खनिज समाचार

KHANIJ SAMACHAR

Vol. 5, No-9

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

The Central Library, IBM, Nagpur is providing the Classified Mineral News Service since many years on monthly basis in print form. To expand this service to the IBM Offices all over India i.e. H.Q., Zonal & Regional Offices and to take a call of time, the Controller General, IBM desired to make this service online on fortnightly basis. The library officials made sincere efforts to make it successful. This is the **9th** issue of **Volume-5** for the service named **Khanij Samachar** for the period from **1st -15th May, 2021** .The previous issue of Khanij Samachar **Vol. 5, No.8 , 16th -30th April, 2021 is** already uploaded on IBM Website www.ibm.gov.in .

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.

All are requested to give wide publicity to it and it will be highly appreciated if the valuable feedback is reciprocated to above email.

Mrs. R. S. Wakode
Assistant Library & Information Officer
Central Library
ibmcentrallibrary@gmail.com
0712-2562847
Ext. 1210 , 1206

खनिज समाचार

KHANIJ SAMACHAR

A FORTNIGHTLY NEWS CLIPPING SERVICE

FROM

CENTRAL LIBRARY

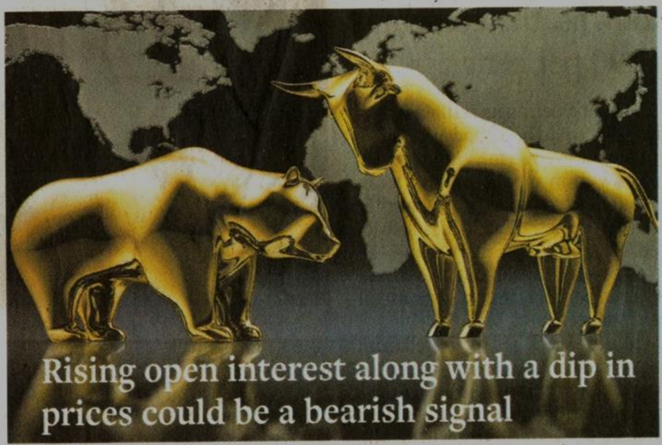
INDIAN BUREAU OF MINES

VOL. 5, NO-9 , 1st – 15th MAY , 2021

BUSINESS LINE DATE : 2/5/2021 P.N.6

Gold staring at short-term barrier

AKHIL NALLAMUTHU
BL Research Bureau



Rising open interest along with a dip in prices could be a bearish signal

ISTOCK.COM/PETERSCHREIBER.MEDI

Lower prices seemed to have coaxed bullion consumers back into the stores in the first quarter of 2021. The latest demand-supply statistics released by World Gold Council (WGC) show that jewellery demand was 52 per cent higher at 477.4 tonnes compared to the same quarter in 2020. However, there was a sequential decline, as the demand in Q4 2020 was 511 tonnes.

Jewellery demand has minimized the effect of outflows from exchange traded funds (ETFs) to the extent of 178 tonnes in Q1 2021. ETFs had seen an inflow of 299 tonnes in the corresponding quarter last year. Demand in the form of bars and coins stood at 339.5 tonnes, up 89 per cent as against 250.5 tonnes in Q1 2020. Overall, quarterly demand dropped by 23 per cent to 815.7 tonnes compared to about 1,060 tonnes in the first quarter of 2020. Notably though, after witnessing a decline for six consecutive quarters, total demand in Q1 2021 stayed at almost the same level of the previous quarter.

Despite positive signals on demand, the impending effect of the pandemic weighed heavily and both gold and silver saw price declines last week. The rupee strengthened 1.3 per cent against the dollar last week, therefore, the bullion price decline in terms of domestic currency was higher. Gold futures dropped 1.7 per cent and closed at ₹46,737 (per 10 grams) on Friday whereas it closed flat in dollar term as it closed at $1,769 (per troy ounce). Similarly, silver futures declined 2.1 per cent ending the week at ₹68,366 (per kg) but in dollar terms as it closed flat at $25.92 (per troy ounce).

Considering that the US Federal Reserve is in no hurry to cut back on bond-buying or raise rates, weakness in the dollar could persist and this means the bullion could underperform for rupee investors.

MCX-Gold (₹46,737)

Facing a resistance band at ₹48,300 and ₹48,500, the domestic gold futures (June expiry) declined over the last few trading sessions. Importantly, the price is now below the support of ₹47,000. While this is not an alarming development, one should shy away from going long unless there are solid signals of the bulls regaining traction.

The shakiness shown by price action is also mirrored by other technical indicators. The daily relative strength index (RSI) which has been rising since the beginning of April, has now formed a lower low even though the price has not. Similarly, the moving average convergence divergence (MACD) indicator on the daily chart, though remains in the bullish zone, is turning its trajectory downwards. These are signs that traders should not ignore. As another indication for caution, the open interest for active gold futures contracts has gone up, though slightly, to 13,826 contracts from 13,766 contracts a week before. Open interest rising up with declining prices is a bearish signal.

Despite the above factors, one should wait until the support at ₹46,000 (where the 50-day moving average coincides) is breached to call it a bearish trend. Hence, traders can stay on the fence until a clear trend emerges. While a break below ₹46,000 can turn the trend in favour of the bears, if the contract regains traction and moves past ₹48,500 it could set the foundation for a medium-term uptrend. Supports below ₹46,000 are at ₹45,000 and ₹44,100; resistances above ₹48,500 are at ₹50,000 and ₹51,600.

MCX-Silver (₹68,366)

The silver futures (July expiry) had a muted opening and was trading in a tight range in the first two sessions of the week. However, the price declined in the subsequent days thereby ending the week with a loss of 2.1 per cent. But like gold futures, the silver futures too remain above a key support i.e. ₹67,000, and as long as the contract stays above this level, the decline cannot be counted as a trend reversal.

But the contract is exhibiting some signs of weakness. The daily RSI has now dropped to neutral region from bullish territory and the MACD on the daily chart suggests that the uptrend is losing momentum. The average directional index (ADX) shows that the bears are gaining ground against the bulls and if the support at ₹67,000 is taken out, the downward movement may accelerate. A drop in open interests can be seen which means the sell trend is not substantially strong. That is, the total open interest of the active contracts of silver reduced to 9,073 from 10,496 a week before.

Hence, one need not turn bearish until the support at ₹67,000 is breached. For the contract to re-establish its bullish trend it should decisively breach the prior high of ₹71,500. So, traders can remain on the sidelines until either of these levels are breached. New trades can be initiated depending on which level is broken first. Supports below ₹67,000 are at ₹65,000 and ₹63,450 whereas resistance levels above ₹71,500 are at ₹72,800 and ₹75,000.

BUSINESS LINE DATE : 3/5/2021 P.N.2

Singareni Collieries shines in April despite Covid disruptions

OUR BUREAU
Hyderabad, May 2

The Singareni Collieries Company Limited achieved considerable growth in April this year in terms of coal production, dispatches and overburden removal in spite of disruptions due to the Covid-19 pandemic.

During April 2021, the State-owned mining company transported 54.43 lakh tonnes of coal, a growth of 79.11 per cent when compared to 30.4 lakh tonnes in April last year, and coal production was at 48.56 lakh tonnes, up 61.9 per cent over 30 lakh tonnes in April last year.

Similarly, this April, it managed to achieve 347 lakh cubic metres of overburden removal compared to 272.2 lakh cubic metres in April last year, a growth of 27.5 per cent.

Praise for workers

As against sales of coal of ₹1,201 crore last year in April, this year it achieved a sale of ₹1,693 crore, registering a growth of 41 per cent.

During April 2021, the mining company transported 54.43 lakh tonnes of coal

Congratulating the workers for good performance in spite of the difficult times due to Covid-19 disruptions, N Sridhar, Chairman and Managing Director of SCCL, said that the mining company managed to meet the demand for coal due to the increase in demand from the power generation plants in the country.

