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London Metal Exchange - Thursday 02, July 2020

	Pr. Sell (1)	Morning Session Buy	Morning Session Sell * (2)	Afternoon Session Buy	Afternoon Session Sell	Kerb	Change (2) - (1)	Stk(tns) change	MMR Landed Prices	Value Rs/ton
	$/ton									
Copper Grade A										
Spot	6016.50	6080.00	**6080.00**	6069.00	6070.50	6071.00	**63.5**	210,700	MMR LP	387,622
3-mth	6023.50	6083.00	**6083.00**	6073.00	6074.00	6073.00	**59.5**	-2625	14-D MA	395,768
Average	10-days - 5938.40		20-days -5831.90		30-days - 5677.32				PP (HCL)	434,122
Tin High Grade										
Spot	16920.00	16960.00	**16960.00**	16950.00	16955.00	16925.00	**40.0**	3,480	--	--
3-mth	16795.00	16850.00	**16850.00**	16850.00	16855.00	16830.00	**55.0**	-50	--	--
Average	10-days - 16912.90		20-days -16970.45		30-days - 16575.50				--	--
Lead										
Spot	1761.00	1765.50	**1765.50**	1763.00	1764.00	1766.75	**4.5**	65,800	MMR LP	145,604
3-mth	1773.50	1780.00	**1780.00**	1778.00	1779.50	1782.00	**6.5**	-700	14-D MA	141,764
Average	10-days - 1767.90		20-days -1756.50		30-days - 1719.58				PP (HZL)	149,100
Zinc Special High Grade										
Spot	2007.50	2035.50	**2035.50**	2038.00	2039.50	2030.51	**28.0**	122,525	MMR LP	163,469
3-mth	2021.50	2049.00	**2049.00**	2053.00	2054.00	2044.50	**27.5**	-25	14-D MA	162,202
Average	10-days - 2041.75		20-days -2023.83		30-days - 2008.63.				PP (HZL)	164,400
Aluminium										
Spot	1593.50	1601.50	**1601.50**	1607.00	1608.00	1603.25	**8.0**	1,633,775	MMR LP	133,031
3-mth	1614.00	1621.50	**1621.50**	1627.00	1628.00	1621.00	**7.5**	-4525	14-D MA	138,512
Average	10-days - 1580.40		20-days -1576.58		30-days - 1552.28				PP (Nalco)	150,250
Aluminium Alloy										
Spot	1215.00	1215.00	**1215.00**	NA	NA	NA	**0.0**	6,540		
3-mth	1210.00	1210.00	**1210.00**	NA	NA	NA	**0.0**	0		
Average	10-days - 1214.30		20-days -1213.05		30-days - 1214.70					
Nickel									Copper	02-Mar
Spot	12555.00	12823.00	**12823.00**	12868.00	12873.00	12892.00	**268.0**	234,312	Aluminium	12-Mar
3-mth	12620.00	12873.00	**12873.00**	12920.00	12925.00	12947.00	**253.0**	786	Zinc	26-Mar
Average	10-days - 12652.80		20-days -12719.10		30-days - 12614.77				Lead	26-Mar

Note: 1. MMR LP = MMR Landed Prices, excluding of GST. 2. PP = Producer Prices ex-smelter, excl. GST

Minor Metals ($/LB)

Antimony	Cadmium	Cobalt HG	Moly.oxide	Selenium	Silicon	Tungsten	Fe Si Mangnesium
99.65%	99.95%	99.80%					
6,100	123.00	16.55	9.50	7.00	1840.00	245.00	150

Week ended Avg of Steel Prices : 13/03/2020 (Excl. GST)

Mandi Gobindgarh - Punjab					Mumbai	Kolkata	Delhi	Chennai		Mumbai	Bhiwadi	Kanpur
Sponge Iron	22,500	**HMS OLD**	23,000	**HMS**	29,000	26,000	26,200	24,300	**MS Ingots**	35,500	34,350	32,250
Pig Iron	31,200	**HMS Fresh**	25,800	**CRP(LSLP)**	29,500	-	-					

