible as we have begun mining from Donimalai mines in Karnataka. Our plan is to take this up to 67 mt by 2025 and 100 mt by 2030.

However, we will have to add more mines. The immediate focus is on to add mining from Deposit 13 and De-



Iron ore prices have already firmed up. We do not see any immediate increase in prices at least for now

SUMIT DEB
Chairman and MD, NMDC

posit 4 mines at Bailadilla, which we have in joint venture with the Chhattisgarh Mineral Development Corporation.

How is the demand for iron ore?

There has been growth in demand for iron ore from steel plants and also for steel from the infrastructure sector with

the huge Government push. All this means, we will have to ramp up production to meet the growing demand in the country. The prices have already firmed up. We do not see any immediate increase in prices at least for now.

What are your capex plans?

We are looking at deploying a Capex of ₹3,000 crore in FY 2022, as against ₹1,800 crore in FY 2021. The capital expenditure will go in mainly for the slurry pipeline from Bailadilla to Jagdalpur, steel plant works at Nagarnar, Pellet Plant at Jagdalpur and the screening plants at Kirandul. The slurry pipeline is expected to be ready by 2023 in the first phase. In the next phase, we will take up works from Jagdalpur to Vizag.

This may see total investment of about ₹6,000 crore, including ₹4,000 crore for the slurry pipeline.

In addition, the doubling of the Railway line now under

construction from Vizag to Kirandul will also play a significant role in transporting ore and bring down transportation cost.

By when do you expect to divest the steel plant?

The Central Government has taken in principle decision to demerge and divest the 3 million tonnes per annum forward integration Nagarnar steel plant with the thinking that NMDC should continue to focus on its core competency of mining. The matter is with the Central Government and Department of Investment and Public Asset Management (DIPAM) and it is for them to decide how they plan to go ahead with the divestment plan.

Any progress in the coal mines?

We have been awarded two coal blocks in Jharkhand located at Tokisud and Rhone. We are planning the way forward. Some development

works are going on at Tokisud.

Recently, NMDC held talks with visiting Australian team. What are your plans there?

We have a legacy mine in Australia and have taken up exploratory works there.

In addition, our discussions with the Australian delegation was centred around technological partnership as it is known to be a major mining country.

JSW Steel completes BPSL acquisition

Pays ₹19,350 cr
via SPV, promoters
pump in ₹11,900 cr

SURESH P IYENGAR

Mumbai, March 26

Sajjan Jindal-led JSW Steel, through its wholly-owned subsidiary Piombino Steel, has paid ₹19,350 crore to acquire 2.5 mtpa production capacity of Bhushan Power and Steel at Jharsuguda in Odisha and downstream facilities in Kolkata and Chandigarh.

Convertible instrument

Piombino Steel had raised ₹8,614 crore through issue of optionally convertible instrument, which can be converted into equity shares at par, to JSW Steel and promoters-owned JSW Shipping and Logistics. Of this, JSW Steel had infused ₹5,087 crore through equity and optionally convertible equity.

This apart, JSW Group company Makler Pvt Ltd, which had bid for BPSL, will pump in ₹8,550 crore through equity and convertible instruments, while the remaining ₹2,186 crore was raised through short-term borrowings.

CHRONOLOGY

June 2017: BPSL was among the dozen companies recommended for insolvency by RBI after it defaulted on ₹48,000-crore debt.

July: National Company Law Tribunal accepts insolvency against the company.

September 2019: NCLT approves the resolution plan submitted by JSW Steel

October: The Enforcement Directorate issues a provisional order to attach BPSL's assets valued at ₹4,025 crore.

February 2020: NCLAT gives its final approval, including the immunity sought by JSW Steel against the investigation being carried against BPSL's erstwhile promoters.

March 2020: Supreme Court accepts the petitions filed by ED and erstwhile BPSL promoters even while not stopping the lenders from implementing the approved resolution plan but puts a condition that lenders have to repay the money to JSW Steel if the verdict goes against them.



company, he said. "The addition of fresh debt on JSW Steel books is not a cause of concern. We expect to turnaround BPSL asset in 18-24 months," he added.

SC verdict

Asked about the possibility of Supreme Court verdict going against the company, Rao said the downside is completely protected as the lenders will repay the entire amount paid while the profit generated in BPSL will take care of the interest incurred for funding the acquisition.

The company also has captive iron ore mine of 5 million tonnes. The acquisition will provide JSW Steel a foothold the eastern States, which has been the hub of steel production in India. Last year, JSW Steel had acquired five iron ore mines in Odisha and these mines are in close proximity to BPSL plants.