"We ensured that there was no coal shortage for the State's power generation companies. Approximately, 1.80 lakh tonnes of coal per day was transported and on an average 31 rail rakes per day were moved. In all, 940 railway rakes of coal was transported last month," he said.

Sridhar said that the colliery have been set a target of 1.90 lakh tonnes of coal produced per day and 13.5 lakh cubic metres of overburden removal daily.

Referring to Singareni Thermal power plant, he said it managed to achieve a plant load factor (PLF) of 98.53 per cent and generated 822.94 million units of power. In April, of the total production, 777.21 million units was supplied to the State's needs. During April, 46.95 megawatts of power was generated from Singareni solar power plants. By October this year, the mining company expects to commission and synchronise 300 megawatt solar power generation capacity.

LOKMAT
DATE : 4/5/2021 P.N.3

यंदाही उत्खननाला सुरुवात नाही

जुन्या कामांचे जीएसआयकडून विश्लेषणही नाही

लोकमत न्यूज नेटवर्क

नागपूर : कोरोना संक्रमणाचा मोठा परिणाम भारतीय भूवैज्ञानिक सर्वेक्षण (जीएसआय) च्या कामावर पडला आहे. २०२०-२१ या आर्थिक वर्षात कोणत्याही साइडवर उत्खनन करता आले नाही. आता नव्या २०२१-२२ या वित्तीय वर्षासाठीही खोदकामाचा कोणताही प्रस्ताव तयार झालेला नाही.

जीएसआय संभावित ठिकाणांवर खोदकाम करून हिरा, कोळसा, कॉपर आदी खनिजांचा शोध घेऊन तसा अहवाल तयार करते आणि सरकारला सादर करते. मात्र, मागील वर्षाच्या प्रारंभात झालेल्या कामांचे तांत्रिक विश्लेषण झाले नाही. सूत्रांची दिलेल्या माहितीनुसार, अनलॉक काळामध्ये वणी येथे आउटसोर्स करण्यात आलेल्या एका कंपनीच्या माध्यमातून कोळशाचा शोध घेण्यासाठी खोदकाम करण्यात आले होते. मात्र, हे काम पूर्णत्वास जाऊ शकले नाही. यासोबतच छिंदवाडा जिल्ह्यात आणि चंद्रपूर जिल्ह्यातील कामही अपूर्ण आहे. मागील अनेक दिवसांपासून जीएसआय कार्यालयामध्ये शुकशुकाट आहे. मोजके अधिकारीच कामावर येत आहेत.

Steel makers hike prices of HRC, CRC by up to Rs 4,500 per tonne

NEW DELHI, May 4 (PTI)

DOMESTIC steel makers have hiked the prices of Hot Rolled Coil (HRC) and Cold Rolled Coil (CRC) by Rs 4,000 and Rs 4,500 per tonne, respectively, industry sources said on Tuesday.

After the price revision, a tonne of HRC will cost Rs 67,000 while the buyers will get CRC for Rs 80,000 per tonne. The price revisions have been made in the last three days, the sources said. According to the sources, the prices of HRC and CRC could again be increased by Rs 2,000-4,000 per tonne. Another hike is likely in mid-May or early June, they added.

HRC and CRC are flat steel used in consumer-friendly industries such as auto, appliances and construction. The prices of the vehicles and consumer goods are bound to be impacted by the rise in steel prices as steel is a raw material for these sectors, an expert said.

When contacted, a Steel Authority of India (SAIL) official said, "it is market driven" and did not comment further. While JSW Steel declined to comment, AMNS India and JSPL did not reply to a query on the reason for the price hike.

Reacting to the price hike, realtors' apex body CREDAI said since January 2020, there has been a steep hike in the prices of construction raw materials. Prices of steel are at an all-time high and have nearly doubled since then.

As a result of steel price hike alone, construction costs have increased by 3-5 per cent, while the shortage of labour and disrupted supply chain of materials is only making the situation more difficult for the real estate sector, it said.

"Developers will have no choice but to escalate prices to offset hike in prices of raw material. This will therefore have a cascading effect on the home prices also. The affordable housing segment will be the worst hit as it would be financially unviable for developers to operate such projects which have very low margins," CREDAI President Harsh Vardhan Patodia said.

The Confederation of Real Estate Developers' Associations of India (CREDAI) urges the Government to take necessary steps to control the exponential hikes in the prices of construction raw materials, he said.

BUSINESS LINE DATE : 6/5/2021 P.N.5

Aluminium — the metal for an 'Atmanirbhar Bharat'

RAMEESH KAILASAM

The primary source for aluminium is bauxite ore, which is processed to produce alumina that is smelted using an electrolysis process to produce pure aluminium metal.

Since most of bauxite is found on surfaces of earth, strip mining is possible and the top soil can be replaced for rehabilitation and land returned to its native ecosystem. Usually six-seven tonnes of bauxite produces one tonne of aluminium.

Aluminium is the second most-used metal in the world after iron. Starting with consumer electronics, household appliances, cooking utensils, doors and windows, food packaging, foils, cans, office work stations, automotive, transportation, electrical to industrial uses in the form of industrial appliances, aircraft, ships, trains, defence, communication equipment to spacecraft and so on.

As India aspires to become Atmanirbhar to manufacture locally, a significant contribution would come from sourcing aluminium locally.

Despite having massive bauxite deposits, India is dependent on imports for meeting its requirements. For India to become Atmanirbhar and a manufacturing powerhouse, aluminium will play a key role.

Aluminium today has replaced plastic, wood and steel as it is safe and has an important role in electronics manufacturing.

The price for bauxite is determined by the Mines and Minerals (Development and Regulation) MMDR Act and the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 which essentially define the formula for setting the average sale price (ASP) for metallurgical grade bauxite.

Pricing pain

Interestingly, bauxite is the only bulk mineral where ASP is determined via a formula from the selling price of the end product — Aluminium.

The current method, unlike other minerals, includes costs beyond ex-mines and expenditures such as logistics, transportation, loading, unloading, rental for stocking, sampling charges which results in an inflated price by a stark 300-400 per cent making it much dearer. This has translated into limited or no auctions putting off further investments.

The ASP calculation method has potentially made aluminium production comparatively unviable. This requires immediate correction wherein the ASP of Metallurgical grade bauxite needs to be calculated as per the monthly returns filed to India Bureau of Mines (IBM) by all miners which shall reflect the true market price.

Additionally, a National Mineral Index can be considered for capturing production from all sources of captive, non-captive mines etc. which may give the correct valuation of minerals and also address concerns of royalty on royalty as done in coal sector through the National Coal Index.

India continues to import aluminium and aluminium scrap thanks to a low import duty. A high GST Compensation cess on coal further makes cost of producing aluminium locally higher than the world average. This backed by high input costs of caustic soda, petroleum coke, alumina generously contribute to making Indian aluminium one of the most expensive metals thereby discouraging manufacturers to source from India.

The government has been announcing Production Linked Incentives (PLI) across sectors. Many sectors need aluminium as a raw material which will continue to be sourced through imports rather than local production unless these anomalies are urgently fixed.

It is important for the government to address these issues to make India a competitive destination wherein raw materials can be sourced locally at competitive prices. Aluminium through bauxite is therefore the necessary metal for manufacturing an Atmanirbhar Bharat.

The writer is a public policy professional

BUSINESS LINE DATE : 6/5/2021 P.N.2

Tata Steel rebounds with ₹7,162 cr Q4 profit

Board declares dividend of ₹25 per share

OUR BUREAU

Mumbai, May 5

Tata Steel has reported a consolidated net profit of ₹7,162 crore for the quarter ended March against net loss of ₹1,615 crore logged in the same period last year, on the back of higher sales and better realisation.

Income from operations was up 39 per cent at ₹48,951 crore (₹35,108 crore).