Alum. Alloy : Basic prices excl. CST/VAT							
Mumbai Mkt rates in kgs : **28/2/2020**	**ADC 12**	117	**AlSi 9 Cu3**	118.5	**LM6**	143.5
Ex. Delhi Mkt rates in kgs : **28/2/2020**		120		-		-

Indicative Domestic Market Rates (Rs./kg)

	Mumbai 02-Jul	Mumbai Prev	Delhi 02-Jul	Delhi Prev	Chennai 02-Jul	Chennai Prev
Virgin Metals					-	-
Copper Pat			**399.0**	399.0	-	-
Copper W/Bar	**468.0**	468.0	-	-	-	-
Alum Ingot	**138.0**	139.0	**141.0**	141.0	**140.0**	140.0
Zinc Slab	**158.0**	150.0	**163.0**	163.0	-	-
Lead Ingot	**147.0**	147.0	**141.0**	141.0	-	-
Tin Slab	**1,338.0**	1,130.0	**1,280.0**	1,280.0	-	-
Nickel (4x4)	**980.0**	950.0	**980.0**	980.0	-	-
Scrap					-	-
Copper Heavy	**420.0**	400.0	--	--	-	-
Copper Uten.	**390.0**	390.0	--	--	-	-
Copper Mixed	--	--	**370.0**	370.0	-	-
Brass Utensil	**313.0**	131.0	--	--	-	-
Brass Huny	**283.0**	283.0	**288.0**	288.0	-	-
Brass Sheet	**296.0**	298.0	-	-	-	-
Alum Utensil	**109.0**	109.0	**107.0**	107.0	-	-

Comex Copper (cents/lb) / Comex Al (cents/lb)

	Comex Copper Rate	Comex Copper Change	Comex Al Rate	Comex Al Change
JUL'20	**273.35**	1.7	-	-
AUG'20	**274.25**	1.8	-	-
SEPT'20	**274.85**	1.5	-	-

Precious Metals : Indicative Rates

Metal	Market	Unit	02-Jul	Prev
Gold Std	Mumbai	Rs/10g	**48,308**	48,886
Silver	Mumbai	Rs/kg	**48,580**	49,655
Gold	London	$/tr.oz.	**1,777.45**	1,771.05
Silver	London	$/tr.oz.	**17.92**	18.22
Gold	Comex	$/tr.oz.	**1,784.00**	1,773.20
Silver	Comex	$/tr.oz.	**18.24**	18.13

Forex: July 02,2020 (Rs/Unit Currency)

	USD	GBP		YEN
Buy	76.23	94.32		0.7103
Sell	74.79	92.40	---	0.6925
	EURO	**SGD**	**AUD**	**SFR**
Buy	85.86	54.84	52.83	80.85
Sell	84.17	53.49	51.73	78.79

Customs Notified Rates : June 19th 2020 [Rs.(Imp/Exp)]: US$ 77.05/75.35;Pound Sterling 97.30/94.00;Euro 87.25/84.20

A private survey showed Friday that China's services sector showed it growing at its fastest pace in over a decade in June, according to Reuters, with the Caixin/Markit services Purchasing Manager's Index coming in at 58.4 for the month.

Nonfarm payrolls surged by 4.8 million in June, according to the U.S. Labor Department. The figure smashed expectations by economists surveyed by Dow Jones of a 2.9 million increase in jobs created.

The Labor Department also said, however, that initial jobless claims rose by 1.427 million in the week ending June 27. Economists polled by Dow Jones expected initial U.S. jobless claims to rise by another 1.38 million.

Stocks in Asia edged higher in Friday afternoon trade as positive economic data raised optimism over the prospects of an economic recovery from the coronavirus pandemic.

Mainland Chinese stocks rose by the afternoon, with the Shanghai composite jumping 1.04% and the Shenzhen component adding 0.681%.

In Japan, the Nikkei 225 added 0.2% while the Topix index was flat in afternoon trade. South Korea's Kospi advanced 0.54%.

