● WORKING ON SCOPE 3 EMISSIONS

Jindal Stainless ready for EU's carbon tax

MANISH GUPTA
New Delhi, August 8

EYEING MORE PRODUCTION

- MD Jindal said that while EU's carbon tax is a challenge for the whole industry, the firm is focusing on Scope 3 emissions by bringing all its suppliers on a tech automated platform
- The stainless steel maker, which recently completed one million tonne expansion in Odisha to be a 2.9 mtpa player, expects 20-25% increase in production this fiscal

JINDAL STAINLESS, WHICH makes stainless steel products for sectors like transportation and construction, is working on its Scope 3 emissions and is ready for the European Union's Cross Border Adjustment Mechanism (CBAM).

"We as a company are 100% ready. We have already invested in renewable power. We are going for hydrogen power as well. So, whatever comes in terms of CBAM, Jindal Stainless will be ready," said its managing director Abhyuday Jindal.

Jindal said that while EU's carbon tax is a challenge for the whole industry, the company, which is already 95% scrap based, is focusing on Scope 3 emissions by bringing all its suppliers on a technological automated platform.

"We have given them training. We have hired an agency which is sitting in each of our domestic suppliers' location, teaching them the right practices with focus on environment, social and governance," the MD said.

The stainless steel maker, which recently completed one million tonne expansion in Odisha to be a 2.9 mtpa player and one of the top 10 stainless steel producers globally, expects 20-25% increase in production this fiscal.

"We see a huge potential in domestic market. It is growing at close to 9-10%. India has set targets of 300 MT of steel and 9 MT of stainless steel by 2030. We will definitely have the majority chunk in that," Jindal said.

Stainless steel was dominated by the utensil sector 30-40 years back. Now the application of stainless steel has widened to various sectors like railways, automotive, transportation, bridges, airports, metro stations and coastal infrastructure.

"Stainless steel is a clear enabler and a catalyst for sustainable growth. Current per capita consumption of stainless steel in India is 2.6 to 2.8 kg. We expect it to at least reach 5 kg per capita in the next 3-4 years," he said, adding that the global average is 6 kg and per capita in developed countries is around 28-30 kg.

He said that while the biggest growth rate in demand will come from the domestic sector, export outlook, which is currently subdued, is likely to pick up in second half of the fiscal. However, Jindal said that the domestic market is witnessing large scale dumping of subsidised and substandard stainless steel by China. He has requested the government to check these imports by putting anti-dumping duty.

"The steel ministry understands that the stainless steel industry is suffering and has approached the finance ministry but till now we have not got any positive response. China has 30-40% market share of the domestic industry," he said. Indian import of Chinese stainless steel has increased 318% in two years between FY21 and FY23. This has impacted the capacity utilisation of local industry which is running at below 50%, he said.

Tata Power, Maha govt to develop 2,800 MW projects for ₹13,000 cr

RAJESH KURUP
Mumbai, August 8

The signing of this memorandum of understanding is a major step forward in the Tata Power's journey towards clean and green energy future.

PRAVEER SINHA,
CEO & MD,
TATA POWER

TATA POWER HAS signed an agreement with the Maharashtra government to develop two large pumped hydro storage projects (PSPs) with a combined capacity of 2,800 megawatts (MW). The projects entail an estimated investment of about ₹13,000 crore.

The projects would come up in Shirawta, Pune (1800 MW) and Bhivpuri, Raigad (1000 MW).

"The signing of this Memorandum of Understanding is a major step forward in the Tata Power's journey towards clean and green energy future. Pumped Hydro Storage is a reliable and efficient way to store energy, and these projects will support the renewable solar and wind projects to ensure reliable, 24/7 consistent power supply," Tata Power CEO & MD Praveer Sinha said.

These projects are set to support Maharashtra's and country's energy landscape, leveraging the kinetic energy of water to create a stable and reliable power supply. During times of excess energy, water will be pumped from lower reservoir to higher reservoir, and during peak demand, the stored water will power turbines, thereby generating electricity.