Incorporated in 1999, BPSL produces billets, hot and cold-rolled coils. Turnover of BPSL dipped five per cent last fiscal to ₹8,635 crore against ₹9,112 crore logged in the previous year. The company recorded a turnover of ₹7,791 crore in FY18.

In all, the promoters of JSW Group have pumped in ₹11,913 crore to close the deal which catapult JSW Steel close to becoming the largest steel producer in India. The closure of the deal will be a bonanza for banks as it will shore up their balance sheet at the fag end of the fiscal.

Following the payment, Piombino Steel will hold 10 crore equity shares of ₹10 each and 8,450 crore compulsory convertible debentures

which accounts for 100 per cent equity share capital of BPSL. The asset of BPSL will be merged with Piombino Steel.

Seshagiri Rao, Joint Managing Director, JSW Steel, said the company would invest another ₹3,000-4,000 crore in next few months in the half-complete projects to bring down the cost of operations and improve efficiency.

BPSL has accrued EBITDA of ₹2,500 crore which will now be ploughed back into the

Fresh Covid concerns may boost gold

Rising number of cases is a major worry, which can push up demand for safe-haven assets

AKHIL NALLAMUTHU
BL Research Bureau



TRIGGER AHEAD

A breach of the ₹46,500 level can possibly re-establish the long-term bull trend for gold

A third Covid wave has hit Europe, raising fresh concerns about countries extending lockdown measures. There were encouraging economic indications mid-week as the European Purchasing Managers Index (PMI) showed improvement i.e., flash manufacturing PMI improved in February to 62.4 compared to previous month's 57.7 whereas flash services PMI bettered to 48.8 from 45.7 during the corresponding period. However, a rising number of cases in several countries in the bloc is becoming a major worry; coupled with it is the shortage of vaccine. Thus, uncertainties seem to be creeping in and if situation worsens it can potentially help bullion. The number of cases in India, the second largest importer of the precious metal, is on the rise as well.

The US dollar gained on the back of better-than-expected GDP growth numbers last week. According to the US Bureau of Economic Analysis (BEA) the GDP expanded by 4.3 per cent in December quarter of 2020 as against the expectation of expansion of 4.1 per cent. Although it was the third estimate, the dollar index rallied and it closed the week with a gain of nearly one per cent as it ended at 92.77 on Friday.

Nevertheless, gold prices largely remained unaffected by the above developments and continued to trace a rectangular price pattern. The yellow metal closed marginally lower at \$1,732 an ounce compared to previous week's \$1,744.7. However, silver was relatively weaker as it closed the week lower at



\$25.04 an ounce compared to \$26.24 - its preceding week's close.

A similar trend was seen in gold in India too. Gold futures (April expiry) on the Multi Commodity Exchange (MCX) ended lower by 0.8 per cent at ₹44,642 (per 10 grams) as against previous week's close of ₹45,021 whereas silver futures (May expiry) on the MCX closed at ₹64,805 (per Kg) versus preceding week's close of ₹67,527, losing 4 per cent.

MCX-Gold (₹44,642)

Extending the sideways trend for the third week, the April futures contract of gold on the MCX continued to trade in the narrow price band of ₹44,600 and ₹45,100 over the past week. Thus, the near-term trend is unclear, and the likely direction of the next price swing can be predicted based on whether ₹44,600 or ₹45,100 level is breached first. A breakout of ₹45,100 can result in the contract heading towards the resistance of ₹46,000, above which it can test the crucial hurdle of ₹46,500

where the 50-day moving average (DMA) coincides. A breach of this level can possibly re-establish the long-term bull trend.

On the other hand, if the contract slips below the support of ₹44,600, bears can regain the momentum they have lost over the last three weeks. The prior low of ₹44,150, made in early March, can offer support for the contract. But if this level is decisively taken out, the sell-off can intensify. Notable supports below the previous low can be spotted at ₹43,000 and ₹42,300.

The chart for gold futures looks mixed up i.e., there are signs substantiating both bulls and bears. The daily relative strength index (RSI) has been rising over the past couple of weeks despite the contract moving flat which signals that uptrend is gaining momentum. However, the futures continue to remain below both 21- and 50-DMA. Given the prevailing price action, traders and investors with near-term and long-term time horizons can hold back from initiating

fresh positions until there appears clear signals of a trend on either direction.