Over in Australia, the S&P/ASX 200 was flat.

Overall, the MSCI Asia ex-Japan index gained 0.64%.

A private survey showed Friday that China's services sector showed it growing at its fastest pace in over a decade in June, according to Reuters, with the Caixin/Markit services Purchasing Manager's Index (PMI) coming in at 58.4 for the month. That was the highest print since April 2010, according to Reuters, and compared with May's 55.0 reading. The 50 level in PMI readings separates growth from contraction on a monthly basis.

In the U.S., nonfarm payrolls surged by 4.8 million in June, according to the U.S. Labor Department. The figure smashed expectations by economists surveyed by Dow Jones of a 2.9 million increase in jobs created. The unemployment rate dropped to 11.1%, lower than the 12.4% forecast by economists surveyed by Dow Jones.

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Rodrigo Catril, senior foreign exchange strategist at National Australia Bank, wrote in a note that the nonfarm payrolls and jobless claims data "delivered contrasting images" of the state of the U.S. labor market.

"While June data reflected a big improvement in the US labour market, the recent sharp acceleration in new virus cases plus the prospect of an end to unemployment benefits by the end of July are two big layers of uncertainty," Catril said. Numerous states in the U.S. have paused or reversed plans to ease restrictions as new coronavirus cases spiked countrywide.

Nomura's Chetan Seth told CNBC on Friday that markets are "trading on incremental economic data."

"The question from here on is: Can you see continued economic data beats?," asked Seth, who is Asia-Pacific equity strategist at the firm. "The moment we start seeing some disappointment, I guess the market will probably not like it."

Currency Market

The dollar was hemmed into a narrow range on Friday, supported by safe-haven flows as a resurgence of the coronavirus in the United States discouraged some investors from taking on excessive risk.

The yuan was stable in offshore trade before data on China's services sector, but investors may avoid taking big positions due to worries about diplomatic friction between Washington and Beijing over civil liberties in Hong Kong.

The U.S. economy added more jobs than expected in June, data showed on Thursday, but reaction in the currency market has been muted because another spike in coronavirus infections threatens to once again put the breaks of economic activity.

"New infections in the United States have been on an uptrend since June," said Junichi Ishikawa, senior foreign exchange strategist at IG Securities. "The market is leaning more toward buying the dollar, particularly against emerging market currencies, because the dollar is considered the safest asset around."

Against the euro, the dollar was quoted at $1.2395 on Friday in Asia.

The dollar held steady at 0.9469 Swiss franc on Friday after three straight days of gains.

The British pound traded hands at $1.2471.

The dollar was little changed at 107.50 yen.

A wave of coronavirus infections has prompted the halting of or back-pedalling on plans to reopen economic activity in several U.S. states after months of strict lockdowns.

Officials are also taking steps to curtail activity during the extended Independence Day holiday weekend starting on Friday.

Trading in currency markets on Friday may be subdued before the U.S. holiday, but analysts say sentiment favours more gains in the dollar as investors turn cautious. Relations between the United States and China are also in focus.

The U.S. Senate unanimously approved legislation on Thursday to penalize banks doing business with Chinese officials who implement Beijing's new national security law for Hong Kong, raising the chances of further friction between the world's two- largest economies.

In the offshore market, the yuan was little changed at 7.0732 per dollar.

The Australian dollar held steady at $0.6917 on Friday before data expected to show a sharp rebound in retail sales in May.

Across the Tasman Sea, the New Zealand dollar traded at $0.6509.

Precious Metals

Gold and silver prices saw profit booking in the morning session on Friday as a better than expected US jobs data and relatively lower contraction in factory activity back home improved risk appetite.

The US economy created jobs at a record clip in June, but 31.5 million Americans were collecting unemployment checks in the middle of the month. Meanwhile, the total number of coronavirus patients in India reached 6.3 lakh while fatalities climbed above 18,200 levels.

Gold futures were down 0.13 per cent or Rs 63 at Rs 48,095 per 10 grams. Silver futures dipped 0.12 per cent or Rs 58 to Rs 49,095 per kg.