The company has announced dividend of ₹25 per share. A dividend of ₹6.25 will be paid on partly paid-up shares.

In India, the company achieved the highest ever quarterly crude steel production of 4.75 million tonnes (mt), while sales was up 16 per cent at 4.67 mt on the lower base.

The company achieved highest-ever domestic quarterly EBITDA of ₹12,295 crore (₹4,568 crore) which more than doubled compared to last year. Ebitda per tonne was up at ₹26,309 (₹11,339).

The company's consolidated EBIDTA was at ₹14,290 crore and generated free cash flow of ₹8,800 crore after capex.

TV Narendran, MD, Tata Steel

"The second wave of Covid in India is a risk and the company is working to minimise the impact on employees and communities while meeting the requirements of customers"

Steel sales in Europe grew 3 per cent to 2.47 mt with EBITDA of ₹125 million.

Covid impact

TV Narendran, Managing Director, Tata Steel, said the first half of last financial year was a challenging with uncertainties and complexities brought in by the Covid pandemic. The second wave of Covid in India is a risk and the company is working to minimise the impact on employees and communities while meeting the requirements of customers, he added.

"Work on the pellet plant and CRM complex at Kalinganagar is progressing well. We have also restarted our 5 mtpa expansion project which should be completed in FY24," he said.

Debt paring plans

The free cash flow during the financial year was about ₹24,000 crore and the company repaid loans worth ₹28,000 crore.

The net debt of the company was down 28 per cent at ₹75,389 crore.

Tata Steel plans to reduce debt by $1 billion (about ₹7,400 crore) and enhance capital allocation to complete the 5 mtpa expansion in Kalinganagar.

BUSINESS LINE DATE : 6/5/2021 P.N.8

BLISTERING RALLY

Iron ore sets sights on $200 as steel soars

Miners struggle to match frenzied pace of demand

BLOOMBERG

A surge in steel consumption as the world emerges from its pandemic-induced slump is set to drive iron ore to an unprecedented high as the biggest miners struggle to keep up with the frenzied pace of demand.

Expectations are building that benchmark prices can get to $200 a tonne – topping the record $194 hit more than a decade ago – as Chinese steelmakers ramp up production in defiance of government attempts to rein in output to control the industry's carbon emissions. That's tightening an iron ore market that hadn't fully recovered from a supply shock more than two years ago.

"Iron ore prices could go higher in the short-term and exceeding $200 a tonne is definitely possible," said Kim Christie, a senior analyst at consultancy Wood Mackenzie Ltd. It would only take extra supply concerns, or additional strength in Chinese steel production, for prices to get there, she said.

14% increase

At the heart of spot iron ore's 14 per cent climb last month, helping drive the supercharged commodities rally, has been rising steel prices from Asia to North America. Particular focus has been on China, where the economy has boomed and a swath of measures aimed at cleaning up the world's biggest steel industry pushed mill profitability to the highest in more than a decade. "What these high margins do is incentivise mills to build up stocks and to charge more high-grade ore to lift productivity," said Erik Hedborg, principal analyst at CRU Group. "We have seen a bit of an 'additional iron ore demand' for the purpose of increasing inventories."

Futures

Iron ore futures on the Singapore Exchange advanced 0.4 per cent to $186.50 a tonne on Wednesday amid muting trading, with China shut for a holiday. Benchmark 62 per cent spot iron ore was at $187.20 a tonne on Friday, while 65 per cent ore was at $223.30. Mills typically turn to material with higher iron content during periods of steel production restrictions as a way to lower emissions. Morgan Stanley has called China's supply reforms a possible "game changer" for demand for premium ore.

Citigroup expects benchmark prices to hit $200 within weeks. There will be a deficit of 18 million tonnes during the first three quarters of 2021 amid improved global steel demand and a slight miss in top miners' shipments.

BHP Group and Rio Tinto Group said last month that quarterly shipments dropped on weather-related disruptions in Australia, though both maintained full-year guidance. Vale SA churned out less ore than expected, highlighting its struggles to boost volumes after a tailings dam disaster in early 2019.

Defying cuts

China is on track to make more than one billion tonnes of steel for the second year in a row despite production curbs in several provinces. The government's recent changes to rebates on export taxes are also unlikely to be sufficient to deter output, according to Wood Mackenzie's Christie. More broadly, Chinese authorities have flagged plans to strengthen controls on raw material markets. The China Iron and Steel Association has said steel-makers are facing operational pressures due to elevated input costs.

BUSINESS LINE DATE : 6/5/2021 P.N.8

COMMODITY CALL

MCX crude oil futures may breach ₹5,000

AKHIL NALLAMUTHU
BL Research Bureau

The continuous futures contract of crude oil on the Multi Commodity Exchange (MCX), which established its latest uptrend in November 2020, faced its first considerable challenge in March this year. The rally topped out at ₹4,985 and fell to make a low of ₹4,219 during the final week of March. That is, the contract lost a little over 15 per cent in a span of two weeks. However, the contract found support at the price band of ₹4,200 and ₹4,220 and started to consolidate.

Consolidation continued till mid-April and then the contract started to show some positive signs. It gradually started to head upwards and as a consequence, it moved above the resistance of ₹4,850 on Wednesday. Supporting the positive inclination, the price has moved above both 21- and 50-day moving averages and the daily relative strength index is showing a fresh uptick.

The moving average convergence divergence indicator, though stayed in the positive zone, was flat until two weeks back. It has now started to move upwards, indicating fresh bullish momentum. Also, the average directional index is showing that the bulls are gaining good traction.

Due to the above factors, the chances of a rally from here are good and so, traders can consider fresh longs. Buy MCX crude May futures with stop-loss at ₹4,680. While ₹5,000 can resist the bulls, it is highly likely to be breached and the contract can rise to ₹5,200 in the near-term.

LOKMAT DATE : 7/5/2021 P.N.1

मुंबईत २१ कोटींचे युरेनियम जप्त

अण्वस्त्रे बनविण्यासाठी होतो वापर; दोघांना अटक

लोकमत न्यूज नेटवर्क

मुंबई : राज्य दहशतवादविरोधी पथकाने मुंबईतून सात किलो युरेनियमसह दोघांना अटक केली. मानवी जीवितास धोकादायक असून, किरणोत्सर्ग करणाऱ्या या पदार्थाचा वापर अण्वस्त्रे बनविण्यास केला जातो. आंतरराष्ट्रीय बाजारपेठेत त्याची किंमत २१ कोटी ३० लाख इतकी आहे. युरेनियमसाठी ग्राहकांच्या शोधात असताना दोघांना एटीएसच्या पथकाने ताब्यात घेतले. त्यांच्यावर गुन्हा दाखल करण्यात आला असून न्यायालयाने त्यांना पोलीस कोठडी सुनाविली.

पोलीस निरीक्षक संतोष भालेकर यांना ठाण्यातील जिगर पंड्या (वय २७) नावाची व्यक्ती युरेनियमचे तुकडे विकण्याचा प्रयत्न करीत असल्याची माहिती मिळाली होती. भालेकर आणि त्यांच्या पथकाने सापळा रचून पंड्याला अटक केली. त्याच्या चौकशीत मानखुर्दच्या अबू ताहिर अफजल चौधरीने (२७) हे तुकडे पुरविल्याचे समोर आले. चौकशीत अबुने ते तुकडे मंडाला येथील कुर्ला स्क्रॅप मर्चंट असोसिएशन (मानखुर्द) लोहार गल्लीत ठेवल्याचे सांगितले. त्यानुसार, तेथून ७ किलो १०० ग्रॅम युरेनियम जप्त करण्यात आले. भाभा अणुसंशोधन केंद्र (बीएआरसी) येथील प्रयोगशाळेत या पदार्थाची चाचणी केली असता तो नैसर्गिक स्वरूपातील व शुद्ध युरेनियम असल्याचे स्पष्ट झाले.

