खनिज समाचार

KHANIJ SAMACHAR

VOL 2 NO-2

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KHANIJ SAMACHAR

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INDIAN BUREAU OF MINES

VOL. 2, NO-2, 16th – 31st JANUARY 2018

THE BUSINESS LINE DATE: 22/1/2018 P.N.8

Metals ($/tonne)						
Aluminium	2219	0.7	6.6	21.0	2256	1806
Copper	6999	-1.1	1.4	22.5	7216	5462
Iron Ore	73	-2.6	4.2	-12.6	95	54
Lead	2582	1.5	0.9	12.4	2610	2030
Zinc	3440	0.1	7.8	25.0	3474	2434
Tin	20690	1.9	6.7	-0.2	21245	18750
Nickel	12679	0.0	8.4	28.4	12900	8710

THE BUSINESS LINE DATE: 29/1/2018 P.N.8

GLOBAL

		Change in %			52-Week	
Metals ($/tonne)	Price	Weekly	Monthly	Yearly	High	Low
Aluminium	2253	1.6	3.3	23.9	2257	1806
Copper	7043	0.6	-0.6	20.6	7216	5462
Iron Ore	74	1.0	4.5	-11.6	95	54
Lead	2594	0.5	4.8	11.3	2620	2030
Zinc	3520	2.3	7.8	27.9	3526	2434
Tin	21820	5.5	11.4	9.5	22025	18750
Nickel	13619	7.4	12.8	45.6	13749	8710

THE TELEGRAPH DATE: 16/1/2018 P.N.8

Gold import badly dents trade gap

OUR SPECIAL CORRESPONDENT

New Delhi: Trade deficit widened to a three-year high of $14.88 billion in December, attributed to a spike in the import of gold and precious stones as well as crude oil that ratcheted imports up 21 per cent to almost $42 billion and left the huge trade gap.

Exports expanded at a slow pace of 12.36 per cent from a year ago to $27.03 billion compared with a 30.6 per cent rise in the previous month, according to latest trade data released on Monday.

Although the growth in exports slowed, it reported a healthy pace, adding to signs that economic activity was recovering.

Difficulties in the implementation of the Goods and Services Tax last July had hurt businesses, particularly exporters, dragging economic growth to a three-year low.

"A sharper-than-expected rise in imports of gold, and pearls, precious and semi-precious stones, amid a considerable decline in the pace of growth of non-oil merchandise exports, bloated the merchandise trade deficit to a three-year high of $14.8 billion in December," Aditi Nayar, principal economist of Icra, said.

"Nearly 80 per cent of the $7.3-billion year-on-year rise in merchandise imports in December 2017 was on account of imports of gold, pearls, precious and semi-precious stones, and petroleum and crude products. The 35 per cent expansion in the imports of fuel in December 2017 reflects both higher prices and volume compared with December 2016."

Ganesh Kumar Gupta, president of exporter body Fieo said: "Having already achieved exports worth $224 billion in first nine months of the fiscal, we are on course to achieve the milestone of $300 billion in 2017-18."

CRUDE OIL PLAYS ITS PART AS WELL

THE GOLD STORY

- Gold imports up 71.5% in December 2018 to $3.4bn from $1.97bn a year ago
- Falling global price of gold behind import surge
- Imports rose over fear of duty hike in budget
- Duty-free import from countries such as Korea

OTHER IMPORTS

Petro products	34.94%
Electronic goods	19.2%
Pearls, stones	93.98%
Machinery	11.2%

KEY TRENDS

- Exports up 12.3% to $27bn
- Trade gap rose to $14.8bn
- Trade gap at three-year high

"However, the rising trade deficit is alarming and the import profile needs to be analysed carefully to see whether imports would augment domestic production or shall pose a challenge for the same.

"The rising import of gold and precious and semi-precious stones can help exports in the gems & jewellery sector in the next few months," he added.

Major commodity groups of import showing high growth in December 2017 over the corresponding month of last year included petroleum products (34.94 per cent), electronic goods (19.2 per cent), pearls, precious & semi-precious stones (93.98 per cent), gold (71.52 per cent), and machinery, electrical & non-electrical (11.21 per cent).

Gold imports surged 71.5 per cent to $3.4 billion, the data showed.

The ministry said global Brent prices increased 18.75 per cent last month compared with December 2016 according to World Bank's commodity price data.

Exports

The growth in exports was aided by a positive rise in engineering goods (25.32 per cent), petroleum products (25.15 per cent), gems & jewellery (2.38 per cent), organic & inorganic chemicals (31.36 per cent), and drugs & pharmaceuticals (6.95 per cent).

With the merchandise trade deficit averaging $14.2 billion per month in the just concluded quarter (October-December), Icra expects the current account deficit to record a considerable year-on-year deterioration to $16-18 billion in the third quarter of the current fiscal compared with $7 billion in the second quarter of 2017-18.

Despite elevated commodity prices, an unfavorable base effect is likely to weigh upon the pace of growth of exports and imports in the last quarter of fiscal 2018.

Overall, the current account deficit is likely to widen nearly three-fold to $42-44 billion in 2017-18 from $5 billion in 2016-17.

Cumulative value of exports for the period of April-December, 2017-18 was $223.512 billion against $199.467 billion in the year-ago period, registering a growth of 12.05 per cent.

Imports during the first nine months of the current fiscal amounted to $338.369 billion against $277.89 billion a year ago, a growth of of 21.76 per cent. Trade deficit during the period widened to $114.85 billion.

THE ECONOMIC TIMES DATE: 16/1/2018 P.N.1

Ruias Ready Forces for a Comeback at Essar Steel

May join hands with Russian bank VTB & SSG Cap to mount bid; ex-SAIL head may be part of SPV

Arijit Barman & Indulal PM

Mumbai: Essar Steel promoters Shashi and Ravi Ruia are working toward setting up a consortium to bid for the company that's in the midst of bankruptcy proceedings at the National Corporate Law Tribunal (NCLT), said several people aware of the matter.

However, the move is expected to come under scrutiny as a recent amendment to the Insolvency and Bankruptcy Code (IBC) is aimed at preventing promoters of such companies from regaining control unless they settle their dues first. One of the persons said Essar's comeback bid will be in compliance with the rules. The Ruias are expected to join forces with Russian bank VTB and Hong Kong-based special situations fund SSG Capital. Some Essar Group employees are likely to be part of the consortium.

One person said the Ruia brothers have already floated a special purpose vehicle (SPV) that will be part of the consortium. A former senior public sector banker and a former Steel Authority of India (SAIL) head are expected to be part of this SPV and will act as the management team responsible for turning around operations. Law firm Khaitan & Co. is said to be an adviser to the effort.

"VTB is organising the funds. The Essar promoters may retain a small minority stake of 10-20%, while SSG and VTB will be the principal shareholders. Essar has sought legal opinion and are confident that they have a strong chance in retaining the asset," said an executive. "Expect an aggressive all-cash bid."

FLAGSHIP UNIT

Essar Steel owes lenders about Rs 45,000 crore, of which Rs 31,671 crore became non-performing as of March 31, 2016. The company owes as much as 93% of the amount to a consortium of 22 creditors led by State Bank of India.

An Essar Group spokesperson said it had begun working on the bid before the IBC was amended. "We had submitted an expression of interest (EoI) as a part of the Corporate Insolvency Resolution Process," the person said. "In the EoI, we had indicated that we intend to work together with VTB. Since then, the government of India has come out with a new ordinance which necessitates a re-look at the bid itself.

THE ECONOMIC TIMES
DATE: 16/1/2018 P.N.1

Diamonds in the Rough as Angadias Suspend Ops

Polished diamond exports lose sparkle after raids

Sutanuka.Ghosal
@timesgroup.com

Kolkata: India's export of polished diamonds has lost its sparkle ever since angadias, or couriers, suspended their operations following raids by the authorities earlier this month over suspected tax evasion.

The angadias, who have been ferrying rough diamonds from Mumbai to Surat and polished diamonds from Surat to Mumbai, have decided not to resume work till they get clear guidelines from the government, crippling the trade in the process, people aware of the matter said.

The angadias have decided not to resume work till they get clear guidelines from the government

This came after the departments of goods and services tax (GST) and central excise carried out joint raids in Mumbai on January 4 and said they had detained 85 angadias who were carrying 90 bags containing 1,042 high-value parcels.

"The action against the angadias has completely disrupted trade, particularly exports, said Praveen Shankar Pandya, chairman of the Gem & Jewellery Export Promotion Council (GJEPC). "The raids have caused extensive damage to the trade in general and the angadia community in particular."

However, Mumbai GST commissioner, KN Raghavan, told **ET** that the parcels which had proper documents were released subsequently.

THE BUSINESS LINE DATE: 17/1/2018 P.N.4

Aluminium industry wants import duty on scrap to be hiked to 10%

Rise in imports threatening survival of producers, say players

SURESH P IYENGAR

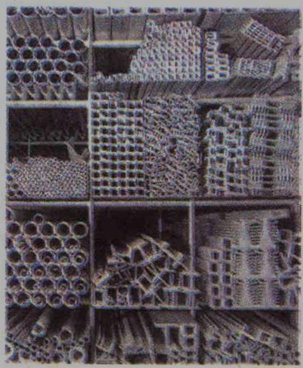
Mumbai, January 16

The aluminium industry has urged the Centre to increase import duty on aluminium scrap to 10 per cent from 2.5 per cent. In its pre-Budget memorandum to the Government, the Aluminium Association of India has also demanded rise in primary aluminium import duty from 7.5 per cent to 10 per cent.

The current customs duty difference of five per cent between the primary aluminium and scrap has led to 56 per cent rise in scrap imports, threatening the survival of aluminium producers in India, the association said.