Gold prices in the national capital declined by Rs 488 to Rs 49,135 per 10 gram on Thursday amid rupee appreciation, according to HDFC Securities. Silver also went lower by Rs 1,168 to Rs 50,326 per kg. Globally, gold was flat, trading in a narrow $4 range on Friday, as worries over surging Covid-19 cases globally and lingering trade tensions between the United States and China overshadowed strong US jobs data.

Spot gold was unchanged at $1,775.12 per ounce by 0232 GMT. U.S. markets are closed on Friday for observing Independence Day on July 4. US gold futures eased 0.1 per cent to $1,787.80.

Gold is considered a safe store of value during political and financial uncertainty. Indicative of sentiment, holdings of SPDR Gold Trust , rose 0.8 per cent to 1,191.47 tonnes on Thursday.

Palladium was steady at $1,901.44 per ounce, while platinum rose 0.5 per cent to $806.63, set for its first weekly gain in six. Silver gained 0.6 per cent to $17.90, heading for its fourth consecutive weekly gain.

Base Metals

London copper prices were little changed in early Asian trade on Friday and were heading for an around 2% jump for the week, boosted by concerns over supply from Chile even as the world's top miner of the metal said output was holding steady.

Copper, widely used in power and construction, is on course to notch its seventh weekly gain, which would be its longest winning streak in nearly three years.

Three-month copper on the London Metal Exchange edged up 0.1% to $6,076.50 a tonne by 0131 GMT. It hit $6,118 on Thursday, its highest since Jan. 22.

The most-traded August copper contract on the Shanghai Futures Exchange rose 0.2% to 49,350 yuan ($6,987.91) a tonne and was on course to clock a weekly gain of 3.3%, also its seventh weekly rise in a row.

China's top copper smelters are meeting on Friday to decide floor treatment and refining charges (TC/RCs) for the third quarter. Jiangxi Copper and Tongling Nonferrous have already inked copper concentrate supply deals with Antofagasta for the first half of 2021, two sources said.

Chile kept copper output steady in May from a year earlier even as the coronavirus outbreak exploded.

Nickel and tin led the gains in Shanghai, adding 1.3% and 1.2%, respectively. In London, lead was the biggest mover, shedding 0.4%.

Aluminum Corp of China Ltd, known as Chalco, will shut alumina production lines accounting for about 10% of its total capacity.

Energy Market

Oil futures were little changed on Thursday, supported by a fall in U.S. unemployment and Wednesday's drawdown in crude inventories, but the spike in U.S. coronavirus infections fanned concerns that economic activity will weaken in coming weeks.

New COVID-19 cases in the United States rose by nearly 50,000 on Wednesday, according to a Reuters tally, the biggest one-day spike since the start of the pandemic. Numerous states are advising citizens to restrict movements and closing bars and restaurants again, which is expected to hamper further job growth.

Brent crude futures gained 10 cents to trade at $42.13 a barrel by 11:17 a.m. EDT (1517 GMT), after rising 1.8% in the previous session. U.S. West Texas Intermediate (WTI) crude futures lost 18 cents to $39.64 a barrel after a 1.4% rise on Wednesday.

U.S. non-farm payrolls increased by 4.8 million in June, the Labor Department reported, beating expectations, even as permanent job losses rose. Traders said the data could lessen the desire in Washington for more federal support for the economy.

"The jobs report was good, but the flip side of that was that it was so good that it might inhibit a stimulus program," said Bob Yawger, director of energy futures at Mizuho.

U.S. crude inventories fell 7.2 million barrels from a record high last week, far more than analysts had expected, U.S. Energy Information Administration data showed, as refiners ramped up production and imports eased.

Gasoline stockpiles were higher, however, and the spike in cases in heavily populated U.S. Sun Belt states, among the country's biggest consumers of gasoline, could hit fuel demand headed into the July 4 holiday weekend, often a busy period for road travel.