MCX-Silver (₹64,805)

Unlike gold futures which ended flat last week, the silver futures (May expiry) looked weaker in comparison. Even as the contract began the week on a flat note, it declined during the first half and then remained flat until Friday. Thereby, silver futures has lost 4 per cent as it closed at ₹64,805 on Friday compared to previous week's close of ₹67,527. Though the contract has closed slightly below ₹65,000, the breakdown is not significant. We should see whether it sustains below that level, which might not be good for the futures.

Noticeably, the contract is displaying a bearish inclination - the price has gone below the 200-DMA. The MACD on the daily chart, which lies in the negative territory, is showing a fresh downtick. The average directional index (ADX) is hinting that the sellers are gaining traction. Also, the daily RSI, though stays flat, is hovering in the bearish zone. Going by these indications, if the contract sustains below ₹65,000, it will most probably witness a leg down.

Hence, traders can short the contract for the near-term if the price sustains below the base of ₹65,000; stop-loss can be placed at ₹67,000. On the downside, the contract might depreciate to ₹62,000, which can be a support. The subsequent support is at ₹60,000. Ideally, investors and traders looking for long-term opportunities can wait until solid bullish signals appear.



Scan & Share

Tatas raise stake in Tata Steel to 33%

Tata Sons converts partly-paid shares to fully paid, buys from open market

OUR BUREAU

Mumbai, March 27

Tata Sons, the part-owner of Tata Steel, has increased its stake in the company to 33 per cent from 30 per cent with conversion of partly paid equity shares into fully-paid and acquisition of shares from the open market.

The partly-paid shares were allotted to Tata Sons as part of a rights issue in 2018. It also acquired about 1.55 crore equity shares from the open market on March 12 and 13, the company said in an announcement on Saturday.

Along with Tata Sons, other promoters group companies such as Ewart Investments, Tata Capital, Tata Investment Corporation, Tata Industries, Tata Chemicals, Tata Motors, Tata Motor Finance and Titan Company have also converted their partly-paid equity shares into fully-paid increasing

their stake marginally.

Last month, the company made the final call of ₹461 to convert 7.76 crore outstanding partly paid-up equity shares into fully-paid.

Merger of Bhushan Steel

Investors have also approved the company's plan to merge Bamnival Steel and Tata Steel BSL (formerly Bhushan Steel) into Tata Steel through e-voting on Friday.

Of the 120 crore equity shares outstanding, voting was done on 82 crore shares. Of this, only 45,407 shares held by public non-institutional investors saw voting against the proposal. The merger plan has thus received a thumping approval from 99.99 per cent shareholders who participated in the e-polling.

In 2019, Tata Steel board had approved the merger of Bamnival Steel and Tata Steel BSL into the company.

The Board has recommended a merger ratio of one



Consolidation mode

- Other promoter group companies, too, have converted their partly-paid equity shares into fully-paid
- Investors have also approved the company's plan to merge Bamnival Steel and Tata Steel BSL (formerly Bhushan Steel) into Tata Steel
- Equity shares held by Bamnival Steel and preference shares held by Tata Steel in Tata Steel BSL shall stand cancelled

equity share of ₹10 each of Tata Steel for every 15 shares of ₹2 each of Tata Steel BSL. As part of the scheme, the equity shares held by Bamnival Steel and preference shares held by Tata Steel in

Tata Steel BSL shall stand cancelled.

Tata Steel completed the acquisition of Tata Steel BSL on May 18, 2018, through the corporate insolvency resolution process under the IBC.

THE INDIAN EXPRESS DATE : 29/3/2021 P.N.13

'Coal import drops 13.6% in Apr-Feb'

ENSECONOMICBUREAU

NEW DELHI, MARCH 28

COAL IMPORT dropped 13.6 per cent to 196.13 million tonne (MT) in the April-February period of the ongoing fiscal year.

The country had imported 227.23 MT of coal in the year-ago period, according to a report by mjunction services.

"For April-February 2020-21, total coal and coke imports stood at 196.13 MT, about 13.69 per cent lower than 227.23 MT imported during April-February

2019-20," it said.

During April-February 2020-21, non-coking coal import was at 128.91 MT, against 157.59 MT during the year-ago period.

Coking coal import was recorded at 43.98 MT, lower than 45.17 MT imported during the same period a year ago.

Coal import in February 2021 stood at 15.29 MT as against 22.68 MT in the year-ago period.

mjunction — a joint venture between Tata Steel and SAIL — is a B2B e-commerce company and also publishes research reports on coal and steel verticals.

