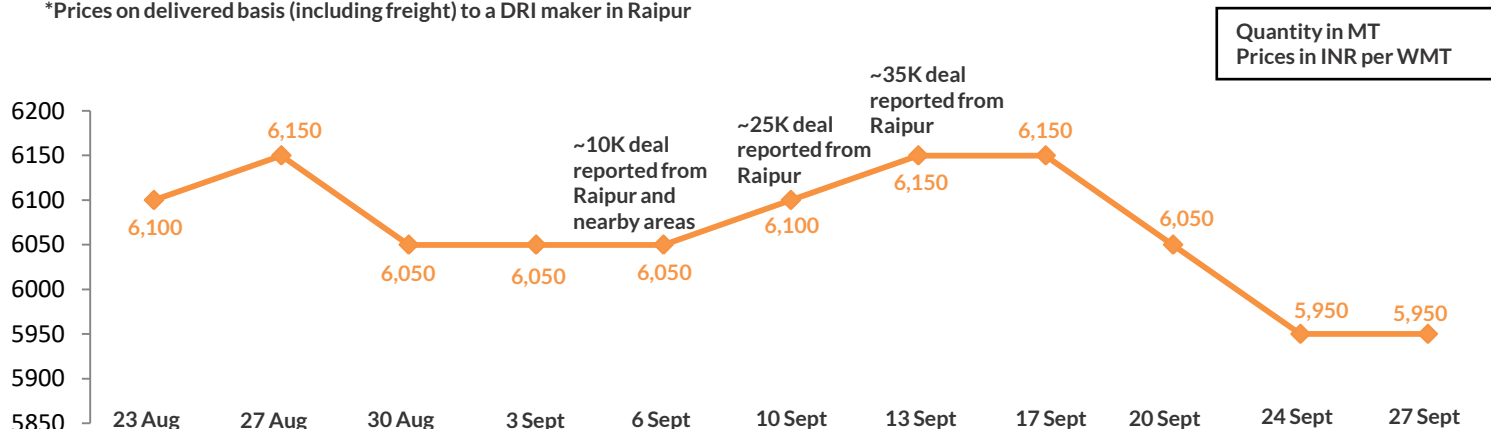


# PELLEX Rationale

|                                                           |                                  |
|-----------------------------------------------------------|----------------------------------|
| PELLEX- DAP Raipur(Delivered Price - Plantsite in Raipur) | INR 5,950/WMT*                   |
| Date and Time of publication                              | 27 September, 2019 & 18.30 (IST) |
| Publishing Window                                         | Wednesday to Friday              |
| Last Index Price (20 September, 2019)                     | INR 5,950/WMT*                   |
| % change                                                  | No Change                        |

\*Rounded off to the nearest multiple of 50

\*Prices on delivered basis (including freight) to a DRI maker in Raipur



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Concluded Transaction Price</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |
| <ul style="list-style-type: none"> <li>•PELLEX stable at INR 5,950/wmt (DAP Raipur) amid limited trades.</li> <li>• One deal was reported in this publishing window from Raipur to Bilaspur around 3,000MT at INR 6,050/MT (DAP Raipur).</li> </ul>                                                                                                                                                                                                                     |                    |
| <b>Firm Offers</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |
| <ul style="list-style-type: none"> <li>•Raipur based pellet maker kept pellet offers stable at INR 6,000/MT( Ex-plant); normalizing for freight to Raipur at INR 6,150/MT (DAP Raipur).</li> <li>•Raigarh based pellet maker offering pellet at INR 5,800/MT(Ex-plant), normalizing freight to Raipur at INR 6,450/MT (DAP Raipur). No deal concluded at this level in this publishing window.</li> </ul>                                                               |                    |
| <b>Firm Bids</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |
| <ul style="list-style-type: none"> <li>•Four bids were reported at INR 5,650-5,750/MT (DAP Raipur).</li> <li>•SteelMint P-DRI Assessment (Sept 27, 2019) at INR 16200/MT (Ex-Raipur) against INR 16,550/MT (Ex-Raipur) a week before.</li> </ul>                                                                                                                                                                                                                        |                    |
| <b>Export Realization</b>                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |
| <ul style="list-style-type: none"> <li>•No export deals reported in this publishing window.</li> <li>•Pellet Exports indications stands for Fe 64% (3% Alumina) at around USD 91-92/MT, FoB India.</li> <li>•Ex - Plant export realization for Raipur pellet maker at INR 5,100-5,200/WMT.</li> <li>•In Central India export market is illiquid, therefore export realization factor has been ignored in computation of PELLEX.</li> </ul>                              |                    |
| <b>Substitute Parity Price</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |
| <ul style="list-style-type: none"> <li>•Odisha based Serajuddin mines have decreased lumps prices by INR 300/MT to INR 3,400/MT (Ex-mine) on 24th Sept 2019. Last week NMDC was also reduced iron ore prices by INR 200/MT in both lumps and fines and DRCL0 by INR 230/MT.</li> <li>•Considering land cost of Lump and other factors like yield, conversion cost etc for NMDC and Orissa; the substitute parity price for Pellet is INR 5,710 (DAP Raipur).</li> </ul> |                    |
| Statistical Exclusion for Bids and Offers (no. and normalized values)                                                                                                                                                                                                                                                                                                                                                                                                   | No offers and Bids |

# PELLET SPECIFICATION

| India Domestic Pellet specification, DAPRaipur |                           |                                                                                                        |
|------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------|
| S. No.                                         | Particulars               | Specifications                                                                                         |
| 1                                              | Price                     | INR per metric tonne                                                                                   |
| 2                                              | Fe Content                | Base 63.5%, Range 63% to 64%                                                                           |
| 3                                              | Silica                    | Base 3.5%, Maximum 5.0%                                                                                |
| 4                                              | Alumina                   | Base 2.0%, Maximum 4.0%                                                                                |
| 5                                              | Combined Silica / Alumina | Maximum 7.0%                                                                                           |
| 8                                              | Trade Size                | Minimum 2,500 MT, Maximum 10,000 MT                                                                    |
| 9                                              | LOI                       | Base 3.0%                                                                                              |
| 10                                             | Delivery Terms            | DAP Raipur (Delivered to Buyers site in Raipur)                                                        |
| 11                                             | Delivery period           | Within 2 -4 week                                                                                       |
| 12                                             | Assessment Frequency      | Twice in a Week                                                                                        |
| 14                                             | Data collection           | Window 1 - Monday 9.00 until Tuesday 17.30 (IST)<br>Window 2 - Wednesday 9.00 until Friday 17.30 (IST) |
| 15                                             | Publication               | Window 1 - Tuesday 18.30 (IST)<br>Window 2 - Friday 18.30 (IST)                                        |
| 15                                             | Payment Terms             | Advance (Loaded to Truck)                                                                              |

**Note:**

- Transactions/market information not covered in the previous cycle to be considered in the next cycle
- PELLEX assesses DAP Raipur Prices. DAP is Delivered at Place, meaning prices on delivered basis (including freight) to a DRI maker in Raipur
- For more details, refer to SteelMint PELLEX Methodology document