"Key uncertainty now remains on demand recovery," Harry Tchilinguirian, head of commodity research at BNP Paribas, said.

News Report & Analysis

Government assures measures to reduce logistics cost for steel players

The government on Wednesday assured steel makers that it will take appropriate measures to reduce the logistics cost of products that currently reaches as high as 28 per cent.

Speaking at a FICCI-organised webinar on 'Supportive Logistics for Indian Iron and Steel Industry', Minister of State for Steel Faggan Singh Kulaste told the participants that high cost of logistics is also a matter of concern for the ministry.

He sought suggestions from the stakeholders on how to reduce the logistics cost of raw materials and assured them that the ministry will take steps accordingly. Kulaste said India has a target to produce 255 million tonnes of steel by 2030.

"In this context, from mines to the last-mile customer, about 800-850 million tonnes of raw material would require logistics. We will need huge infrastructure for this," he said. Anticipating the needs of the future, the government has already started working on mega projects in the area of logistics like Sagarmala, Bharatmala and Dedicated Freight Corridor, Kulaste said.

The minister said that currently, for every 250 kilometer, transportation cost of iron ore, a key steel-making raw material, is Rs 800-Rs 1,000 tonne through rail. He added that it comes between Rs 2,000 and Rs 2,500 through road; while via waterways, it comes around Rs 450-550 and through slurry pipeline, it costs in the range of Rs 80-100. He said that once the said projects are completed, these would help reduce both transportation cost and time for materials.

V R Sharma, co-chair of FICCI Steel Committee and managing director of Jindal Steel and Power Ltd (JSPL), requested the minister for his intervention to bring down the logistic cost for the industry.

He said, "It costs another Rs 8,000 per tonne on transportation of steel in India which is a huge amount. It adds about 28 per cent to the factory cost and the last-mile customer has to bear it. Port-handling charges add another 10 per cent. I request the minister to take measures to bring it down to about Rs 4,000 per tonne."

Alok Sahay, convener of FICCI Steel Logistics Sub-Committee and executive director (commercial) of Steel Authority of India Ltd, suggested for a long-term service agreement with the railways for providing suitable rakes within specified time. This will help customers plan his supply chain in a better way. He also suggested a uniform rate for transportation of materials up to 100 km by railways. Pankaj Satija, senior member of FICCI Steel Committee and chief regulatory affairs of Tata Steel Ltd, said logistics is an important part for the industry. He suggested dedicated road corridors for transportation of materials and doubling of railway lines besides setting up slurry pipeline facilities.

SAIL records highest ever sales in June

Steel Authority of India Limited (SAIL) achieved its highest-ever June sales during June'20. Domestic sales and export stood at 12.77 Lakh tonne, a jump of more than 18% over the corresponding period last year (CPLY). In June'20, the company also recorded its highest-ever exports for any month. It exported 3.4 lakh tonne steel during this period.

It also achieved the best ever June dispatches of Rails to the Indian Railways in June'20. Incidentally, for the first time in the country, SAIL flagged off the first rake of R-260 grade Vanadium alloyed high strength 260 meter rails to the Indian Railways, capable of delivering higher speed and bearing higher axle load. In addition, SAIL has also sold 42 thousand tonne of Pig Iron during June'2020.

Commenting on the performance, Union Minister of Petroleum & Natural Gas and Steel Dharmendra Pradhan said: "Record June sales and exports by SAIL is indicative of the buoyancy and sharp recovery our economy is witnessing."

SAIL chairman, Anil Kumar Chaudhary said: "The Nation has entered into Unlock 2 phase and gradually the pace of industrial activities has started picking up. The market is looking up along with the consumption and SAIL is geared up to leverage all its potential to domestic demand."

At the same time, avenues in export market have also opened up and SAIL is relentlessly working to meet the demand generating from the new vistas, he added.

Weak demand, oversupply and price decline to hit Indian steel industry: Ind-Ra

Indian steel industry's gross spreads per tonne for both hot rolled coil (HRC) and rebar is expected to fall in the second quarter of FY21 with a further fall in steel prices due to oversupply, said India Ratings and Research in a sector report on Thursday.