This initiative will significantly enhance energy security by providing peaking and continuous power supply along with other renewables such as solar and wind. With the setting up of 2800 MW pumped hydro capacity, these projects will significantly contribute to cleaner capacity addition in the country.

The projects will support Maharashtra Government's goal of achieving a $1 trillion economy by 2028 and generate employment for over 6,000 people, it said. Tata Power operates three hydro power projects - Khopoli Hydro Generating Station, Bhivpuri Hydro Generating Station and Bhira Hydro Generating Station that includes 150 MW Pumped Storage Hydro project – in the Western Ghats.

Tata Power's initiative of clean energy adoption is an effort to contribute to a greener future. This MoU ensures grid stability, seamless integration of renewable sources, and a lasting impact on the energy landscape, it added.

Apollo Hospitals seeks nod to raise ₹500 cr

SAJAN C KUMAR
Chennai, August 8

CHENNAI-BASED CORPORATE hospital group Apollo Hospitals has sought shareholders' nod for raising ₹500 crore through issuance of non-convertible debentures on a private placement basis, to augment long-term resources for financing ongoing capital expenditure, expansion activities of the company and for general corporate purposes. This would be within the overall approved borrowing limit of ₹3,850 crore.

The company's AGM is slated for August 30 and subsequent to the shareholders' approval, the board will decide appropriately whether to issue debentures on a secured or unsecured basis. Apollo has plans to bolster its presence not only in existing clusters, but also to expand to key urban markets, where it is not currently present, according to the Annual Report 2023. The firm has established a strong presence in cities such as Chennai, Hyderabad, Kolkata, Bengaluru, New Delhi, Ahmedabad, Mumbai, Pune, Bhubaneshwar, Madurai, and Mysore, among others.

It believes that high-quality tertiary care, such as transplants, robotics, and complex procedures in cardiac, oncology, neurology, and orthopedic specialties, will continue to be in high demand in these major metropolitan cities.

TCS to give GeM a facelift

SAMEER RANJAN BAKSHI
Bengaluru, August 8

TATA CONSULTANCY SERVICES (TCS) has been selected by the Centre to upgrade the Government e-Marketplace (GeM), a platform that facilitates online purchases of goods and services by the central government departments and ministries.

The IT major's will transform GeM into a state-of-the-art public procurement platform to accommodate the anticipated six-fold growth in gross merchandise value (GMV) over the next six years, said the company in a filing with BSE.

The commerce ministry launched GeM in 2016 and awarded a five-year contract in 2018 to a private consortium, including Intellect Design Arena and Infibeam, for the development and maintenance of the platform. The contract is set to expire this year.

However, Infibeam, in an investor presentation document filed with the BSE, on Tuesday said that current GeM contract will "potentially" continue for 18-24 months until GeM 2.0 is delivered to the government.

In May, Infibeam disclosed that it received an email from GeM rejecting their bid due to an alleged non-fulfilment of pre-qualification criteria. It further said, "The current GeM engagement is for a period of 5 years from the date of its go live, which tentatively ends around December 2023. The current engagement can further be extended for 2 more years with similar terms and conditions on completion of the initial tenure/current engagement. If an extension is awarded, the current engagement shall continue up to December 2025."

Meanwhile, TCS in a filing said, "This e-marketplace currently handles a GMV of over ₹2 trillion purchased by over 70,000 buyer organisations from over 6.5 million sellers and service providers, including over 800,000 medium and small enterprises. The current platform, while successful, has architectural challenges in scaling up and in meeting the evolving needs of buyers and sellers."

TCS currently gets about 4.9% of its revenue from India. The latest deal from the government comes close on the heels of another deal that a TCS-led consortium won from BSNL in May this year. The consortium received an advance purchase order valued over ₹15,000 crore from BSNL for the deployment of 4G network across India.

Overdrafts against FDs on the rise

PIYUSH SHUKLA
Mumbai, August 8

- Banks typically allow OD up to 90% of existing FD value
- Interest levied on the OD facility is maximum 2% above the contractual FD interest rate
- Banks' advances against deposits rose 46% y-o-y to ₹1.20 trillion as of June end, as per RBI data

BANKS ARE SEEING a trend of higher demand for loans or overdraft against fixed deposits (OD against FD) product, senior bankers have told *FE*.