Aluminium scrap imports have risen seven per cent to 9.31 lakh tonnes last fiscal. In the first half of this fiscal it has already touched 5.41 lakh tonnes and on an annualised basis it is expected to hit 10.82 lakh tonnes in FY18.

The import of scrap was under control till the duty difference between scrap and primary aluminium was at 2.5 per cent, but in the last Budget the Government increased the import duty on primary aluminium to 7.5 per cent to protect the domestic industry. This widened the gap between scrap and primary aluminium metal to five per cent and pushed up scrap imports, said the association.



Growing worry Aluminium scrap imports have risen seven per cent to 9.31 lakh tonnes last fiscal BLOOMBERG

In fact, overall aluminium import (including primary metal and downstream products) of 17.51 lakh tonnes, accounted for 53 per cent of the total domestic demand of 33 lakh tonnes. This has severely impacted the domestic industry which has build up aluminium production capacity of 41 lakh tonnes.

The domestic aluminium producer's market share is down from 60 per cent to 47 per cent and dragged down capacity utilisation of primary producers to less than 70 per cent, it said.

The association has also called for reduction in import duty on key raw materials such alumina from five per cent to nil, coal tar pitch from 5 per cent to 2.5 per cent, caustic soda lye from 7.5 per cent to 2.5 per cent, aluminium fluoride from 7.5 per cent to 2.5 per cent and anodes from 7.5 per cent to 2.5 per cent.

The increase in LME (London Metal Exchange) aluminium prices by $251 a tonne to $2101 a tonne ($1850 a tonne) in last three quarters was negated by the $730 a tonne rise in production cost of the domestic industry due to levy of various cess and duty on raw material.

The association has also sought an increase in export duty on bauxite from 15 per cent to 20 per cent to encourage domestic value addition and exempt the industry from ₹400 a tonne GST compensation cess on coal to support power intensive industries.

THE BUSINESS LINE DATE: 17/1/2018 P.N.18

Uptrend in gold gains momentum

GURUMURTHY K
BL Research Bureau

The year 2018 has begun on a strong note for gold paving way for the yellow metal to breach the psychological level of $1,300/ounce.

This upward break has increased the bullish momentum. Globally, spot gold prices surged to a high of $1,344 and has come-off slightly from there.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) shrugged off the strength in the rupee and moved in tandem with the global gold prices. The contract has surged in the past week breaking above a key resistance level of ₹29,350 per 10 gm and is currently trading at ₹29,790.

Dollar helps: Weakness in the US dollar is helping the bullion prices to remain on a strong footing. The US dollar index has tumbled breaking below the key support level of 92 and is hovering at 90.75 now. But as long as it remains below 91, the outlook will remain bearish, for a fall to 89.9 or even to 89.6 in coming days.

Whether the dollar index breaks further below 89.6 or not will be crucial in deciding the next trend.

Outlook: The pull-back after making a high of $1,344 on Monday keeps the chances alive for an interim dip in gold. However, the overall outlook remains bullish and any price dip in the coming days will increase the likelihood of fresh buyers coming into the market at lower levels.

Key supports are in the $1,320 and $1,325 band and then at $1,310 which are likely to limit the downside in the short-term. The outlook for gold will, however, turn negative only if the prices fall decisively below $1,300, which looks unlikely at the moment.

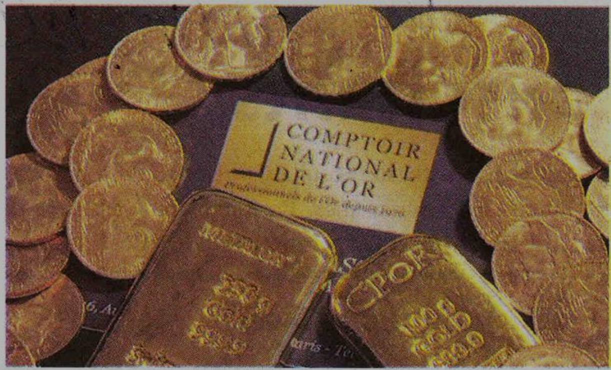
Resistance is at $1,343. As long as gold remains below this resistance, a range-bound move between $1,320 or $1,310 and $1,343 is possible for some time.

An eventual break above $1,343 will boost the momentum and will pave way for the target of $1,365 and $1,370.

On the domestic front, the MCX-gold (₹29,790 per 10 gm) futures contract can test ₹30,000 in the near-term. Inability to surpass ₹30,000 in the first attempt may trigger an intermediate pull-back move to ₹29,500 or ₹29,400. Further fall below ₹29,400 is unlikely.

As such an eventual break above ₹30,000 will increase the likelihood of the contract targeting ₹31,000 over the medium-term.

Traders with a medium-term perspective can go long at current levels and also accumulate on dips at ₹29,600. Keep the stop-loss at ₹29,200 for the target of ₹30,900. Revise the stop-loss higher to ₹30,100 as soon as the contract moves up to ₹30,250.



Shining bright The yellow metal is set to target $1,370 an oz soon

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE ECONOMIC TIMES DATE: 17/1/2018 P.N.8

JSW to Make Fresh Investment of ₹10,000 crore in West Bengal

Chairman Sajjan Jindal says the investment will be in group's steel, cement, power and paints businesses

Our Bureau

Kolkata: Steel, cement and power conglomerate JSW Group will make a fresh investment of ₹10,000 crore in West Bengal, chairman Sajjan Jindal said on Tuesday.

Addressing the fourth Bengal Global Business Summit, Jindal said the investment will be spread across the group's existing business segments—steel cement, power and the newly-launched paints businesses.

He, however, did not give details of the planned investment.

The two-day mega business meet in Kolkata is being attended by a host of business luminaries and industry captains.

This includes ArcelorMittal chairnan LN Mittal, Mukesh Ambani of Reliance Industries, SpiceJet chairman Ajay Singh and Kishore Biyani of Future group.

JSW Cement recently started commercial production from its new 2.4 million tonne (mt) cement unit at Salboni, which was inaugurated by West Bengal chief minister Mamata Banerjee on Monday.

The group will expand the unit by another 1.2 mt over the next six months, encouraged by a strong 9-10% demand for cement in the east. A decorative paints factory is also due to come up in two years at Salboni.

JSW Group has said it is keen on setting up a cold rolled (CR) unit at Salboni, the site where it had planned a mega 10 mt steel plant, which had to be scrapped later for want of raw material linkages.

The CR facility will be along the lines of those at Vasind and Tarapur, Parth Jindal, MD at JSW Cement, had said during a recent media interaction.

This will help JSW Steel serve customers in the east and northeast. However, the plan also hinges on the success of JSW Group's bids for stressed steel assets in the eastern region such as Bhushan Steel in Odisha and Monnet Ispat in Chhattisgarh.

ArcelorMittal chairman LN Mittal, who also addressed the gathering, said his family-run Lakshmi and Usha Mittal Foundation will like to join hands with the state government to work on social sector projects like healthcare.

West Bengal Chief Minister Mamata Banerjee with state finance minster Amit Mitra, RIL chairman Mukesh Ambani, ArcelorMittal CEO Lakshmi Mittal and JSW Steel chairman Sajjan Jindal at the Fourth Bengal Global Business Summit in Kolkata on Tuesday. -PTI

Recalling his early days as a student at Kolkata's St Xavier's College (now St Xavier's University), Mittal said it took an early test of his resolve. "Having invested in many countries around the world, I know what is required for doing business," he said, adding Bengal's transformative initiatives in social infrastructure and e-governance will help the state achieve new highs.

"I hope to be able to contribute in some meaningful way," Mittal said.

THE ECONOMIC TIMES DATE: 17/1/2018 P.N.8

Govt Unlikely to Cut Import Duty on Gold, say Experts

Widening of trade deficit in Dec due to rise in import of gold, oil seen as reason

Sutanuka.Ghosal
@timesgroup.com

Kolkata: The government may not reduce import duty on gold even as the industry is clamouring for a cut in the upcoming budget, according to bankers and analysts, because trade deficit has been widening due to increasing import of the precious metal as well as crude oil.

India's trade deficit touched a three-year high of $14.88 billion in December 2017.

"In the current scenario, there is hardly any room for the government to reduce duty on gold (from the current 10%)," said Shekhar Bhandari, business head-global transactions and precious metals at Kotak Mahindra Bank.

"The import bill for oil is increasing and the government needs to earn revenues. The gold trade says that high duty increases entry of gold through the unofficial route. However, there is no official data on how much gold enters the country through the illegal route," he said.

Traders claim that 100-120 tonnes of gold enters the country through the illegal route every year.

India's gold imports increased 71.52% in December from a year ago to $3.39 billion due to weak global prices and higher domestic demand.

In a report released on Tuesday, the World Gold Council predicted stronger gold demand across the globe in 2018 than in the previous year due to four factors – a synchronised global economic growth, shrinking balance sheets and rising rates, frothy asset prices and market transparency.

The council said that India's policies of demonetisation and goods and services tax (GST), after the initial implementation shock, will start to have a positive effect on the economy, which will spur demand for gold.

Gold trade analyst Bhargav Vaidya said that even if the government reduces duty on gold it won't be much. "A minimal duty cut of 2% is possible, provided the GST on gold jewellery is tweaked. If the GST goes up on gold jewellery then there is room for reducing duty by 2%," he said.

At present, there is a 3% GST on gold jewellery.

Analysts said that movement of crude oil prices will determine whether the government reduces duty on gold. In the past three months oil prices have increased about 28% for WTI and 25% for Brent. MCX oil prices have gone up 25% during this period.

On Tuesday, Brent crude oil prices were around $70 a barrel, a level not seen since 2014.