खासगी प्रयोगशाळेची घेतली मदत

दोन्ही आरोपींनी त्यांच्याकडील धातू हा युरेनियमच आहे की नाही, हे तपासून पाहण्यासाठी एका खासगी प्रयोगशाळेशी संपर्क साधला असल्याची माहिती समोर आली आहे. त्यानुसार एटीएसच्या पथकाने त्यांचा मोर्चा त्या प्रयोगशाळेकडे वळविला आहे. आरोपींना हे युरेनियम आहे हे कसे समजले? तसेच त्यांनी हे कोठून व कसे तयार केले? याबाबत अधिक तपास सुरू असल्याचे एटीएसचे पोलीस उपमहानिरीक्षक शिवदीप लांडे यांनी सांगितले.

BUSINESS LINE DATE : 8/5/2021 P.N.7

Slashing of steel export rebate by China augurs well for India

Provides enough room for companies to raise prices as global rates pick up

OUR BUREAU

Mumbai, May 7

China's withdrawal of export rebates of 13 per cent on 146 steel products and scrapping import duty cut on crude steel, pig iron and scrap augurs well for Indian steel companies. The withdrawal of incentives by India's eastern neighbour would push up steel prices globally and provide enough room for Indian steel companies to raise prices even as the fall in demand remains a concern.

China's export

The Indian steel companies will have to depend on export market. China's steel exports have been on an upward trend in the current year and grew 24 per cent in March quarter, partly due to lower base and rise in demand from other countries.

The expectations of a cut in export rebates by China to rein in steel production, a move aligned to meet its long-term carbon neutrality targets also pushed up exports, said ICRA.

In 2020, when other countries reported a fall in steel output, China's crude steel production reported a growth of 5.2 per cent. In March quarter, its crude steel production increased 16 per cent due to a lower base.

Consumption to grow

As per the World Steel Association, China's steel consumption is expected to grow by 3 per cent this year. It recorded a demand growth of 15 per cent in March quarter.

Jayanta Roy, Senior Vice-President, ICRA, said the Chinese Government intends to keep steel capacities under check with stricter production curbs and it may not have excess steel volumes to divert to export markets. As a result, international steel prices are expected to remain buoyant in the near term, which in turn would support India's steel prices, he said.

China's steel exports have been on an upward trend in the current year and grew 24 per cent in the March quarter, partly due to lower base and rise in demand from other countries

Hot rolled coil(HRC) export price from China has touched $915 a tonne without export rebate of 13 per cent while it's domestic price was close to $900 a tonne as of April-end.

As on May 1, India's HRC export price was higher at $950 a tonne compared to China. Domestic realisation of steel companies was lower at $900 a tonne.

Indian steel mills would be able to offload large steel volumes to export markets and still remain highly profitable, said ICRA.

THE ECONOMIC TIMES DATE : 8/5/2021 P.N.4

JSW Steel, JFE Steel Plan Grain-based Electrical Steel Sheet Making Here

Our Bureau

Mumbai: JSW Steel has signed a memorandum of understanding (MoU) with JFE Steel Corporation to conduct a feasibility study and to establish a grain-oriented electrical steel sheet manufacturing and sales joint venture (JV) company in India.

"This feasibility study for a JV with JFE Steel for manufacturing grain-oriented electrical steel sheet in India will strengthen our position as India's leading manufacturer of advanced steel products that lead to reduced CO2 emissions and a more sustainable world," Seshagiri Rao, joint managing director, JSW Steel, said in a statement on Friday. The company plans to complete the study within this financial year and take steps to set up the JV company subject to requisite approvals.

Cos ink MoU to conduct feasibility study for proposed JV

JSW Steel expects the demand for electrical steel to increase in the coming years.

"The steadily increasing demand for electric power, the growing adoption of renewable energy and the electrification of automobiles, continued growth is forecasted in India and globally for grain-oriented electrical steel sheet primarily used in transformers," the company said in the statement.

Electrical steel products contain additives such as silicon and aluminium.

Grain-oriented electrical steel exhibits magnetic properties in a single (rolling) direction, making it ideal for the iron cores of power transformers.

JSW Steel and JFE Steel have been in alliance since they signed a comprehensive strategic collaboration agreement in 2009, under which JFE Steel took an equity stake in JSW Steel and has provided technical cooperation with regard to automotive steel products.

In 2012, JSW Steel and JFE Steel entered into an agreement where JFE Steel has provided technology for the production of non-oriented electrical steel sheets.

BUSINESS LINE DATE : 8/5/2021 P.N.7

Profit booking leads to drop in prices of G-Secs

Rates had risen in last couple of days

OUR BUREAU

Mumbai, May 7

Government securities (G-Sec) prices declined on Friday, despite the weekly auction G-Sec sailing through comfortably, as market players decided to book profits.

G-Sec prices had risen over the last couple of days due to Reserve Bank of India(RBI) Governor Shaktikanta Das' announcement that RBI will increase the quantum of G-Secs it will purchase at the second auction under the G-Sec Acquisition Programme (GSAP) to ₹35,000 crore against ₹25,000 crore it purchased at the first auction.

However, the gains made by G-Secs over the last couple of days were nullified due to profit booking.

Price of the widely traded 2030 G-Sec (coupon rate: 5.85 per cent) fell almost 30 paise to close at ₹98.805 (previous close: ₹99.10), with its yield hardening to close above 6 per cent at 6.0156 per cent (5.9742 per cent). Bond price and yield are inversely related and move in opposite directions.

Marzban Irani, CIO-Fixed Income, LIC Mutual Fund, said: "The auction sailed through smoothly. Market participants are mindful that if they bid higher (in terms of yield) at the auction, RBI will either devolve or reject all the bids."

Operation Twist

In the Operation Twist (special open market operation to simultaneously buy long-term G-Secs and sell short-term G-Secs/Treasury Bills) conducted on Thursday, RBI bought only the 2030 G-Sec for ₹10,000 crore. As per the original announcement, RBI also intended to buy two other G-Secs (maturing in 2026 and 2028). "This shows that RBI is supporting only the benchmark G-Sec," said Irani.

All four G-Secs-5.63 per cent G-Sec (₹11,000 crore), Government of India Floating Rate Bonds 2033 (₹4,000 crore), 6.64 per cent G-Sec 2035 (₹10,000 crore) and 6.67 per cent G-Sec 2050 (₹7,000 crore)-were subscribed fully.

LOKMAT DATE : 8/5/2021 P.N.4

युरेनियम प्रकरणाचा एनआयएकडून समांतर तपास

भंगारातून मिळाल्याचा दावा

लोकमत न्यूज नेटवर्क

मुंबई : एटीएसने जप्त केलेल्या ७ किलो युरेनियमप्रकरणी राष्ट्रीय तपास यंत्रणेनेही (एनआयए) समांतर तपास सुरू केला आहे. शुक्रवारी दहशतवाद विरोधी पथकाकडून (एटीएस) यासंबंधीची माहिती घेण्यात आली, तर दुसरीकडे जप्त केलेल्या २१ कोटींच्या युरेनियममागे अन्य काही हेतू होता का?, याबाबत एटीएस अधिक तपास करत आहे.