OD against FD is one of the quickest and cost-effective ways to borrow money from a bank without any premature withdrawal of FD. In this product, a customer FD is used as collateral for OD facility. Typically, banks allows OD up to 90% of the existing FD value, and interest levied on the facility is maximum 2% above the contractual FD interest rate. Another advantage of taking an OD against FD is that customer is charged OD interest only on the amount utilised and not against the entire principle amount sanctioned.

Further, customer do not need to worry about EMI obligations as they have the flexibility to deposit the outstanding amount at their convenience, bankers say, adding that there are no processing charges to avail the OD facility.

"At RBL Bank we have seen a 43% rise on the ODFD product. In the current environment of high FD rates, ODFD is the quickest and a cost-effective way to borrow money from the Bank without premature withdrawal of FDs," says Deepak Gaddhyan, head of branch & business banking at RBL Bank. He, however, did not share the exact quantum of OD against FD loans disbursed till date by the bank.

RBL Bank offers competitive FD rates and an opportunity to customers to meet their short-term liquidity crunch without having to lose out on their earnings, he said. Currently, RBL Bank's offers FD rates in the range of 4-8.30% across various tenures, according to bank's website.

While most large private and state-owned banks do not provide the exact quantum of OD against FD due to lower outstanding amount, according to Reserve Bank of India's (RBI) latest sectoral credit deployment data, bank's advances against deposits rose 46% year-on-year (y-o-y) to ₹1.20 trillion as of June end. Loans against FD had grown 11% during the corresponding period last fiscal, the data showed.

State-owned lender Punjab National Bank has disbursed ₹1,494 crore of OD against FD loans, pre-approved business loans and pre-approved personal loans during Q1FY24, according to its Q1 investor presentation. In FY23, the bank had sanctioned ₹4,007 crore of such loans.

Meanwhile, AU Small Finance Bank's (SFB) other loans which include ODs against FD, term loan and gold loans grew 46% y-o-y to ₹2,563 crore as of June end. Ujjivan SFB's other loans which include OD against FD, personal loan, vehicle loan and staff loan grew over 3-folds y-o-y to ₹416 crore as of June end.

"We are seeing growth in OD against FD ... A lot of people have moved savings into term deposits as interest rates look good...so some of them may need short term liquidity so they are taking OD against those FDs," Ittira Davis, MD & CEO at Ujjivan SFB told *FE*.

Exide eyes Russia, Europe, US for exports

MITHUN DASGUPTA
Kolkata, August 8

The Kolkata-based company currently has export footprints in 60 countries and export constitutes about 8% of its turnover

AS THE GULF Cooperation Council (GCC) countries have imposed anti-dumping duties on batteries imports from India, battery major Exide Industries is now exploring opportunities in overseas markets like Russia, Europe and the US.

The Kolkata-based company currently has export footprints in 60 countries and export constitutes about 8% of its turnover. "GCC countries have imposed anti-dumping (duties) on Indian batteries. That has to some extent reduced our competitive advantage in GCC countries. Although we are still continuing to export, the kind of volumes that were possible earlier perhaps that is not possible now because of this anti-dumping," Exide MD and CEO Subir Chakraborty told the media after the company's AGM on Tuesday. Chakraborty said the company is finding out "other markets" for exports as it plans to increase exports in near future. The company wants to increase the exports figure to "double digit" of its turnover.

"The battery market is very large. There are opportunities in Russia, Europe, the US and so many other countries. So, we are exploring that. It (anti-dumping duties in GCC countries) is a minor setback, not anything very major. We export to around 60 countries and in one particular region there is a disturbance...overall our plan is to forge ahead with exports," he said. Earlier, replying to shareholders queries during the AGM, the MD said the battery maker's board has approved a capital expenditure of around ₹700 crore for this fiscal. This capex will be spent mainly towards increasing the present capacities in different manufacturing units, technology upgradation and digitisation of various functions, among others.