"Markets are ignoring the fact that US oil production is at new highs and it may clock 10 mbpd very soon in the first quarter of 2018 given the rig counts in the US continued to soar for most of 2017," said Prathamesh Mallya, chief analyst (non-agri commodities and currencies), Angel Commodities Broking.

"Very soon the refineries will go for maintenance around February-March when the refinery rates will drop, resulting in increased inventories that will in turn put pressure on oil prices," he said.

THE HITAVADA DATE: 17/1/2018 P.N.10

'Domestic steel manufacturers misusing protectionist measures'

Business Bureau

APEX engineering export organisation EEPC India has alleged that domestic steel producers are taking undue advantage of the protectionist measures taken by the Government.

"Basking under a slew of protectionist measures initiated by the government, the Indian steel makers are enjoying a huge premium in the domestic market, up to USD 200 a tonne, cutting into the competitiveness of highly employment-oriented user industries, mostly in the SME sector," the EEPC India said.

There is a clear discrimination against the domestic users as the steel makers are fully exploiting various protectionist measures, Engineering Export Promotion Council India Chairman Ravi P Sehgal said. The export price is much lower than the domestic prices of the finished steel as also different products, he said.

"To us, the domestic users, steel and products are supplied at a much higher prices, raising the overall cost of production and in short, raising the difference between export and domestic price. The difference in the export price and the domestic prices is estimated to be around USD 150-USD 200 per tonne. Barring wire rods, the domestic price of all other steel products is found greater than the export prices of the given products," Sehgal said. Illustratively, against an average export price of USD 497 per tonne, the domestic prices of hot rolled coils had been pegged at a huge mark up at USD 700 per tonne in September, 2017, as per the latest data compiled by the EEPC India. Likewise, domestic users of cold rolled coils were made to pay USD 786 per tonne against the international price of USD 566 per tonne for the month, it said. For the billets, the domestic prices were USD 603 per tonne against the global rate of USD 453 per tonne. Similar trend is visible in pig iron and wire of iron and non-alloy steel with difference of USD 125-200 per tonne, EEPC said.

The year-on-year price increase affected by the steel makers in the domestic market ranges between 19 per cent on CR coils and 36 per cent on billets and as much as 39 per cent for a product category called 'blooms.'

THE BUSINESS LINE DATE: 18/1/2018 P.N.18

Uptrend remains intact in MCX Zinc

GURUMURTHY K

BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) extended its upmove as expected in the past week.

The contract recorded a low of ₹212.6/kg on January 10 and has surged over 3 per cent from there to ₹219 now.

The overall uptrend remains intact. There is more room for this trend to extend to the target of ₹225 and ₹227 in the coming days. Traders can hold the long positions with a revised stop-loss at ₹210 for the target of ₹225.

Move the stop-loss higher to ₹218 as soon as the contract moves up to ₹221. A resistance is poised near ₹227.

Whether the contract breaks above this hurdle or not will decide the next move. Since the contract has been in a continuous upmove since December, there is a strong likelihood of it reversing lower from around ₹227.

> **Since the contract has been in a continuous upmove since December, there is a strong likelihood of it reversing lower from around ₹227.**

So, traders holding long positions should remain cautious and can take profit in the ₹225-₹227 region.

A downward reversal from ₹227 can trigger a corrective fall to ₹220 or ₹218.

But if the contract manages to break above ₹227 decisively, it can gain momentum.

In such a scenario, the possibility of the contract targeting ₹235 or even higher levels over the medium-term will increase.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE ECONOMIC TIMES DATE:18/1/2018 P.N.1

JSW Highest Bidder for Binani Cement

Pips submissions from Jhunjhunwala, UltraTech; banks to take a final call on winner in coming days

Satish John & Saloni Shukla

Mumbai: Sajjan Jindal's JSW Group has emerged as the highest bidder for Binani Cement, exceeding submissions from billionaire Rakesh Jhunjhunwala and UltraTech, said three people familiar with the development. JSW's bid is worth about Rs 5,900 crore, they said.

While the bids were revealed to the committee of creditors two days ago, banks will take a final call on the winner in the coming days. The lenders have appointed consulting firm Alvarez & Marsal to evaluate bids. Bankers are confident Binani is one asset that they won't lose money on.

"We have received several bids ranging from Rs 4,500 to a little less than Rs 6,000 crore, which is enthusing," said a bank official. "I always maintained that we won't have to take a haircut on this transaction. We will have to study these proposals very carefully to see which the best fit is."

JSW declined to comment on the matter.

ET reported on January 16 that cement makers such as UltraTech, Heidelberg, the JSW Group, Dalmia Bharat and Ramco Cements besides Junjhunwala had made proposals to acquire the assets of the debt-ridden company. Dalmia Bharat partnered billionaire Ajay Piramal to bid, while JSW submitted its proposal jointly with a private equity firm and Ramco Cement tied up with PE fund True North.

Parth Jindal, JSW Cement managing director, told ET earlier this week that the group would "aggressively bid for stressed assets in cement, steel, and power that are undergoing bankruptcy proceedings".

THE HITAVADA
DATE: 18/1/2018 P.N.11

Gold imports rise to 846 tonnes

NEW DELHI, Jan 17 (PTI)

INDIA'S gold imports rose 53 per cent to 846 tonnes last year on strong domestic demand and lower global prices, according to MMTC-PAMP India. The world's second largest gold consumer had imported 550 tonnes of the metal in 2016. "There has been a significant jump in gold imports in 2017. Imports touched 846 tonnes," MMTC-PAMP India President (Marketing), Vipin Raina told PTI. In Dec 2017 alone, gold imports rose to 70 tonnes from 49 tonnes in year-ago period, he said. Raina said a strong festival and wedding demand coupled with global price led to hike in volume of yellow metal.

THE ECONOMIC TIMES DATE: 19/1/2018 P.N.10

COMPANY HAS ROOM TO HIKE PRICES FURTHER

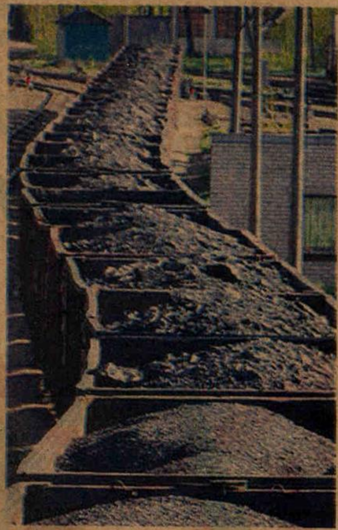
With Mines Shutdown, NMDC may Get More Pricing Power

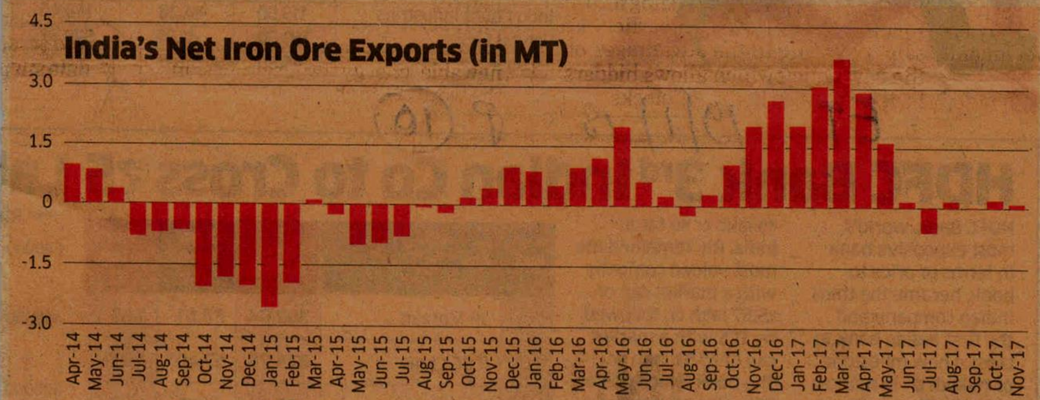
India is likely to turn into a net importer of iron ore due to shutdown of seven mines in Odisha due to non-payment of penalties. This may help domestic ore producers such as NMDC and Sandur Manganese to regain pricing power given a wide gap between domestic and international ore prices.

Despite the recent price increase by NMDC, largest iron ore miner, domestic iron ore price is at around 20% discount to the global prices, thereby leaving room for future price increase. This would not only be positive for iron ore producers but also benefit Tata Steel. Since the company has its own ore mines – known as backward integration in production parlance – it will have a cost benefit over other players such as JSW Steel, Jindal Steel and Power and SAIL, which source ore from other producers.

After the curbs on excessive and illegal mining in 2010, India's ore production fell from 220 million tonnes (MT) in FY10 to 130 MT in FY15. As a result, from exporting over 100 MT in FY10, India turned into a net importer by FY15. However with gradual opening up of production, the output increased to 200 MT. India has also started exporting in recent months.