"As domestic production will gradually increase with the easing of lockdown restrictions, along with no corresponding increase in steel demand, domestic gross spreads per tonne for HRC and rebar are likely to fall for steel companies," Ind-Ra said. Large steel players were operational at lower utilisation levels during the lockdown and due to a dull domestic demand, companies increased steel exports, majorly to China albeit at lower margins.

"Timely policy support from the government would help bolster the demand for the domestic steel sector," the report said.

Both HRC and rebar prices were down 3% and 4% month-on-month, respectively in mid-June 2020, and rebar spreads corrected more than HRC spreads due to a sharper fall in demand than available supply.

"Rebar spreads are likely to be less impacted over the near term up to end-FY21 compared to HRC due to a likely better demand pick-up, leading to a price increase backed by the expected implementation of government spending on infrastructure," the report said.In May 2020, steel prices temporarily rose although higher inventories were available with steel players. This was due to logistical constraints and man-power availability issues, resulting in limited supply to end-use industries which gradually re-opened post relaxations in the lockdown.

Australian coking coal prices were 17% lower during mid-June 2020 as against December 2019. The fall in prices can be directly attributed to a fall in global demand as well as Chinese import restrictions and port clearance policies.

"A gradual increase in China's furnace production and demand, given the inventory levels are reducing at a quick pace, may increase Australian coking coal demand in China, subject to import restrictions, thereby supporting coking coal prices," the report said. As per Ind-Ra, domestic iron ore prices in mid-June 2020 were 31% lower than mid-March 2020 prices, prior to the lockdown in India. The domestic prices have sharply corrected.

"Most players stocked up on iron ore inventory for four to six months by end-March 2020, due to the anticipated risk of limited iron ore availability because of the uncertainty over the timely completion of iron ore auctions by end-March 2020".

Small and mid-sized steel players have been impacted more and are likely to face tight liquidity due to delays in the receipt of receivables and payment of fixed charges towards labour and electricity.

Most steel producers have raised a plea for the waiver of fixed demand charges and surcharges on electricity bills, till the situation is favourable for the smooth running of steel plants.

ArcelorMittal Group to invest Rs 20,000 crore on capacity expansion and infrastructure in Gujarat

ArcelorMittal Group will invest Rs 20,000 crore on capacity expansion and infrastructure in Gujarat, the European steelmaker's chairman Lakshmi Mittal said on Thursday.

The investment will be for further expansion of capacity enhancement in terms of land availability, captive port, railway connectivity, and incentive structure for mega investments, Mittal told Gujarat chief minister Vijay Rupani in a videoconference.

"There are also ongoing expansion investments of Rs 5,000 crore to take Essar steel plant capacity to 8.6 million tonnes per annum," he said.

ArcelorMittal and its partner Nippon Steel acquired Essar Steel by paying Rs 50,000 crore in December 2019 following a favourable order by the Supreme Court in one of the biggest foreign direct investments in the steel industry.

Besides the integrated plant in Hazira, Essar Steel also has a 6-mtpa pellet plant in Paradip.

During the interaction with Rupani, Mittal also said ArcelorMittal Nippon Steel India (AMNS) has returned to 100% capacity. When the country imposed a nationwide lockdown to contain the spread of novel coronavirus on March 25, all major steel companies had suspended operations or were running at lower than 30% capacity.

Pitching for opening the economy on a full scale, Mittal said continuity of operations is important and more so in the current context for all stakeholders: employees, associates, community, and the government. "AMNS is a port-based steel plant in India, thus captive port's uninterrupted operations are essential," he said.

Mittal said the single window support provided through the Gujarat CM's office has been effective.

Rupani said his government will continue to welcome investments and create a favourable ecosystem for ensuring the competitiveness of the manufacturing industry, including micro, small and medium enterprises (MSMEs).

JSPL posts 12% QoQ rise in sales volume for Q1FY21

Jindal Steel & Power Limited (JSPL) reported a 12 per cent (QoQ) growth in sales volumes and 8 per cent (QoQ) rise in standalone steel (including pig iron) production during Q1FY21.