एटीएसला फेब्रुवारीमध्येच याबाबत माहिती मिळाली होती. मात्र, दोघांवर कारवाई करण्यापूर्वी ते खरेच युरेनियम आहे का?, याची तपासणी होणे गरजेचे होते. एटीएसच्या अधिकाऱ्यांनी गुजरातमधील व्यापारी असल्याचा बनाव करत आरोपींशी संपर्क साधत कारवाई केली. त्यांच्याकडून युरेनियमचे सॅम्पल मिळताच ते भाभा अणुसंशोधन केंद्रात (बीएआरसी) पाठविण्यात आले. दोन महिन्यांनी त्याचा अहवाल मिळताच एटीएसने दोघांना अटक केली. अटक आरोपी जिगर पंड्या आणि अबू ताहीर अफसल हुसैन चौधरी दोघेही उच्चशिक्षित असून, त्यांनी एमबीए केले आहे. दोघेही कॉलेजमध्ये असल्यापासून एकमेकांना ओळखतात. ताहीर इम्पोर्ट आणि एक्स्पोर्टचे काम पाहत होता. आतापर्यंत समोर आलेल्या माहितीत ताहीरच्या वडिलांचा गोवंडी परिसरात भंगाराचा व्यवसाय आहे. ५ ते ६ वर्षांपूर्वी त्यांच्या दुकानात एक ट्रक भरून भंगार आले होते. ज्यामध्ये त्यांना युरेनियम मिळाले होते. हा पदार्थ वेगळा असल्यामुळे त्यांनी तो सांभाळून कपाटात ठेवला होता. तो युरेनियम आहे, याबाबत ते अनभिज्ञ होते, अशीही माहिती समोर येत आहे.

लॅबचालकाची घेतली मदत

ताहीरने एटीएसला दिलेल्या माहितीनुसार, फेब्रुवारी २०२१ मध्ये जेव्हा त्याने हा पदार्थ पाहिला, त्यावेळी त्यासंदर्भात माहीत करून घेण्यासाठी त्याने इंटरनेटवर सर्चिंग सुरू केले. त्यात काहीच न समजल्याने त्याने मित्र जिगरला माहिती दिली. तो आयटी कंपनीत कामाला होता. जिगरच्या ओळखीत असलेल्या एका लॅबचालकाला हाताशी धरून त्याने याची माहिती घेण्याचे काम सुरू केले. तपासणीनंतर त्यांना हा युरेनियम असल्याचे, तसेच आंतरराष्ट्रीय बाजारात त्याची किंमत २१ कोटी असल्याचे समजले आणि त्यांची झोपच उडाली. त्यांनी ग्राहकाचा शोध सुरू केल्याचे सांगितले.

THE TIMES OF INDIA
DATE :10/5/2021 P.N.9

Copper hits lifetime high over bets on green energy

Copper soared this week to an all-time high, continuing a sizzling rally that's seen prices double in the past year. The previous record was set in 2011, around the peak of commodities supercycle sparked by China's rise to economic heavyweight status — fueled by massive amounts of raw materials.

Investors are betting that copper's vital role in world's shift to green energy will mean an surging demand and even higher prices. Copper futures rose as high as $10,440 a ton in London on Friday.

The reddish brown metal is mostly unrivaled as an electrical and thermal conductor, while also being durable and easy to work with. Today, a vast array of uses in all corners of heavy industry, construction and manufacturing mean it's a reliable indicator for trends in the global economy. Copper market was one of the first to react as Covid emerged in Wuhan, with prices slumping by over a quarter between January and March last year. BLOOMBERG

THE HINDU DATE : 10/5/2021 P.N.12

Gold, silver sign off April on positive note

B. KRISHNAKUMAR

After three consecutive months of losing streak, the precious metals closed on a positive note for April 2021. The weakening of the U.S. dollar and the drop in the U.S. Treasury yields played a key role in pushing the precious metals to higher levels in April.

As a result, Comex gold gained 3% in April to close at $1,767.7 an ounce. The rise in Comex silver was much sharper, with the white metal gaining 5.5% to settle at $25.88 an ounce at the end of April.

Mirroring the global trend, MCX gold futures gained 4% to close at ₹46,737 per 10 gm. MCX silver futures gained 5.7% to settle at ₹68,366 per kg at the end of April.

The Comex gold price achieved the target of $1,785-1,800 mentioned last month. The short-term outlook for Comex gold remains positive. A close above $1,800 level would strengthen this view. Above $1,800, Comex gold could head to the next target in the $1,845-1,855 zone.

The short-term positive outlook for gold would be under threat if the price closes below the immediate support at $1,710-1,720 zone. Until this support zone is breached, there would be a case for a rise to $1,855 or higher.

The short-term outlook for Comex silver too is positive and the price could head to the immediate target at $27.7-28.5. The outlook would be under threat if the price drops below the support of $24-$24.5. Until the support at $24 is not breached, there would be a strong case for a rise to $28.5 and beyond.

In tandem, MCX gold too closed on a strong note in April and the price achieved the target zone of ₹46,750-47,000 mentioned in the previous post. The short-term outlook for MCX gold is positive and the price is likely to move towards the next target zone at ₹48,500-49,500.

This view would be invalidated if the price falls below the support level in the ₹45,000-45,200 zone. The near-term outlook for MCX silver too is positive. MCX silver could rise to the immediate target at ₹71,500-72,000. This view would be invalidated if silver price moves below ₹63,500-64,000. A close above ₹69,900 would strengthen the positive case scenario.

To summarise, the outlook for precious metals is positive. But it remains to be seen if the recovery marks the reversal of prior downtrend or is just a short-term bounce.

(The author is a Chennai-based analyst/trader. Views and opinions are not meant to be trading or investment advice)

BUSINESS LINE
DATE : 11/5/2021 P.N.8

Buy nickel on declines; stop loss at ₹1,295

YOGANAND D
BL Research Bureau

Following a sharp fall in late February and early March this year, the continuous contract of nickel on the Multi Commodity Exchange of India (MCX) has found support at ₹1,150 levels. The contract took support at this base level and reversed direction in late March. It triggered positive divergence in the daily relative strength index.

Since then, the commodity has been going through a short-term uptrend. While trending up, the contract had breached a key resistance at ₹1,275 in late April and extended the uptrend. The contract trades well above the 21- and 50-day moving averages. The contract currently testing resistance at ₹1,340 level and the uptrend is losing momentum. The contract now trades at ₹1,320 levels. A minor corrective decline to the immediate support level of ₹1,310 can't be ruled out now.

Traders with a short-term perspective can make use of the declines to buy the contract with a stop-loss at ₹1,295 levels. A decisive breakthrough of the barrier at ₹1,340 will strengthen the uptrend and take the contract northwards to ₹1,360 and then to ₹1,380. Crucial resistance above ₹1,380 are placed at ₹1,400 and ₹1,440 levels.

On the downside, if the contract plunges below the vital medium-term support level of ₹1,275, it will alter the ongoing uptrend and drag the contract to ₹1,240 and then to ₹1,200 levels.

THE HITAVADA (CITYLINE) DATE : 12/5/2021 P.N.1 &

NMC focuses on bio-mining project to improve its Swachh ranking

File pic

■ **Staff Reporter**

WITH a view to improve its ranking in the Swachh Bharat Survekshan, the Nagpur Municipal Corporation (NMC) has completed the processing of 4.5 lakh metric tonnes (MT) already dumped waste with the help of bio-mining at Bhandewadi dumping ground.

NMC gave the contract of the country's largest bio-mining project to Zigma Global Environ Solutions Private Limited in 2019 to reclaim over 50 acres of land of Bhandewadi dumping yard.

Bio-mining is a process where the already-dumped waste is dug up and segregated. The waste is loosened by harrowing and sprayed with composting bio-cultures. Depending on its type, the waste is then sent for recycling, reusing or composting.

After carrying out a pilot experiment over four years back, the then Municipal Commissioner Shravan Hardikar had initiated a tendering process for bio-mining.

"The private company will be treating 10 lakh metric tonnes (MT) of solid waste in three years in which 4.5 lakh MT has already treated in two years and remaining will be done till the end of 2022," Dr Pradeep Dasarwar, Health Officer, NMC told *The Hitavada.*

"We are working hard to improve the National ranking of Nagpur in the list of Swachh Bharat Survekshan. We are hopeful that bio-mining project will help us to be in the top ten rank in the list," said Dr Dasarwar.