However, the shutdown of the mines in Odisha may change the equation once again. Although the Supreme Court has permitted 5 MT increase in Karnataka's ore production limit to 35MTlast month, it may take time to ramp up. In the meanwhile, the miners will benefit with a better pricing power. **–Jwalit vyas**





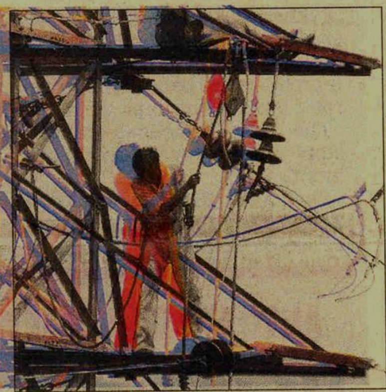
THE ECONOMIC TIMES DATE: 19/1/2018 P.N.6

LIQUIDATION VALUE REVISED UPWARDS TO ₹20,000 CR

Bhushan Power & Steel Liquidation Value almost Doubles after Revision

Duff & Phelps and PwC attribute new value to increased output at co's Odisha plant

Mohit.Bhalla@timesgroup.com



New Delhi: Independent experts Duff & Phelps and PricewaterhouseCoopers have revised the liquidation value of Bhushan Power & Steel upwards to ₹20,000 crore, almost double their initial estimates, barely two weeks ahead of a deadline for submission of final bids for the bankrupt company, according to people briefed on the matter. The revision takes into consideration a near-doubling of production capacity at the company's Odisha plant, the people said. Both firms, which evaluated Bhushan Power & Steel's assets separately, appear to have missed the allocation of funds towards the ramp-up in capacity, according to people in the know.

The initial valuation was presented to the committee of creditors in September. The correction was made after the committee of creditors asked the interim resolution professional to seek a revised assessment that would reflect the fair market value of the company's assets.

Bidders for the company would need to submit offers above the liquidation value for the creditors to consider a resolution plan, according to the people.

As many as 12 prospective bidders including Tata Steel, Vedanta, ArcelorMittal and Liberty House and financial investors had submitted expressions of interest for Bhushan Power & Steel, the people said. The deadline for bids is January 29, although this could be extended.

Liquidation value refers to the worth of a company's assets if they are sold on a piecemeal basis and not as a going concern. Mahender Khandelwal, a partner at audit and advisory firm BDO and the interim resolution professional appointed by the committee of creditors to administer the company, did not immediately respond to ET's emailed queries.

A PwC spokesperson declined comment. Varun Gupta, managing director and head of valuations for Duff & Phelps India, did not respond to emailed queries.

Bhushan Power & Steel doubled capacity at its Odisha plant to over 6 million tonnes per annum from 2.7 million tonnes per annum over the past six months, according to the people.

The Sanjay Singhal-promoted company owed banks close to ₹40,000 crore as of financial year 2016 and was admitted to insolvency proceedings by Punjab National Bank in June last year. The creditors comprise over a dozen banks, with State Bank of India having disbursed the largest proportion of loans.

Other parties that submitted expressions of interest for the company include a Hong Kong-based arm of Bank of America Merrill Lynch, Asia Pacific Capital, Aion Capital, Mesco Steels, Edelweiss group's asset reconstruction arm, Kolkata-based Shyam Metallics & Energy and a UAE-based investor.

THE BUSINESS LINE DATE: 19/1/2018 P.N.16

Buy gold if it dips to $1,315/ounce

GNANASEKAAR T

Comex gold futures slipped on Thursday, hitting its lowest in nearly a week, as the dollar edged higher from three-year lows on stronger-than-expected US economic data.

Comex gold futures are in line with our expectations. As mentioned in the previous update, prices could now consolidate in the $1,290-1,320 per ounce levels before edging higher towards $1,352-55 zone. Strong resistance was seen around $1345 levels, which has repulsed attempts to follow-through higher. Prices have been on the rise for the last 25 trading sessions and correction was in the offing any time soon. Further dips to $1,315 looks likely now. But such a dip could most likely hold and prices could once again try to aim for the next important resistance at $1,253-55 levels.

Dips to $1,315 followed by $1,305 is expected to hold for an initial test of $1,345 followed by $1,352-55 levels. A direct fall below $1,302 could postpone the expected bullishness. Such a fall could see prices testing the next support at $1,280. In the coming week, we expect $1,315-20 levels to hold for a push higher towards $1,345 or even higher to $1,350-55 levels.

Wave counts: It is most likely that the fall from the record $1,925 to the recent low of $1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards $1025-30 levels or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near $1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to $1,476 levels. If the current decline as a whole from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term. sustained move above $1,200 has once again revived bullish hopes. RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD are have gone above the zero line of the indicator again, indicating a bullish reversal. Only a cross over again below the zero line could hint at a reversal in trend to bearish.

Therefore, buy Comex gold on dips around $1,315-20 with the stop-loss at $1,293 targeting $1,345 followed by $1,355. Supports are at $1315, 1,305 and 1,289. Resistances are at $1,345, 1,353 and 1,374.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.

THE HITAVADA DATE: 19/1/2018 P.N.11

Tata Steel launches two products

NEW DELHI, Jan 18 (PTI)

TATA Steel on Thursday announced the launch of two products and said that their addition to the company's portfolio will be significant for the steel major. "Tata Steel has launched two new products, Tata Aggreto and Tata Nirman, India's first branded LD slag products for applications in road, fly ash brick and clinker making," the company said in a statement.

Speaking at the launch, Tata Steel CEO and MD T V Narendran said the company has always believed in sustainable growth which has been embedded at the very core of its work ethos and following this philosophy, the steel major is on a journey to reduce the carbon footprint.

NAVBHARAT DATE: 19/1/2018 P.N.10

खनन मामला : कामत के खिलाफ आरोपपत्र

नवभारत समाचार सेवा

पणजी. गोवा पुलिस ने अवैध खनन मामले में पूर्व मुख्यमंत्री और कांग्रेसी नेता दिगम्बर कामत के खिलाफ आरोपपत्र दायर किया. अपराध शाखा की एसआईटी द्वारा दायर आरोपपत्र में एक खदान मालिक और राज्य खनन विभाग के एक अधिकारी को आरोपी बनाया गया है. एसआईटी ने सितम्बर 2014 में कामत, दक्षिण गोवा के कोलम में खदान मालिक प्रफुल्ल हेडे और खदान एवं भूविज्ञान विभाग के अधिकारी ए. टी. डिसूजा के खिलाफ खदान एवं खनिज (नियमन एवं विकास) कानून की धारा 19 के तहत एक मामला दर्ज किया था. राज्य के खनन एवं भूविज्ञान विभाग की शिकायत पर प्राथमिकी दर्ज की गई थी. अपराध शाखा के एक वरिष्ठ अधिकारी ने कहा कि कामत, हेडे और डिसूजा के खिलाफ अवैध खनन मामले में 1,500 से अधिक पेज का आरोपपत्र एसआईटी द्वारा मडगांव के जिला एवं सत्र अदालत के सामने दायर किया गया.

THE HINDU DATE: 20/1/2018 P.N.16

Tata Steel raises $1.3 billion through global bond issue

Funds to be used to refinance offshore obligations, says CFO

PIYUSH PANDEY
MUMBAI

Tata Steel Limited has raised $1.3 billion through the issue of unsecured bonds in the international markets.

"The issue comprises $300 million 4.45% Unsecured Bonds due on July 24, 2023 and $1 billion 5.45% Unsecured Bonds due on January 24, 2028 by Abja Investment Co. Pte. Ltd., a wholly-owned subsidiary of Tata Steel incorporated in Singapore," the company said in a statement.

The bonds are rated BB- by S&P and will be listed on the Singapore Exchange (SGX). Roadshows were organised simultaneously in Dubai, Singapore, London and Hong Kong as the transaction was unveiled on January 18. By the time the books closed at the end of the day, the peak order book was in excess of $7 billion across tranches, the company said, adding that the 'tremendous' response enabled the issue to be priced about 42 basis points lower than the initial price anticipated on both tranches.

Koushik Chatterjee

The deal was distributed to a wide number of long-term, buy-and-hold institutional investors, banks and private banks.

'Enchanced flexibility'

Koushik Chatterjee, ED and CFO of Tata Steel said, "The proceeds of the bonds will be used to refinance the offshore obligations of the group, which will 'help de-risk the balance sheet, enhance financial flexibility, diversify the investor base and improve the overall debt maturity profile'.

"The completion of the refinancing also marks an important step forward to create a sustainable financial structure in preparation of the proposed joint venture in Europe." Tata Steel shares fell 0.03% to close at ₹751.65 on the BSE.

THE INDIAN EXPRESS DATE: 20/1/2018 P.N.11

'Auction soon of mine leases expiring in 2020'

Panaji: The process of auctioning of mining leases which expire in 2020 would begin with immediate effect to ensure mineral production does not come down in the future, Union mines minister Narendra Singh Tomar said on Friday. Tomar, who chaired a meeting here of mining ministers from 21 states, said, "The Union and state governments today unanimously decided that the auctioning process of these mines, whose leases expire in 2020, should begin from today onwards so that they are auctioned before their expiry date and production does not stop." PTI

THE BUSINESS LINE DATE: 20/1/2018 P.N.4

'Abolish duty on medium grade ore'

Panaji, January 19

Goa Chief Minister Manohar Parrikar on Friday demanded the abolition of export duty on medium-grade iron ore with a Fe (ferrous) content of upto 60 per cent. Parrikar made the demand during the meeting of mines ministers held here today which was chaired by Union Minister of Mines Narendra Singh Tomar. He said at present there was no export duty on low grade ore with a ferrous content of upto 58 per cent. "I have raised the issue with the Union Minister to abolish export duty on medium grade ore of up to 60 per cent Fe so that the product becomes competitive in the global market," Parrikar told reporters. PTI

THE ECONOMIC TIMES DATE: 20/1/2018 P.N.6

Tata Steel Raises $1.3 billion from $-denominated Bonds

Our Bureau

Mumbai: Tata Steel has raised $1.3 billion by selling dollar-denominated bonds in an issue that was subscribed more than five times at peak as investors rushed to grab the high-yielding securities and poured in more than $7 billion.

The bonds were in two tranches – one of $300 million of 4.45% with five-and-a-half-years maturity, and another of $1 billion of 5.45% with 10-year maturity.