The company's export sales contributed to 58 per cent of total sales volume during this period. JSPL's consolidated sales went up by 7 per cent (QoQ) during Q1 FY21. "In last 100 days, JSPL exported more than one million tonne. This was possible with the consistent support of Indian Railways, port authorities and a slew of pro-industry measures taken by Ministry of Steel to reboot the economy," V R Sharma, managing director, JSPL said. "We believe in Indian growth story and continue to work to fulfil the dream of making India "Aatmanirbhar" by import substitution of value-added steel products catering to requirements of Indian Railways, defense, shipbuilding, oil & gas and other sectors," Sharma added.

JSW Group to boycott $ 400 million worth of imports from China: Parth Jindal

JSW Cement Managing Director Parth Jindal on Thursday said its family-owned Group will bring down $ 400 million worth of imports from China to zero in the next 24 months. Referring to the recent clash between Indian and Chinese troops in the Galwan Valley, he said the "action" is a result of what the latter did on Indian soil. The $ 14-billion JSW Group, owned by Mr. Parth's father Sajjan

Jindal, has presence in core sectors of steel, energy, cement and infrastructure. The group will boycott goods worth $ 400 million, which it imports from China annually, Mr. Parth said in a tweet.

The unprovoked attack by the Chinese on Indian soil on our brave jawaans has been a huge wake up call and a clarion call for action — we @TheJSWGroup have a net import of $ 400 mn from China annually and we pledge to bring this down to zero in the next 24 months #BoycottChina, he said. A company official estimated 70-80% of imports take place for the company's steel and energy business which includes machinery and maintenance equipment.

The Indian and Chinese armies are locked in a bitter stand-off at multiple locations in the eastern Ladakh for the past seven weeks, and the tension escalated manifold after 20 Indian soldiers were killed in a violent clash in Galwan Valley on June 15. The Chinese side also suffered casualties but it is yet to give out the details.

MIDHANI achieves highest VoP of Rs 970 cr

Mishra Dhatu Nigam Limited (MIDHANI), a Hyderabad-based Defence public sector enterprise, has achieved its highest Value of Production (VoP) of Rs 970.11 crore for the financial year (FY) 2019-20, registering a growth of 19.06 percent, an increase as compared to a VoP of Rs 814.83 crore achieved during the previous year.

According to a press release by MIDHANI, the lockdown imposed due to Covid-19 had affected the final testing, certification and shipment of materials for the month of March. Despite this, the company has sustained sales turnover of `712.88 crore for the FY 2019-20, registering a growth of 0.29 percent. The Profit Before Tax (PBT) of `202.09 crore for FY 2019-20 registered a growth of 5.78 percent over the PBT of `191.05 crore achieved during the previous year. MIDHANI is a Strategic Material Partner to Defence, Space and Energy sectors. It specialises in high-end materials with a unique focus on critical materials like Superalloy, Titanium Alloys and Special Steels.

Covid delays hit JSW Steel expansion plans

The Covid-19 pandemic has pushed the commissioning timelines of several ongoing expansion plans at JSW Steel, the company said in its annual report for the year 2019-2020. Non-availability of required manpower and material due to the lockdown announced by the government and its subsequent extensions have severely constrained project activity at various sites, JSW Steel chairman and MD Sajjan Jindal wrote to shareholders.

He said at Dolvi Works, the company received permission to restart activities towards the end of April 2020, which enabled it to ramp up the existing operations. However, progress on the 5 MTPA expansion project was hampered as a number of workers employed by the contractors began to head home, with low visibility of when this trend is likely to reverse. Further, non-availability of foreign experts from technology and equipment suppliers due to international travel restrictions is also impacting the commissioning schedule.