India's coal import drops 14 pc in Apr-Feb FY21

■ Business Bureau

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Coking coal import was record-

ed at 43.98 MT, lower than 45.17 MT imported during the same period a year ago. Coal import in February 2021 stood at 15.29 MT as against 22.68 MT in the year-ago period.

Of the total imports in February, non-coking coal was at 9.07 MT, against 16.94 MT in the same month last year. Coking coal import was at 4.82 MT, as against 4.02 MT imported in February last fiscal. The sharp decline in import volumes in February was due to a significant fall in thermal coal imports amid firm prices and high freight rates in the international markets.

"In line with market expectation, the country's coal and coke import is going to see a substantial drop and may close the year with a volume of 210-215 million tonnes," Vinaya Varma, MD and CEO, mjunction services, said.

BUSINESS LINE DATE : 29/3/2021 P.N.3

JSW Steel now eyes Neelachal Ispat Nigam

SURESH P IYENGAR

Mumbai, March 28

Even as it was transferring ₹19,350 crore for acquiring the stressed asset of Bhushan Power and Steel, the Sajjad Jindal-led JSW Steel is eyeing its next big catch by submitting Expression of Interest (Eoi) for MMTC-promoted Neelachal Ispat Nigam (NINL).

NINL has a long product manufacturing facility of 1.1 million tonne per annum along with pig iron and billets production at Kaliganagar Industrial Complex in Duburi, Odisha. Apart from JSW Steel, sources said other steel majors Tata Steel, AM/NS India and Vedanta-owned ESL Steel are contesting to acquire NINL.

NINL stake

Last January, the Cabinet had given in principal approval for strategic disinvestment of NINL. While MMTC owns 49.78 per cent in NINL, other public sector entities such as NMDC owns 10.10 per cent, MECON and BHEL has 0.68 per cent each. Odisha



NINL has a manufacturing facility of 1.1 mt per annum

government-owned OMC and IPICOL holds 20.47 per cent and 12 per cent stake.

In January, the government had invited preliminary bids for strategic sale. The last date for submission of Eoi by interested bidders is on Monday. SBI Capital Markets is the transaction advisor of the sale.

Having found a foothold in the eastern market with the acquisition of BPSL, JSW Steel is now eyeing smaller companies for downstream steel production. Currently, JSW has a small presence in Chhattisgarh through Monnet Ispat & Energy, jointly owned by AION Investments.

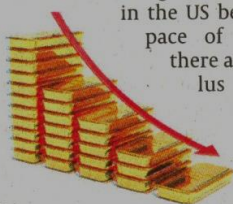
Gold dips to 3-week low as US yields rise

REUTERS

March 30

Gold prices slid on Tuesday as the US dollar climbed on the back of higher Treasury yields and as expectations that speedy vaccinations would improve the economic outlook curbed demand for haven bul-
lion.

Spot gold slipped 0.9 per cent to \$1,696.73 per ounce by 0940 GMT. US



gold futures fell 1 per cent to \$1,697.60 per ounce. "Gold is under pressure as investors are expecting a strong economic rebound in the US because of the pace of vaccinations there and the stimulus driving investor sentiment and bond yields in the US to new

highs again for the year," Fawad Razaqzada, market analyst with ThinkMarkets, said.

"From a technical point of view, the (gold) price is playing with the key level of \$1,700. A crucial support is placed at \$1,670, a recent low, while the overall scenario for gold remains moderately bearish," ActivTrades chief analyst CarloAlberto De Casa said in a note.

Elsewhere, silver fell 0.9 per cent at \$24.46 an ounce and platinum rose 0.4 per cent to \$1,180.40. Palladium gained 1.5 per cent to \$2,565.73, having slid 5.5 per cent in the previous session.

THE ECONOMIC TIMES DATE : 31/3/2021 P.N.14

FIRM'S TOP CHOICES ARE TATA STEEL & JSW

Rally in Steel Stocks May Continue: CLSA

Our Bureau

Mumbai: The outperformance of steel stocks seen over the last year is likely to continue as the risk to reward remains favourable, said CLSA.

"Upward revisions of consensus estimates and near-term strength in steel prices are likely to drive a further rally in the stocks," said CLSA.

The brokerage firm continues to prefer Tata Steel in the steel sector. Shares of Tata Steel ended up 4.3% at ₹799.75 and those of JSW Steel ended up 5.1% at ₹467.55.