"The proceeds of the bonds will be used to refinance the offshore obligations of the group, which will help de-risk the balance sheet, enhance financial flexibility, diversify investor base and improve the overall debt maturity profile," Tata Steel's chief financial officer Koushik Chatterjee said in a statement on Friday.

ET had reported last week that Tata Steel was set to raise $1 billion through a bond issue as part of a mega financing exercise to streamline its international balance sheet before its European joint venture with Thyssenkrupp kicks off.

"The tremendous response enabled the issue to be priced about 42 bps (0.42 percentage points) tighter than the initial price thought on both the tranches," the company said on Friday.

More than a dozen global banks including BofA-Merrill Lynch, JPMorgan, HSBC, StanChart, Barclays and Morgan Stanley had been mandated for the issue.

Abja Investment, a wholly-owned subsidiary of Tata Steel, was the actual issuer of the bonds, rated BB- by S&P, two notches lower than investment grade. The bonds will be listed on the Singapore exchange.

The deal was distributed to a wide number of long-term institutional investors, banks and private banks across regions.

The bond sale was a Regulation S offering, where the bonds are issued to outside investors.

THE BUSINESS LINE DATE: 21/1/2018 P.N.12

Supports can provide a cushion for MCX Lead

GURUMURTHY K

BL Research Bureau

The Lead futures contract on the Multi Commodity Exchange (MCX) tested the key resistance level of ₹168 per kg as expected in the past week.

Contrary to our expectation to breach this hurdle, the contract has reversed lower.

The contract made a high of ₹168.75 and has come-off sharply from there on the final trading session of the week giving back all the gains made during the week. It is currently trading at ₹164/kg.

Support is at ₹163.5 which is very near to current trading level. If the contract manages to bounce from this support, a revisit of ₹168 is possible.

A strong break and a decisive close above ₹168 will boost the momentum. Such a break can take the MCX Lead futures contract higher to ₹171 or ₹172 initially. Further break above ₹172 will then increase the likelihood of the contract targeting ₹176.

Traders with a medium-term perspective can go long at current levels and accumulate at ₹163 and ₹162.

Keep the stop-loss at ₹158 for the target of ₹176. Revise the stop-loss higher to ₹166 as soon as the contract moves up to ₹169.

On the other hand, if the contract breaks below the immediate support at ₹163.5 in the coming days, it can fall to ₹162 or ₹161.

The region between ₹162 and ₹161 is a strong support zone for the contract.

But further decline below ₹161 looks less probable at the moment.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE BUSINESS LINE DATE: 21/1/2018 P.N.13

Goa's iron ore reserves may not last for 10 years: Expert

PRESS TRUST OF INDIA
Panaji, January 26

Iron ore reserves in Goa may exhaust in another 10 years and if there are too many companies involved in mining and the pace of excavation is too fast, the stocks may not even last for five years, an expert said on Friday.

"Unless new reserves are located, the current high-grade reserves of iron ore will not last for more than about 10 years," Ashoka Dessai, senior geologist and former professor of Goa University and Pune University, said. "However, it depends on the rate of exploitation of the resources. If many companies are involved in mining and that too at a rapid pace, the iron ores might not survive even for five years," Dessai, whose book titled "Geology and Mineral Resources of Goa" is set to be released on Sunday, said.

Dessai's book that touches upon the technical aspects of geology and the formation of resources in Goa, will be released here by Sunil Kumar Singh, director of CSIR-National Institute of Oceanography.

He advises that the coastal state should not "overexploit" the resources, as was the case before the Supreme Court put a ban on mining in 2012.

The researcher, who has mentored several geologists in Goa and in Pune, suggests alternatives such as laterites to make up for the void that would be created in case iron ore and manganese ore reserves dry up.

THE HINDU DATE: 21/1/2018 P.N.10

Tata Steel rights issue from Feb. 14

PRESS TRUST OF INDIA
NEW DELHI

Steel major Tata Steel said its rights issue worth ₹12,800 crore will open on February 14 and close on February 28.

The executive committee of the board of Tata Steel, at its meeting, approved "simultaneous but unlinked issues" of ordinary shares having face value of ₹10 each.

The issue will comprise "up to 15.53 crore fully paid up ordinary share not exceeding ₹8,000 crore" and "7.76 crore fully paid up ordinary share not exceeding ₹4,800 crore."

Letter of offer

The letter of offer will be filed with BSE and NSE, and will be submitted to the market regulator SEBI, the company informed.

On December 19, the board approved raising ₹12,800 crore via rights issue to finance organic and inorganic growth plans.

LOKMAT DATE: 21/1/2018 P.N.9

खाणीतून कोळसा ट्रक, रेल्वेने नेणे बंद करणार

पीयूष गोयल : कन्व्हेअरच्या माध्यमातून पुरवठा करण्याची योजना

संतोष ठाकूर
लोकमत न्यूज नेटवर्क

नवी दिल्ली : कोळसा खाणीतून ट्रक आणि रेल्वेने कोळसा विद्युत प्रकल्पापर्यंत वाहून नेण्याची पद्धत बंद केली जाणार असून, त्याऐवजी कोळशाच्या खाणीतून वाहकपट्ट्याने (कन्व्हेअर) थेट विद्युत प्रकल्पापर्यंत कोळशाचा पुरवठा केला जाणार आहे. पहिल्या टप्प्यात कोळशाच्या खाणीपासून २० कि. मी. अंतरावरील विद्युत प्रकल्पापर्यंत, त्यानंतर ६० कि. मी. दूरच्या विद्युत प्रकल्पापर्यंत वाहकपट्ट्यातून कोळशाचा पुरवठा केला जाणार आहे.

कन्व्हेअरच्या माध्यमातून कोळशाचा पुरवठा करण्यासाठी दोन कंपन्या पुढे आल्या असून, या कंपन्यांनी पत्राने सरकारलाही कळविले आहे, असे रेल्वे आणि कोळसामंत्री पीयूष गोयल यांनी सांगितले. यामुळे पर्यावरणाचे नुकसान होणार नाही. इंधनाची बचतही होईल. कोळशाच्या खाणींजवळ अनेक विद्युत प्रकल्प आहेत. यापैकी अनेक प्रकल्प ६० किलोमीटर अंतरावर आहेत. कन्व्हेअर किंवा वीज आधारित मालवाहतूक व्यवस्थेच्या माध्यमातून खाणींतून कोळसा थेट विद्युत प्रकल्पापर्यंत पोहोचविण्याची पद्धत सुरु केल्यास किती खर्च लागेल? याचे आकलन केले असता असे लक्षात आले की, हा विशेष मार्ग विकसित करणे खर्चाच्या दृष्टीने फायदेशीर ठरेल. त्यानंतर वीज निर्मिती क्षेत्रातील कंपन्यांशी चर्चा करण्यात आली. यासाठी दोन कंपन्यांनी स्वारस्य दाखविले आहे.

THE BUSINESS LINE DATE: 22/1/2018 P.N.8

Bullion Cues

Gold snaps five-week rally

The uptrend can resume and target $1,370 after a short-term consolidation

GURUMURTHY K

After surging for five consecutive weeks, the rally in gold halted last week. Global spot gold fell after touching a high of $1,344.8 per ounce last Monday. However, lack of strong selling pressure limited the downside. The yellow metal made a low of $1,324 and has bounced slightly from there to close the week slightly lower by 0.4 per cent at $1,331per ounce.

Silver on the other hand was beaten down strongly . Global spot silver fell sharply after touching a high of $17.42 per ounce to a low of $16.81 before closing the week at $17 per ounce. Silver was down more than 1 per cent last week.

But things were different on the domestic front. Surprisingly, the gold futures contract on the Multi Commodity Exchange (MCX) gained last week. This is thanks to the sudden weakness in the rupee from 63.5 towards 64 against the US dollar. The MCX-Gold futures contract fell to a low of ₹29,550 per 10 gm and reversed to close the week 0.7 per cent higher at ₹29,755 per 10 gm. The MCX-Silver contract, however, fell in tandem with global prices to close the week on a negative note. But, the loss in the contract was limited. The contract has closed at ₹38,969 per kg, down, 0.24 per cent for the week.

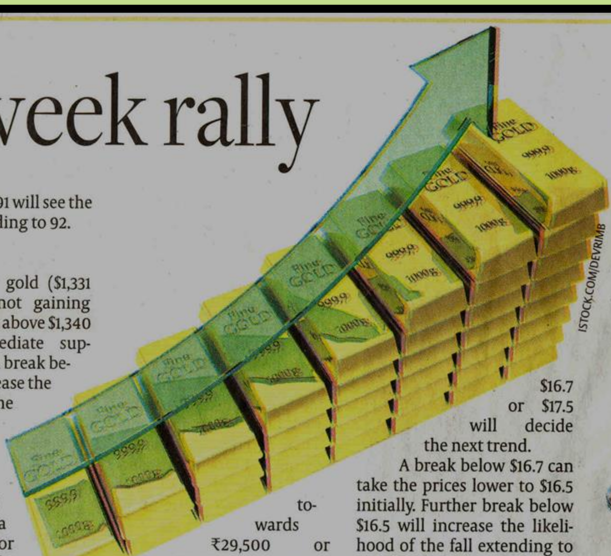
Dollar mixed

The uncertainty that prevailed over the US government running into a shutdown kept the dollar under pressure. The dollar index was volatile and range bound with a negative bias between 90 and 91 all through last week.

A crucial support for the index is poised at 89.80, which is likely to be tested in the coming days. Whether the dollar index manages to reverse higher from there or not will be key in determining the next move.

If the dollar index breaks decisively below 89.8, it can fall to 88 thereafter. Such a fall can aid in pushing the gold price higher. But if the index manages to bounce from 89.9 and sustains higher, the downside pressure may ease. The index can then move up to 91 again.