The pandemic and lockdown did not hamper the project and in the next year the company will treat about 5 lakh MT

(Contd on page 2)

NMC focuses on bio-mining project to improve its Swachh ranking

which is going to be an achievement.

NMC awarded this Rs 100 crore project to the company which has vast experience in the field and in this project it is using South Korean state-of-the-art technology for municipal solid waste treatment.

Maximum part of the waste will be used to obtain refuse derived fuel (RDF), which will be given to cement factories. Apart from this, the process will also produce soil which can be provided to the farmers.

Nagpur has been doing good in Swachh Survekshan since last 5 years, but, not having a proper solid waste treatment will have negative impact on Nagpur's ranking.

Bio-mining is a good technology for treating already dumped waste but we need to have a treatment system for 1,200 MT solid waste being generated every day, said Kaustav Chatterjee, Founder, Green Vigil Foundation.

"Proposed Waste to Energy Plant was also a good option wherein electricity was to be generated by treating solid waste by Mass Burn Technology but unfortunately the project could not take off," he added.

THE ECONOMIC TIMES DATE : 12/5/2021 P.N.10

Iron Ore Prices Jump Threefold in a Year

Tight supplies, increasing demand for steel likely to keep prices elevated in near term

Bhavya.Dilipkumar
@timesgroup.com

Mumbai: Indian iron ore prices have jumped nearly threefold in the past year amid tight supplies and increasing demand for steel, even as China's exchanges on Monday raised the trading limits and margin requirements for some iron ore contracts to cool the price rally. Indian analysts expect iron ore prices to stay elevated for the next two-three quarters.

"Iron ore prices are at a decade high globally. Iron ore prices are going to remain elevated at least till FY22. In India, currently NMDC lump ore prices are ruling around ₹6,970 per tonne from around ₹2,250 per tonne in May 2020. In the last 11 years, this is the highest we are seeing. Odisha iron ore prices would also be similar, even higher by a bit," said Ritabrata Ghosh, associate head - corporate ratings, ICRA, told **ET**.

Despite the recent uptick in domestic iron ore prices, it is still at a significant discount to the landed price of imports. Over the past month, both global players and NMDC have raised the price of iron ore fines by 17–18%. Sources have also said that there could be further hikes from NMDC in the coming days. The rise in iron ore prices is also likely to keep steel prices elevated in the short term, analysts said.

Steel mills hiked prices by around ₹4,500 a tonne at the beginning of May to bridge the gap between domestic and export prices. Benchmark HRC prices are quoting around ₹65,000 to ₹67,000 a tonne.

The main reason behind the iron ore price rise is attributed to the supply constraints. Both top iron ore producing states Odisha and Chattisgarh have not ramped up supply. Of 30 new mine holders, 8-11 are still non-operational. Globally, top iron ore producing countries have been hit. Production plans for 2021 of top iron ore making companies like Vale, BHP and Rio Tinto suggest limited incremental supply in the seaborne market. In the case of Vale, that Covid infection rates have still not subsided in Brazil is causing uncertainty. This, along with China's higher consumption, will keep the prices up, said a report by Edelweiss Securities.

"Iron ore supply ramp-up continues to underwhelm and is unable to keep up with mounting demand for high-grade iron ore in China…we are raising domestic iron ore FY22E/FY23E price by 20%/22%. And we are raising international iron ore FY22E/FY23E price by 17%/25%," said Amit Dixit, research analyst Edelweiss Securities.

BUSINESS LINE DATE : 12/5/2021 P.N.9

KADAPA STEEL PLANT

AP issues orders picking Essar Steel as JV partner

OUR BUREAU

Hyderabad, May 11

The Andhra Pradesh Government has issued orders to induct Essar Steel as strategic partner for developing a high-grade steel plant under a joint venture in Kadapa district.

State special Chief Secretary R Karikal Valavan, in an order issued today, stated, the Government, as recommended by SBICAP, has declared Essar Steel Limited as the JV partner for YSR Steel Corporation Limited, the special purpose vehicle to implement the project.

The AP Reorganization Act, 2014 had provided for the feasibility of establishing an integrated steel plant in YSR Kadapa District of the successor State of Andhra Pradesh, formed after Telangana was carved out as a separate State.

This is a culmination of nearly seven years of effort and paves the way for the setting up of a Steel Plant envisaged after the unified Andhra Pradesh was split to create Telangana

This is a culmination of nearly seven years of effort and paves the way for the setting up of a Steel Plant at Sunnapurallapalle and Peddanandluru villages of Jammalamadugu Mandal of YSR Kadapa district.

Land allotted

The State Government had earlier issued orders alienating over 3,150 acres to YSR Steel.

Essar Steel was picked from among seven companies, including two foreign players, that initially submitted Expressions of Interest.

BUSINESS LINE DATE : 13/5/2021 P.N.5

How ore auctions undermine market

The current round has skewed the market in favour of captive users vis-a-vis merchant miners

ASHOK KUMAR BAL

The March 2021 amendments to the MMDR Act are expected to bring in transformative reforms for the Indian mining sector. Odisha, with huge iron ore resources, has already completed the first phase of iron ore auctions in 2020 and the next lot of auction is in the offing.

There are a few lessons from the previous auction. First, the 2020 auction gave rise to exorbitantly high winning bids, which are irrational and unsustainable. It witnessed bids in terms of revenue sharing premiums ranging from a low of 90.9 per cent to the highest of 155 per cent.

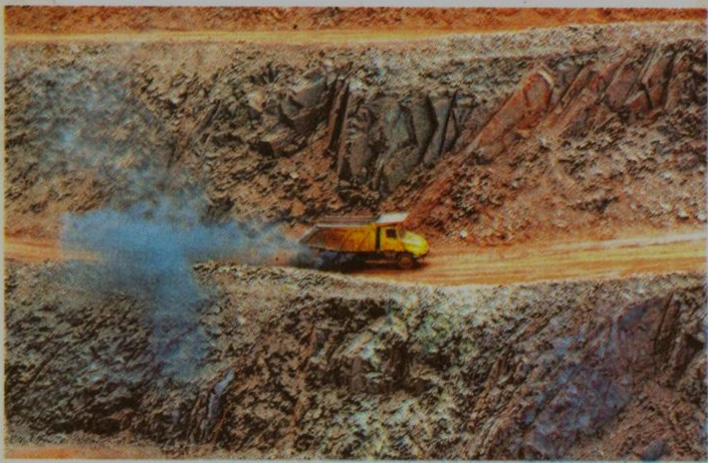
Revenue share is one component of the cost, the others being royalty, District Mineral Fund, National Mineral Exploration Trust, besides the cost of production itself which nearly accounts for an additional 25-30 per cent.

Such irrational bids of paying more than one earns, defies logic. The government seems to be euphoric that it would earn more revenue than the auctioned value of reserves during the lease period with negative returns to the miners. An analysis of Ministry of Mines statistics, based on data from auction of 103 blocks, shows that the total revenue to State governments is around ₹8.3-lakh crore *vis-à-vis* an estimated resource value of ₹8.04-lakh crore.

But sustainability of such a scenario is questionable for how can one pay more than one earns?.

Second, the mining space has witnessed an undesirable shift making it skewed, distorted and polarised. The space has been cornered by the end-users whereas the merchant miners have been relegated to the background. In Odisha, of the 1,942 million tonnes (mt) of iron ore reserves auctioned in the first phase, about 319 mt have been surrendered. Of the remaining 1,623 mt, end-users have bagged almost 1,450 mt, accounting for 85 per cent of the total reserve.

Merchant, or standalone, miners who had 100 per cent of these reserves in the pre-auction regime, now account for only 15 per cent. The classification of mining leases was the culprit. While captive mines were reserved exclusively for the end-users, the non-captive mines were open to both merchant as well as end-users. The end-users thus had the benefit of bidding for both categories of mines, whereas the standalone miners were eligible only to bid in the open category mines.