Every ₹1,000 per tonne increase in steel prices leads to \$235 million higher deleveraging for Tata Steel and JSW Steel, the firm said.

"Deleveraging remains a key focus, while we expect an announcement on the Kalingangar Phase 2 expansion in the next fiscal year. Given the price increase in Europe, profitability there could surprise," said CLSA, raising the target price to ₹950 from ₹860 while retaining a buy rating. The firm has upgraded JSW Steel to outperform from



sell and raised the target price to ₹490 from ₹340.

Shares of Tata Steel have gained 215% in the last year while JSW Steel has gained 229% in the same period.

"With domestic iron ore supply improving and volume growth from commissioning of new capacities, we expect strong earnings growth over the next two years," said CLSA.

The brokerage said it is bullish on JSW Steel on improved risk to reward. CLSA said it awaits further clarity but at current spreads, the Bhushan Power acquisition could be value-neutral.

HEADING FOR first quarterly decline since 2018 as nascent recovery reduces appetite Gold Nears 9-Month Low as US Yields Gain

Bloomberg

Gold extended declines, approaching a nine-month low as the pace of US vaccine rollouts and plans for further stimulus boosted bond yields and the dollar.

Treasury yields rose as traders weighed the outlook for growth and inflation, with the US ramping up Covid-19 vaccine efforts and President Joe Biden getting set to announce spending plans. That helped push non-interest-bearing gold below \$1,700 an ounce after prices held above that level for three weeks.

Bullion is heading for its first quarterly decline since 2018 amid a nascent global recovery that's reduced the haven appeal of the metal. In recent weeks, its price has mostly treaded water, but faces renewed pressure from a resilient dollar and rising bond rates.



A selloff in exchange-traded funds backed by gold is further eroding support.

Spot bullion fell 1.4% to \$1,687.13 an ounce by 9:24 a.m. in New York, approaching the level reached earlier this month that was the lowest since June. After breaking below \$1,700, gold's "support zone at \$1,650-\$1,670 an ounce will probably be tested," below which it could fall to \$1,600, said ABN Amro Bank NV analyst Georgette Boele.

THE HINDU

DATE : 31/3/2021 P.N.12

Centre likely to extend foreign trade policy

NEW DELHI

The government is expected to further extend the existing foreign trade policy, which is scheduled to lapse from April 1 this year, for a few more months, an official said. On March 31, 2020, the Centre had extended the Foreign Trade Policy 2015-20 for one year till March 31, 2021, amid the pandemic and lockdown. FTP provide guidelines for enhancing exports to push economic growth. PTI

WCL to miss coal production target in current fiscal

- The company said that non-availability of explosives was the main reason behind the drop in the production
- The coal miner needs a special class of detonating explosives to extract coal
- However, for the past few months, there was a shortage of these explosives in the market

■ By Niraj Chinchkhede

THE city based public sector enterprise - Western Coalfields Limited (WCL), which had surpassed its coal production target of 2019-20 by a comfortable margin, is all set to miss the same in the current fiscal. Against the target of 60 million tonnes (MT) for 2020-21, the Miniratna Ratna



company is likely to achieve only 50 million tonnes of coal production till March 31.

When contacted, Manoj Kumar, Chairman-cum-Managing Director - WCL, said that the final figures will be available in the next three to four days. "But it seems that WCL's coal production in the current financial year will be less than what was expected," he said.

The company said that non-availability of explosives was the main reason behind the drop in

the production.

The coal miner needs a special class of detonating explosives to extract coal. However, for the past few months, there was a shortage of these explosives in the market.

Another senior officer in the company, who wished not to be quoted, said that WCL could procure only 70 percent of its total requirement of explosives in 2020-21.

"As there was a shortage of explosives, the process of coal

extraction got affected. But in the meantime, we focussed on overburden removal in the fiscal which is good for increasing coal production in coming days," he pointed out. Overburden removal is removal of top-soil to expose the coal seams making them ready for mining.

It is important to note that WCL had surpassed its coal production target of 2019-20 by a comfortable margin and had also registered highest ever production in a single day on March 31, 2020 amidst lockdown due to COVID-19.

The company has registered a production of 57.64 million tonnes (MT) against the target of 56 MT set for the year 2019-20. Besides, the company had also registered a growth of 8.4 per cent in the last fiscal. The company operates 55 mines in 10 areas spread over Maharashtra and Madhya Pradesh. Besides, it has also opened up a new mine in Adasa in the district in June 2020.

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