A break above 91 will see the relief rally extending to 92.



Gold outlook

The global spot gold ($1,331 per ounce) is not gaining strength to break above $1,340 decisively. Immediate support is at $1,325. A break below this will increase the likelihood of the prices falling to $1,313 or $1,310 in the short term. The region between $1,310 and $1,300 is a strong support for gold. Dips to this support zone is likely to bring fresh buyers into the market. An eventual reversal thereafter will see gold rallying back to $1,340 levels. A break above $1,340 can target $1,350 initially. Further break above $1,350 will see the upmove extending to $1,370 — a crucial long-term resistance for gold. The price action around $1,370 will need a close watch as this will be key to the move thereafter.

On the domestic front, the outlook for the MCX-Gold (₹29,755 per 10 gm) remains bullish. A rally to ₹30,050 is likely in the near-term as long as the contract sustains above ₹29,550. Inability to break above ₹30,050 can trigger an intermediate corrective fall towards ₹29,500 or ₹29,350. However, such a downmove could be a good opportunity for traders with a medium-term perspective to go long. An eventual break above ₹30,050 will see the contract targeting ₹31,000 over the medium-term.

Traders with a medium-term perspective can go long on dips at ₹29,500 and ₹29,350. Stop-loss can be placed at ₹28,850 for the target of ₹31,000.

Silver outlook

The global spot silver ($17 per ounce) is broadly range bound between its support at $16.7 and resistance at $17.5 over the last three weeks. The immediate outlook is unclear. A breakout on either side of $16.7 or $17.5 will decide the next trend.

A break below $16.7 can take the prices lower to $16.5 initially. Further break below $16.5 will increase the likelihood of the fall extending to $16. On the other hand, silver can gain bullish momentum if it breaks above $17.5 decisively. Such a break will pave way for a fresh rally to $18 and $18.5

MCX-Silver (₹38,969 per kg) on the other hand is not gaining strength to break the resistance at ₹39,500. A dip to test the support at ₹38,500 is likely in the near-term. A break below ₹38,500 can take the contract lower to ₹38,000. But if the contract manages to bounce from ₹38,000, an upmove to ₹39,500 is possible again.

A strong break above ₹39,500 is needed for the contract to gain fresh momentum. Such a break will pave way for a fresh rally to ₹40,000 or even ₹40,700.

MCX Gold

Supports
₹29,500, ₹29.350
Resistances
₹30,050 / ₹31,000

MCX Silver

Supports
₹38,500 / ₹38,000
Resistances
₹39,500 / ₹40,000

Vedanta, Torrent and NLC in Race For GMR Chhattisgarh Plant

Lender Axis Bank to evaluate bids put in by 5 companies for the 1370-mw power plant

Sarita.Singh@timesgroup.com

New Delhi: Anil Agarwal's Vedanta group, Torrent Power and state-run NLC (formerly called Neyveli Lignite Corp) have joined the race for acquiring a controlling stake in GMR Energy's 1370-mw power plant in Chhattisgarh.

In all, five companies including Adani Power and JSW Energy have put in final bids for the project, industry sources said. Resurgent Power, backed by Tata Group, opted out of the bidding.

Axis Bank, the lead of the consortium of lenders that invoked the strategic debt restructuring (SDR), will now evaluate the bids. "The stake sale is likely to happen within this month as per the rules of the SDR. The project will be awarded to the company that bids to absorb the maximum debt," the sources said.

A senior JSW Energy official declined to comment. Emails and messages sent to other companies on Friday did not elicit any response.

The consortium of 15 lenders including State Bank of India, Bank of India, Canara Bank, Bank of Baroda and HDFC in February last year converted the plant's ₹2,992 crore debt into equity as part of the SDR plan for change in management. The balance debt stands at about ₹5,900 crore. The banks own over 52.4% stake in the plant and on December 29 sought interest from global and domestic players to offload equity.

The 2x685 mw coal-based power plant achieved commercial operations in March 2017. The project is stranded as it does not have power purchase agreements with state distribution utilities, leading to cost overruns and lenders invoking SDR.

The project won two coal blocks — Talabira – I mine in Odisha and Ganeshpur coal block in Jharkhand. However, the company had in mid-2017 approached the Delhi HC seeking quashing of the government decision to cap fixed costs or permission to surrender the Talabira block without penalties. It filed a consequential petition after Monnet Ispat & Energy and Mandakini Exploration & Mining surrendered the non-producing mines they had won, following a favourable order from the court on their claim that they were not aware of the government's plan on fixed costs at the time of bidding.

Lenders own over 52.4% stake in the plant and on Dec29 sought interest from global and domestic cos to offload equity

Sources said the bankers had last year invited expressions of interest from bidders. Over 20 companies had responded and 10 were shortlisted. The auction process was later scrapped and fresh bids were invited by the lenders in December.

GMR Chhattisgarh Energy is one of the debt-laden power plants in the country. Last month, lenders to Prayagraj Power Generation Co, a subsidiary of Jaiprakash Power Ventures operating 1,980-mw plant, sought bids to sell a majority stake in the thermal power project. Lenders to the 1,320-mw plant in East Coast Energy have moved National Company Law Tribunal (NCLT) recently.

Power Play

5 cos – Vedanta, Torrent, NLC, Adani Power & JSW Energy – have put in bids Resurgent Power opted out

Consortium of **15 lenders**, including SBI, BoI, Canara Bank, BoB & HDFC, in February 2017 converted plant's **₹2,992-cr** debt into equity

THE HITAVADA DATE: 22/1/2018 P.N.9

Government to auction eight more mineral blocks in three States

■ So far, a total of 88 mineral blocks have been notified by 9 States for auction, of which 33 blocks have been successfully auctioned

New Delhi, Jan 21 (PTI)

THE Government has identified eight more mineral blocks with a cumulative reserve of 1,133 million tonnes (MT) in Rajasthan, Chhattisgarh and Jharkhand to be auctioned by mid-march.

So far, a total of 88 mineral blocks have been notified by 9 states for auction, of which 33 blocks have been successfully auctioned with an estimated revenue of Rs 1.28 lakh crore over the lease period to the States.

Of the eight mines, six are of lime stone - five in Rajasthan and one in Chhattisgarh, one of iron ore and the remaining one is of graphite and quartz - both in Jharkhand. Five of the limestone blocks in Rajasthan - four in Nagaur district and one in Jaisalmer - will be put under hammer on February 7, while the Chhattishgarh mine in district Baloda will go for e-auction on March 12, as per the mines ministry. The remaining two iron ore and graphite and quartz blocks will be auctioned on March 14. These mines have a cumulative reserve of 1,133 million tonnes of limestone, iron ore and graphite and quartz.

Of these eight blocks, only one limestone block in Chhattisgarh is reserved for clinker and cement plants, while there is no end use reservation for the remaining, the ministry said.

The ministry, meanwhile is also contemplating at setting up special purpose vehicles (SPVs) that will acquire necessary project clearances, including environmental, for the mineral blocks before bidding, a move that may add pace to the auction process, an official said.

Mines Secretary Arun Kumar had said last month that recent changes in bidding rules are expected to lead to wider participation and a smoothening of the process. "We had rounds of discussions and have brought out the amendments in auction rules which we feel will go a long way in smoothening the process," he said. So far, 33 mineral blocks have been auctioned and revenue to the states estimated at Rs 1,28,000 crore over the lease period.

This fiscal, so far 12 mineral blocks have been auctioned, which brought a revenue of Rs 48,000 crore over a lease period of 50 years to the states.

Almost 30 blocks will be put up on auction in January 2018, which is the highest in a month since the auction route was adopted for allotment of the mineral blocks.

Prior to the changed guidelines, the process of auction used to get scrapped if there were less than three bidders and this process was carried out for at least three rounds and flexibility was allowed only in the fourth round. Each round of auction went on for a minimum of three months, which saw many blocks getting annulled time and again.

While a minimum of three bidders is still required in the first attempt to auction, under the amended rules now, the states have the flexibility of allocating the block in the second round itself even if there are less than three bidders.

THE ECONOMIC TIMES
DATE: 22/1/2018 P.N.3

Vedanta, NLC Torrent Vie for GMR Plant

Anil Agarwal's Vedanta group, Torrent Power and state-run Neyveli Lignite Corp have joined the race for acquiring a controlling stake in GMR Energy's 1370-mw power plant in Chhattisgarh, reports **Sarita Singh** from **New Delhi**. In all, five companies, including Adani Power and JSW Energy have put in final bids for the project, industry sources said. Resurgent Power, backed by Tata Group, opted out of the bidding. ►► 8

THE HINDU DATE: 23/1/2018 P.N.13

WGC mulls global gold kilobars standard

LME considering accepting the kilobars of the yellow metal as collateral

REUTERS
LONDON

The World Gold Council (WGC) is studying the creation of a global standard for gold kilobars so they can be deployed as collateral in futures markets and potentially encourage demand, sources close to the matter said.

Kilobars –1 kg gold bars – dominate Asian trade but a lack of transparency about their origin and the absence of a global standard hinders their use on exchanges elsewhere.

Clearing houses, some of which allow bullion to be used as collateral on futures markets, might accept such bars if they all met a set of internationally recognised criteria.

London Metal Exchange clearing arm LME Clear cannot accept the kilobars used in Asia because they differ from London Good Delivery standard bars, typically around 400 ounces, as specified by the London Bullion Market Association (LBMA).

Independent of the WGC initiative, the LME has been looking at accepting kilobars as collateral for all its contracts which include copper, aluminium and zinc, sources familiar with the matter said.