Survival of the fittest appears to be the new paradigm in the iron ore sector GRN SOMASHEKAR

The outcome was the end-users bagging most of the blocks. The skewed access and entitlement led to an irreversible distortion and absence of a level-playing field.

Third, the unsustainability of high bids has resulted in five out of the 21 auctioned mines having been surrendered or taken back by the government. All these mines were in the open category. Six bidders have not been able to commence production till date. This leaves only 10 mines wherein production could be commenced.

The tender stipulation that in the first two years the successful bidders should produce at least 80 per cent of average production of last two years have not been met by any of the bidders. This has led to the violation of the Mine Development and Production Agreement.

A rough estimate indicates that against the current EC capacity of about 56 mt iron ore of such auctioned mines, only 20 mt was produced during FY21, which is expected to increase to around 38 mt in the coming year.

The fourth lesson is that the standalone miners have become a vanishing species. Mining may no longer be an independent industry which is inconsistent with global practice. Iron ore mining in India has now become an appendage and adjunct of steel manufacturing.

Finally, it has led to a situation where the resource availability and assurance to the end-users is sought to be satisfied through the linkage of owning mines, captive or otherwise. The option of alternative resource linkage like the one by way of a fuel linkage supply arrangement in case of coal seems to have been ignored. Ownership of mines as a source of secured resource availability or assurance gets undue preference over the alternative approach of meeting the same objective. This is worrisome.

Too little, too late

By removing the distinction between captive and non-captive and providing additional payout by way of additional royalty on open market sales by captive miners, this asymmetry is sought to be addressed. It is however, too little and too late. The policy and legal framework have given rise to a much distorted marketplace where there are various categories of players. They are: (a) PSU merchant miners like NMDC and OMC, (b) PSU end-users like SAIL, (c) Non-auctioned captive mines, (d) Auctioned captive mines, (e) Auctioned merchant mines, and (f) Pre-auctioned continuing merchant mines.

As far as PSU mines (both captive and merchant) are concerned, they enjoy privilege of lease extension without s jecting themselves to the auction p cess. This privilege by virtue of the rent amendment comes with moderate cost of additional royalty sale in open market, the auctioned tive miners would pay 50 per cent and above the normal royalty for sal excess of 25 per cent of production u 50 per cent.

The non-auctioned captive miners also pay additional royalty of 150 cent or 250 per cent depending on type of product. The additional roy mechanism, however, does not provi level-playing field in an already disto mining space.

An analysis shows that the total utory liability, after factoring additi royalty, as a percentage of the sale p is very wide across various categorie mines mentioned above ranging fro low as around 20 per cent to as hig 175 per cent showing an unusual di entiated cost structure reconfirming sence of a level-playing field.

Going forward, the end-users will tinue to benefit from the auction by tue of their having the option and fle ility to absorb the higher cost of reve sharing in their product prices. The cent amendment may bring some so ing effect on the bidding numbers this may not address and correct the torted structure.

The sector is entering into a highly larised framework where a few dor ant players will have control over th source base as well as finished produ The emerging scenario may worsen plight of intermediate players like p and sponge iron manufactures who l been dependent on merchant miners their requirements. They will now b the mercy of big end-users. Their cos procurement and ultimate viability be a matter of concern. In such a s ario, the character and compositio players can hardly be termed as ge inely competitive in any future aucti

Survival of the fittest appears to be new paradigm. In the whole process respective of the fact as to who gains, inescapable truth is that the burden fall on the consumer who is going t the ultimate loser.

The writer is former Civil Servant

BUSINESS LINE DATE : 14/5/2021 P.N.8

Aluminium body seeks 5% tax rebate on exports

Seeks separate Budget funds to double shipments

OUR BUREAU

Mumbai, May 13

The Aluminium Association of India has urged the government to implementation the RoDTEP Scheme (Remission of Duties or Taxes on Export Products) for the Indian Aluminium industry on priority to survive these challenging times.

In a letter to senior officials of ministries of Commerce and Industry and Finance and Corporate Affairs, the association has expressed the urgent need for at least five per cent remisson rate for the aluminium sector under RoDTEP Scheme.

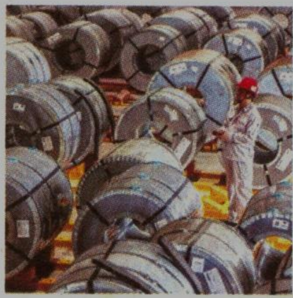
The AAI also requested a separate budget allocation for the aluminium industry, being a strategic sector, to double aluminium exports over the next 2-3 years.

The Government needs to notify the actual remission rates as per actual sectoral data submitted to the RoDTEP Committee.

The inordinate delay in notifying the sector-wise remission rates is creating a precarious situation and a high level of uncertainty for the Indian exporters, it added.

MEIS withdrawal

The situation for exporters further aggravates with the withdrawal of MEIS (Merchandise Exports from India Scheme), as to date the exporters are unable to avail of the MEIS benefit for exports already made during FY'20



and FY'21 (Apr-Dec) due to the blocking of the online MEIS module for applying claims, it said.

The Budget 2021-22 has allocated only ₹13,000 crore for RoDTEP Scheme against ₹50,000 crore announced by the Finance Minister in September, 2019. This allocation is just one-third of the ₹39,097 crore allocated in FY'20 for MEIS.

The high incidence of numerous unrebated Central and State taxes and duties impedes the growth potential of Aluminium sector in India, said AAI.

The various taxes constitute 15 per cent of aluminium production cost which is amongst highest in the world.

2% reward rate

Under MEIS, the aluminium exports were eligible for a 2 per cent reward rate which itself did not provide ample cushion to remain competitive against the current bearish market condition, said AAI.

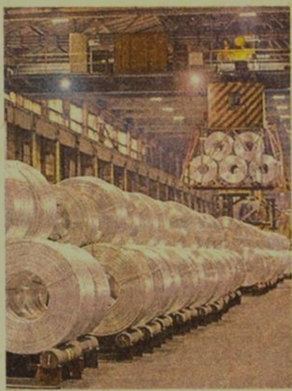
Aluminium exports alone contributed $5 billion to India's forex earning in FY'21, almost 2 per cent of India's export basket and have massive potential to double the exports to the tune of $10 billion in future.

THE ECONOMIC TIMES DATE : 14/5/2021 P.N.4

Vedanta Reports ₹6,432-cr Profit in March Quarter

Co back in black on rise in aluminium and zinc volumes, high commodity prices

Our Bureau



BLOOMBERG

Mumbai: Anil Agarwal-led Vedanta reported a consolidated net profit of ₹6,432 crore in the fourth quarter ended March against a net loss of ₹12,521 crore in the year-ago period, mainly driven by an increase in zinc and aluminium volumes along with record-high commodity price levels.

For the FY21, the company reported a net profit of ₹11,602 crore as against a loss of ₹6,604 crore in the previous financial year 2020.

"Our key businesses delivered record operational performance, maintaining the trajectory of cost and volumes, driven by structural integration and technology adoption," said the company's CEO Sunil Duggal.

The company's revenue for Q4 FY2021 was at ₹27,874 crore, up 24% sequentially and 43% on-year, primarily due to higher volume at aluminium business, Zinc India, iron ore business, higher power sales and improved commodity prices, the company said in a statement. Revenue for FY2021 was at ₹86,863 crore, up 4%.

The company has planned a capex of almost $2 billion (₹14,700 crore) for FY22.

"We have been able to conserve capex to a large amount. Capex was around $0.8-$0.9 billion in FY21. In the current year we are thinking to spend somewhere between $1.5 billion and $2 billion, both on project capex and sustaining together," Duggal told **ET**.