"The expansion of crude steel capacity at Dolvi Works from 5 MTPA to 10 MTPA, along with the captive power plant and coke oven plant, is likely to get delayed into the second half of FY21," Jindal said. He added that the 8 MTPA pellet plant and the wire rod mill at Vijayanagar are expected to be commissioned by mid-FY21. The downstream modernisation and capacity enhancement projects in Vasind and Tarapur and the colour-coating plant at Kalmeshwar are now expected to be commissioned in the second half of FY20-21.

As a result, the company has reduced its capex for the year. "We thus reduced our planned capex on all these projects to Rs 8,200 crore for the year. Combined with the spend earmarked to operationalise the iron ore mines, our total planned capex for FY20-21 stands at about Rs 9,000 crore," Jindal said.

He further said the company is taking several steps like adoption of technological tool and digitalisation initiatives with the aim to cut fixed costs by 10-15% which will aid in preserving and enhancing margins. The pandemic has also led to a drop in sales and a subsequent inventory build-up, which has kept the net debt at elevated levels of about Rs 53,000 crore at the end of March 2020, the CMD said. However, he said the core leverage for the current 18 MTPA capacity is about `35,000 crore. "As some of these projects get progressively commissioned during FY20-21 and start generating returns, it will set in motion a natural deleveraging process in the next year ie FY21-22," Jindal added.

In addition, he highlighted that in FY20, the company achieved raw material security of iron ore. It emerged as a preferred bidder for four iron ore mines in Odisha and additional three mines in Karnataka, with aggregate reserves of close to 1.2 billion tonne. "These mines give strategic long-term raw material security and access to high quality reserves," he said.

The company will also be taking shareholders'approval for raising non-convertible debentures with warrants convertible into or exchangeable with equity shares of the company for an amount not exceeding Rs 7,000 crore.

Goldman Sachs buys out key investors in JSW Ventures-backed Purplle

Global investment bank Goldman Sachs has bought out key angel investors in JSW Ventures-backed Purplle, a beauty products e-tailer. The Rs 60-crore secondary transaction, which values the company at Rs 1100 crore, also includes a small component of ESOPS offloaded by a clutch of ex-employees. Goldman Sachs is an existing investor in the online beauty platform, having led the firm's Series C fund-raise in January by investing $30 million. With a GMV (gross merchandise value) of $50 million, the firm also attracted $8 million from a Belgium-based family investment firm, Verlinvest, taking up the overall funding to nearly $50 million.

Abhinav Sinha and Anirudha Gopalakrishnan (former Fidelity executives) offloaded their holding in Purplle, mopping up a 40x return on their investment of eight years, sources close to the development told TOI.

Further, a clutch of ex-employees and employees sold their ESOPS to Verlinvest, for a combined value of Rs 12 crore.

When contacted, Manish Taneja founder and CEO, Purplle told TOI, "As Purplle is looking to create a multi-billion dollar digital-first beauty company over the next 7-10 years, a lot of wealth would be distributed to everyone in the organization. The current ESOP sale by the employees is a small step in the same direction". Launched in 2012, Purplle turned cash profit since 2018 and expects to achieve a doubling of GMV to $100 million in FY21, with skincare spends showing an uptick. It does not expect much of an impact from Covid-19, while the share of Tier-2 towns in revenue is expected to grow over the next months with most metros affected Covid-related restrictions. Gaurav Sachdeva, managing partner & CEO JSW Ventures said: ``Purplle has a strong play-book for capital-efficient growth that focuses on the creation of differentiated supply and customer experiences."

Taneja, alongwith with co-founders Rahul Dash and Suyash Katyayani, together hold 23% in Purplle, while the rest is held by five institutional investors. Besides Goldman Sachs and Verlinvest, other investors in the beauty e-tailer include IvyCap Ventures, JSW Ventures and early investor, Blume Ventures. Niladri Mukhopadhyay, MD Goldman Sachs said, "The successful combination of best-in-class technology with their (Purplle) own innovative brands and localized beauty content is a key differentiator in this rapidly growing segment of India's online market." The online beauty market is around $600 million, growing at a CAGR of 30%, with Nykaa cornering a majority share, while other players include Amazon, Flipkart and Purplle.