The council and the LME declined to comment. Intercontinental Exchange's ICE Clear Europe and CME Group's U.S.-based clearing house accept bullion as collateral, but only if it conforms with LBMA criteria, which typically would rule out bullion traded in Asia.

"We continuously evaluate new forms of collateral based on client demand and at this time, we haven't heard interest from clients," CME said when asked whether the exchange was considering accepting kilobars.

Different norms: The LME cannot accept gold kilobars as they differ from the London Good Delivery standard bars. ▪ REUTERS

ICE declined to comment when asked.

WGC talks on creating a global kilobar standard would aim to include companies from the world of gold refining, banks and brokers that trade the precious metal in the futures and physical markets and the LBMA.

The LBMA said it was not currently involved in any specific discussions over the creation of a new standard.

'For global acceptance'

"The plan is to create a standard for kilobars that can be adopted around the world, delivered anywhere, possibly using blockchain to identify the bars, their origins," a physical gold trading source said. "Rigid standards and blockchain would bring in people who are worried they could be getting conflict metal," he said.

THE BUSINESS LINE DATE: 23/1/2018 P.N.16

Immediate outlook unclear for MCX Aluminium

GURUMURTHY K
BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange (MCX) was volatile in the past week. The contract fell to a low of ₹139 per kg initially on Tuesday last week and then reversed sharply higher from there.

However, this upward reversal was short-lived as it faced strong resistance around ₹145 and halted after making a high of ₹144.9 on Friday. The contract has come-off from this high and is currently trading at ₹143/kg.

Immediate outlook is not clear. Key support is at ₹140 and resistance is at ₹145. A breakout on either side of ₹140 or ₹145 will determine the next move.

Traders can stay out of the market until a clear trend emerges.

If the contract declines below ₹140, it can come under renewed selling pressure. In such a scenario, a fall to test the crucial support level of ₹137 is possible. If the contract manages to reverse higher from ₹137, a relief rally to ₹140 or even higher levels is possible. In that case, a broad range-bound move between ₹137 and ₹146 can be seen.

But if the contract breaks below ₹137 decisively, it can tumble to ₹132 or ₹131 on the back of profit booking.

On the other hand, if the contract manages to sustain above ₹140 in the coming days and breaks above ₹145 decisively, the downside pressure can ease. The contract can then target the next key long-term trend resistance level of ₹148.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

THE BUSINESS LINE DATE: 23/1/2018 P.N.14

Asian meet to focus on producing greener steel

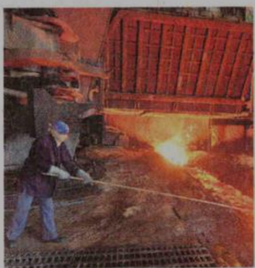
Industry experts to address corrosion, waste utilisation

SPECIAL CORRESPONDENT
KOLKATA

Making steel a better-looking and a more environment-friendly product will be among the focus areas at the three-day Asian Steel Conference starting February 6.

The triennial conference, organised by the Iron and Steel Institute of Japan, The Chinese Society for Metals, The Korean Institute of Metals and Materials and the Indian Institute of Metals, is coming to India after 2003, Anand Sen, president TQM and Steel Business, Tata Steel and Chairman, Asian Steel 2018, said.

Tata Steel is the main sponsor of the event, which will be held in Bhubaneswar. About 70 keynote speakers, half of them from countries such as China, Korea, Japan, Netherlands, U.K., U.S., Germany, Belgium, Canada are expected to address the meet.



They will represent major producers such as Nippon Steel, POSCO, Bao Steel, SMS Paulwurth Germany/Luxembourg besides Indian firms.

'Lagging West'

Noting that the Asian steel industry lagged the West in many respects, Mr. Sen said there was a lot of catching up to do. "Steel needs to become better-looking at a lower cost, and more environment-friendly."

"Academics from the University of Cambridge, and Chongqing University, China, heads of research labs at Nippon Steel and Sumitomo Metal, Japan and POSCO, Korea will address issues such as surface treatment and corrosion, steel products and applications and environmental engineering and waste utilisation," he added.

THE BUSINESS LINE DATE: 24/1/2018 P.N.18

MCX zinc tests a key barrier

YOGANAND D
BL Rsearch Bureau

Since taking support at ₹200 per kg in mid-December 2017, the Zinc futures contract on the Multi Commodity Exchange (MCX) has been in a short-term uptrend.

However, the contract appears to have met with a resistance at ₹220 last week and began to move sideways testing this barrier.

On Tuesday, the contract started the session in red, opening at ₹219.40 and continues to hover at this level.

The daily relative strength index and price rate of change indicators are showing negative divergence implying that a trend reversal is on the cards. An emphatic decline below the immediate key support level of ₹215 will confirm the trend reversal.

In that scenario, the contract can decline to ₹212 and then to ₹210 in the short-term. Further slump below ₹210 has the potential to drag the contract down to ₹207 and ₹205 levels over the medium-term.

On the other hand, an emphatic upward breakthrough of the immediate resistance level of ₹220 will negate the downward reversal and take the contract higher to ₹225 and then to ₹228 levels in the medium-term. As long as the contract trades in the band between ₹215 and ₹220, traders with a short-term perspective should tread with caution.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.

THE HINDU DATE: 24/1/2018 P.N.6

Tata Steel to organise 7th Asia Steel Summit

OUR BUREAU
Kolkata, january 23

Tata Steel has crossed the ₹10-crore sales mark for its 'Pravesh' brand of doors in a single month, Anand Sen, President, TQM and Steel Business, said.

'Pravesh' is a termite resistant steel door brand (with a wood finish look) that is priced between ₹17,000 and ₹45,000.

"We sold around 10,000 Pravesh doors this month and in terms of turnover, crossed the ₹10-crore mark," he told reporters.

Anand Sen, President, TQM and Steel Business, Tata Steel
DEBASISH BHADURI

According to Sen, Tata Steel along with the Indian Institute of Metals will organise the 7th Asia Steel Conference at Bhubaneswar on February 6-9. The previous edition was held in Yokohama, Japan.

This year's conference will focus on the challenges faced by the steel industry, reducing energy consumption in steel making and bringing down CO_2 emissions.

According to Sen, some 500 delegates are expected. There will be 70 keynote speakers including policy-makers from India and top researchers across companies like Nippon Steel, Posco, Hyundai Steel, and SAIL.

THEECONOMIC TIMES DATE: 24/1/2018 P.N.8

ArcelorMittal Withdraws Bid for Bhushan Power & Steel

Decision follows due diligence; Tata Steel, JSW, Vedanta among those still in race for bankrupt co

Mohit.Bhalla@timesgroup.com

New Delhi: ArcelorMittal, the world's largest steel producer, has withdrawn from bidding for bankrupt Bhushan Power & Steel after it conducted due diligence on the Indian company.

ArcelorMittal informed the committee of creditors of Bhushan Power & Steel of its decision through a letter sent by its financial advisor Goldman Sachs, according to people with knowledge of the matter.

Tata Steel, JSW, Vedanta, AION Capital and a Dubai-based billionaire whose identity could not be ascertained remain in the fray for the bankrupt company ahead of the January 29 deadline for final offers. JSW was a late entrant.

The letter sent by Goldman Sachs did not specify why ArcelorMittal withdrew. The company had shortlisted certain assets and 'did not want to spread itself too thin' by submitting offers for multiple assets, a person close to the global steel major said.

ArcelorMittal is said to be in the fray for Essar Steel and for Bhushan Steel, a company owned by an estranged member of the family that owns Bhushan Power & Steel. Luxembourg-based ArcelorMittal also owns 30% in Uttam Galva Steel. ArcelorMittal had not responded to **ET**'s queries till press-time Tuesday. A spokesperson for Goldman Sachs declined to comment.

ArcelorMittal is said to be in the fray for Essar Steel and for Bhushan Steel

A request for proposal document and detailed evaluation criteria had been sent to the remaining five contenders.

If financial offers for the company include upfront payments, they will be evaluated both on quantitative and subjective criteria, according to bankers. Three shortlisted bidders will be called for presentations and negotiations with respect to their resolution proposals.

The committee of creditors had also sought a report on the fair valuation of the company's assets as it had added significant capacities from the time it went into insolvency resolution because existing credit lines were unutilised. The fair value of the assets was almost double the initial liquidation value estimate put together by Duff & Phelps and PricewaterhouseCoopers, according to the bankers.

The liquidation value will likely remain unchanged though, and the fair value estimates would be used by the lenders for their own internal purposes when assessing resolution plans.

Mahender Khandelwal, the resolution professional for Bhushan Power & Steel and head of restructuring services at audit and advisory firm BDO, did not respond to **ET**'s queries.

The Sanjay Singhal-promoted Bhushan Power & Steel owed banks almost ₹40,000 crore as of FY17. The company was admitted to insolvency proceedings by Punjab National Bank in June last year. The committee of creditors comprises over a dozen banks, with State Bank of India having disbursed the largest proportion of loans to the company.

Bhushan Power & Steel manufactures steel products for the automotive and appliances industry and for varied electrical applications.

As many as 12 parties, including the promoter, had submitted initial expressions of interest for the company. They included a Hong Kong-based arm of Bank of America Merrill Lynch, Asia Pacific Capital, Mesco Steels, Edelweiss group's asset reconstruction arm and Kolkata-based Shyam Metallics & Energy. They no longer remain in the fray. Singhal was disqualified after an ordinance amending the bankruptcy code in November prohibited defaulting promoters from bidding for their companies.

THE HITAVADA DATE: 25/1/2018 P.N.11

Gems, jewellery exports drop in Apr-Dec 2017

NEW DELHI, Jan 24 (PTI)

THE country's gems and jewellery exports contracted by 4.65 per cent to about USD 25 billion during April-December this fiscal owing to demand slowdown in major markets, including the US.