Very often the focus is on growth, the sustaining capex for FY22 will be around $0.9 billion (₹6,600 crore) and growth around $1.1 billion (₹8,100 crore). This is probably the highest capex in the last 5 years, he added. The $1.1 billion will include around $400 million for the oil & gas segment, almost $300 million for aluminium and zinc will be around $100 million, and the rest for other businesses.

Earnings before interest, taxes, depreciation and amortisation was recorded at ₹9,107 crore, up 18% sequentially and 88% on-year in Q4 of FY21 on the back of higher volumes at Zinc India, aluminium & iron ore business and higher commodity & oil prices.

THE ECONOMIC TIMES DATE : 14/5/2021 P.N.4

JSW Steel's US Operations Likely to See Revenue Treble to $1 billion

Bhavya.Dilipkumar
@timesgroup.com

Mumbai: JSW Steel's US operations will likely treble in revenue to about a billion dollars, perhaps by the end of FY22, helping the business report positive net income and earnings in the coming quarters. "I think the turnaround is definitely happening. The industry and the analysts will be able to see that turnaround post our first-quarter results. We are already Ebitda-positive from the time we restarted operations," Parth Jindal, the director of JSW Steel USA, told **ET**.

JSW Steel's subsidiaries include businesses comprising slab, coil, pipe and plate production and sales at Baytown, Texas, and Mingo Junction, Ohio. JSW Steel had scaled down investments in its US facilities and was focusing on measures to turn around the loss-making overseas business to break even by 2021. It undertook a modernisation and expansion plan for its US operations since FY 19. Last June, the company decided to shut down operations at the Mingo Junction and Baytown and resumed operations in March. "Our volumes are going up significantly. We are targeting to reach around a billion-dollar of turnover in the upcoming year," Jindal said.

JSW Steel's overseas operations in Baytown, Texas, had reported an Ebitda loss of $8.45 million in Q3 of FY 21 and Mingo reported an Ebitda loss of $21.26 million. "For the first time, JSW USA will not be a drag on the earnings of JSW Steel; rather, it will be contributing to the earnings of JSW Steel. In a couple of quarters, JSW Steel USA can officially say that the turnaround is completed," said Jindal.

BUSINESS LINE
DATE : 15/5/2021 P.N.8

Gold discount at 7-month high in India

REUTERS
May 14

Physical gold was sold at the biggest discount in over seven months in India this week as pandemic-led restrictions kept jewellery stores closed during a key gold-buying festival in the world's second biggest consumer. A Mumbai-based bullion dealer with a gold-importing bank said: "Retail sales are almost nil as jewellery stores are closed."

Discounts rose to $5 an ounce over official domestic prices- the biggest since the week of October1 - inclusive of 10.75 per cent import and 3 per cent sales levies, versus last week's $3 discount.

Meanwhile, the Bangladesh Jewellers Association raised local rates on all types of gold this week, tracking international markets, with the best quality gold priced at 71,442 taka ($842.2) per Bhori, or 11.664 grams. The association also said there was a supply shortage due to tax-related complexities on imports and a shutdown of international flights.

In China, premiums of $7.5-$10 an ounce were charged over benchmark spot gold prices, little changed from last week's $7-$10. "We've seen diminishing demand due to the strength in the renminbi. I don't think the current range will trigger a buying spree or dishoarding," said Bernard Sin, regional director for Greater China at MKS Switzerland.

THE ECONOMIC TIMES DATE : 15/5/2021 P.N.6

Forex Reserves Up $1.4 b on RBI Gold Assets Surge

Our Bureau

Mumbai: India's foreign exchange reserves rose by $1.444 billion to $589.465 billion in the week of May 7, the Reserve Bank of India's weekly statistical data showed on Friday.

The increase in the reporting week was mainly due to a rise in the value of gold assets held by the central bank.

Gold reserves rose $1.016 billion to $36.480 billion, as per the central bank data.

After a volatile end to the fiscal year, the central bank's foreign reserves have steadily grown over the first five weeks. The forex kitty is just short of its all-time high of $590.18 billion in January 2021.

Meanwhile, the central bank's foreign currency assets (FCA), which constitute a major component of the overall reserves, also increased in the reporting period.

FCA rose $434 million to $546.493 billion, the data showed.

The FCA reflects appreciation or depreciation of currencies like the euro, pound and yen held in the forex reserves, expressed in dollar terms.

Typically, the value of FCA for a said week is a function of currency depreciation and RBI's intervention in the currency market.

Special drawing rights (SDR) with the International Monetary Fund (IMF)—another component of the forex kitty — fell marginally by $4 million to $1.503 billion.

The reserve position with the IMF, too, reported a marginal decline of $1 million against the previous week to $4.989 billion, the data showed.

The rise in forex reserves is typically a factor of increase or decrease in portfolio investments from offshore investors and a growth in the foreign direct investments (FDIs) during the period. Central banks' purchase of gold reserves also affects the foreign exchange reserves.

A strong kitty allows the central bank to intervene quickly in forward and spot currency markets to arrest any slide in rupee devaluations.

India's central bank has been shoring up its foreign reserves for over a year and in the process has leapfrogged Russia and South Korea as the fourth-biggest holder of forex reserves, only behind China, Japan and Switzerland.

THE HITAVADA DATE : 15/5/2021 P.N.6

Urgent need for at least 5% remission rate for aluminium sector: AAI

Business Bureau

THE Aluminium Association of India (AAI) expressed urgent need for at least 5 per cent remission rate for the sector under the tax refund scheme RoDTEP to ensure global competitiveness.

The AAI recently said that it has also requested the Government for a separate budget allocation for the aluminium industry, being a strategic sector, to realise the immense potential to double aluminium exports over the next two-three years.

In a letter to the Government, the AAI expressed "the urgent need for at least 5% remission rate for the aluminium sector under RoDTEP Scheme to ensure its global competitiveness".

AAI said that the Government needs to notify the actual remission rates as per actual sectoral data submitted to the RoDTEP Committee. The inordinate delay in notifying the sector-wise remission rates is creating a precarious situation and a high level of uncertainty for the exporters.

"It is adversely impacting exports due to ambiguity w.r.t. pricing of exports goods and absence of any clarity on the mechanism of duty remission/drawback rates for exports," it said. The situation for exporters further aggravates with the withdrawal of Merchandise Export Incentive Scheme (MEIS), as to date the exporters are unable to avail the MEIS benefit for exports already made during FY'20 and FY'21 (Apr-Dec) due to blocking of on-line MEIS.

BUSINESS LINE DATE : 15/5/2021 P.N.2

Jindal Stainless' annual profit grows 6-fold to ₹419 cr even as production falls

OUR BUREAU

New Delhi, May 14

Jindal Stainless Ltd on Friday said its consolidated profit after tax for financial year 2020-21 has grown almost six times from the previous fiscal to ₹419.46 crore.

However, total revenue fell by 6 per cent on a year-on-year basis to ₹12,229.36 crore, the firm said in a statement. Sales and production during the fiscal year also fell by 10 per cent each to 8.25 lakh tonnes and 8.74 lakh tonnes respectively, Jindal Stainless said.

For the January-March quarter, the firm's consolidated profit after tax rose to ₹292.61 crore. In the same period last year, the firm had reported a loss of ₹66.2 crore.

"A steady demand in the domestic market across segments during the fourth quarter has helped growth in sales volume and revenue," MD Abhyuday Jindal said.

"We're now looking forward to the creation of a level playing field by the Government," he added.

In February, the Centre, in the union budget, revoked the countervailing duty on imports of flat products of stainless steel originating in or exported from Indonesia.

"The move has opened the Indian economy to dumped and subsidised imports from China and Chinese investments in Indonesia. This is likely to adversely impact Indian manufacturing, especially the MSME sector, pushing it into trading in place of manufacturing," the firm said.

Exports made up 21 per cent of the annual sales, as compared to 19 per cent in the previous fiscal, it added.

++++++++++++++++++++