According to the Gems and Jewellery Export Promotion Council (GJEPC) data, exports stood at USD 26.1 billion in the same period last year.

The labour-intensive sector contributes about 14 per cent to the country's overall export.

The drop in shipments is mainly due to negative growth in the export of gold jewellery and gold medallions and coins.

The industry has asked for support in terms of increasing incentives under the Merchandise Exports from India Scheme (MEIS) to boost the shipments.

Blockage of working capital due to GST is impacting exports, a GJEPC official, who do not wish to named, said. As per the data, gold jewellery shipments during April-December 2017-18 dipped by 4 per cent to USD 7 billion.

Similarly, export of gold medallions and coins contracted by about 55 per cent during the period. However, silver jewellery exports went up 16.28 per cent to USD 3.11 billion during the nine-month period of the current fiscal. Shipments of cut and polished diamonds reported a growth of just 1.85 per cent.

India's main export destinations are the US, Europe, Japan and China. The US accounts for about one-fourth of country's total gems and jewellery exports. During nine-month period of current fiscal, consignments worth USD 5.82 billion were returned compared with USD 5.83 billion during same period previous year.

THE BUSINESS LINE DATE: 25/1/2018 P.N.16

THE BUSINESS LINE DATE: 25/1/2018 P.N.2

Short-term view is bullish for MCX Nickel

GURUMURTHY K
BL Research Bureau

The nickel futures contract on the Multi Commodity Exchange (MCX) has surged over 4 per cent in the past week.

After hovering below ₹800/kg in the initial part of last week, the contract rallied sharply breaking above this psychological hurdle. It is currently trading at ₹826.

The short-term outlook will remain bullish as long as the contract remains above ₹800.

A rally to test the next key resistances at ₹853 and ₹860 is possible in the coming days.

Traders who have taken long positions at ₹816 and also accumulated at ₹806 and ₹790, can continue to hold. Revise the stop-loss to ₹810 and move it higher to ₹825 as soon as the contract moves up to ₹835.

Can consider taking the profits off that table at ₹860.

Whether the contract breaks above ₹860 or not will then decide the next trend. Inability to break above ₹860 and a pull-back from there can drag the contract lower to ₹800 levels.

But if the contract manages to breach ₹860 decisively, it can gain fresh momentum.

In such a scenario, the contract can target ₹900 in the coming weeks. The fresh rally to ₹900 will also pave way for the contract to target ₹980 and ₹1,000 over the long-term.

The region between ₹782 and ₹780 is a key support for the contract. The outlook will turn negative only if the contract falls below ₹780.

Such a fall can drag the contract lower to ₹765 or ₹760. But the price action since the beginning of this month suggests that the contract lacks strong sellers below ₹800. This leaves less possibility of the contract falling sharply below ₹800 in the short-term.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

Steelmaker Posco sees higher sales this year after Q4 profit jumps

REUTERS
Seoul, January 24

South Korean steelmaker Posco expects sales to rise in 2018 as Chinese steel prices should remain strong early this year thanks to Beijing's efforts to cut production, the company said during the release of its fourth quarter results.

Posco said on Wednesday its consolidated operating profit for the October to December quarter climbed to 1.15 trillion won ($1.08 billion), including affiliates' earnings, up 144 per cent from 472 billion won in the same period a year earlier.

Profits rose because of higher steel prices but fell short of market estimates.

Posco said it expects 2018 revenue will rise to 61.9 trillion won from 60.7 trillion won in 2017. It will also boost its capital expenditures and other investments by 62 per cent to 4.2 trillion won this year.

Steel futures in China, the world's biggest steel consumer, surged 47 per cent in 2017, the second year in a row of annual gains, on rising demand for materials and tightening supplies as Beijing pushed to cut overcapacity and pollution.

China's economy grew faster than expected in the fourth quarter of 2017, as an export recovery helped the country post its first annual acceleration in growth in seven years.

Posco's share price has risen 16 per cent so far this year, outpacing the wider market's 2.9 per cent gain.

THE BUSINESS LINE DATE: 26/1/2018 P.N.19

Metal forming sector upbeat on growth prospects

Imtex metal forming and tool expo opens in Bengaluru

OUR BUREAU

Bengaluru, January 25

The Indian machine tool industry is expected to grow around 20 per cent in 2017-18, and the metal forming industry is expected to grow at a CAGR of around 15 per cent in the next three years, said P Ramadas, President, Indian Machine Tool Manufacturers' Association (IMTMA).

Speaking at Imtex Forming 2018 and Tooltech 2018, the association's flagship event and South-East Asia's largest expo on metal forming technologies, Ramdas said the domestic machine tool industry registered an impressive growth rate of 23 per cent in 2016-17.

Foreign exhibitors

The event was inaugurated by RV Deshpande, Karnataka Minister for Large and Medium Scale Industries and Infrastructure Development. The exhibition is being held from January 25-30 at BIEC here.

RV Deshpande, Karnataka Minister for Large & Medium Scale Industries

The expo has attracted over 500 exhibitors in three halls covering a gross exhibition area of around 33,000 sq m.

About 23 countries including India are participating in the show, with group participations from three country-group pavilions: China, Taiwan and Germany.

Technologies on display at the exhibition include robotics and automation, welding and joining, wire-forming and drawing, presses die casting, hydro forming, sheet metal forming machines, presses for applications, die and moulds, and hydraulic and pneumatic systems and elements.

Policy pioneer

Deshpande called upon the industry to invest in Karnataka, which, he said, was the first to bring a start-up policy.

It is also the only State to have an electric vehicle policy, he said. The State has been at the forefront of supporting the manufacturing sector and it has successfully created 12.61 lakh jobs and over 5 lakh jobs are in pipeline, he added.

He said the machine tool park in Tumakuru, jointly developed by the Centre and the Karnataka government, is being built as a model industrial cluster with infrastructure facilities for SMEs.

AS Kiran Kumar, former Chairman of ISRO, said that the polar satellite launch vehicles (PSLV) developed by ISRO are being indigenously manufactured with support from domestic companies, and ISRO is also releasing the lithium-ion batteries which can be adopted in the automotive sector.

This could revolutionise the Indian manufacturing landscape, he added.

Talking about Imtex's stature in the Indian machine tools sector, Jamshyd N Godrej, Chairman, Exhibitions - IMTMA, said the popularity of the show can be gauged from the tremendous response and enthusiasm shown by exhibitors and visitors.

Backbone industry

Addressing the inaugural session, Nirmal K Minda, President, ACMA, said machine tool is the backbone of the manufacturing industry and contributes immensely towards its development. ACMA and IMTMA have been working closely towards addressing the growing needs of the automotive component manufacturers and shall continue to do so in the years to come, he added.

THE ECONOMIC TIMES DATE: 26/1/2018 P.N.1

Tata Steel Wants to Bid Afresh for Electrosteel on MAT Relief

Company may raise its bid as revised rules could help buyer save more on tax

Sangita Mehta & Satish John

Mumbai: Tata Steel has sought an opportunity to bid afresh for bankrupt Electrosteel Steels on the ground that clarity had emerged regarding taxes to be paid on acquiring a stressed asset subsequent to the deadline for submissions having passed, said two persons with knowled-

ET reported on January 9 that Anil Agarwal's Vedanta Resources had submitted the highest bid pegged at about ₹4,500 crore compared with the Tata Group's ₹3,500 crore offer.

ting it could raise its bid, followed a clarification issued by the Central Board of Direct Taxes on January 5, a day after the deadline for Electrosteel bids. Lenders are debating whether a new round of bids can be called, said the people cited above.

"The amount of total loss brought forward (including unabsorbed depreciation) shall be allowed to be reduced from the book profit for the purposes of levy of MAT (minimum alternate tax) under Section 115JB of the Act," CBDT had said.

This alters calculations, Tata told the resolution professional (RP) Dhaivat Anjaria, said the people cited above, who have seen the letter. Tata indicated it will be in a position to improve upon its earlier offer but didn't

Gold touches 14-month peak of Rs 31,450; silver regains 41k mark

NEW DELHI, Jan 25 (PTI)

GOLD prices soared by Rs 350 to trade at over 14-month high of Rs 31,450 per 10 gram on Thursday, tracking a firm trend overseas amid pick-up in buying by local jewellers. Silver regained the Rs 41,000-mark by jumping Rs 1,100 on increased off-take by industrial units and coin makers.

Bullion traders attributed the rally in gold to a firm trend overseas as the dollar weakened to near three-year lows in the wake of comments by US Treasury Secretary, Steven Mnuchin that he welcomed a weaker currency, raising demand for the precious metal as a safe haven. Besides, an uptick in seasonal buying by local jewellers firmed up the prices, they added.

Globally, gold ruled firm as it rose 0.43 per cent to trade at nearly 1-1/2 year high of USD 1,363.60 an ounce in Singapore. Silver also rose by 0.29 per cent to USD 17.58 an ounce. In the National Capital, gold of 99.9 per cent and 99.5 per cent purity shot up by Rs 350 each to Rs 31,450 and Rs 31,300 per ten gram, respectively, a level last seen on November 9, 2016. It had gained Rs 25 in Wednesday's trade. Sovereign however held steady at Rs 24,800 per piece of eight grams.

Tracking gold, silver ready jumped Rs 1,100 to Rs 41,000 per kg and weekly-based delivery Rs 1,190 to Rs 40,130 per kg.

Silver coins however remained steady at Rs 74,000 for buying and Rs 75,000 for selling of 100 pieces.

THE BUSINESS LINE DATE: 27/1/2018 P.N.12

Buy gold if it touches $1,343/ounce

GNANASEKAAR T

Comex gold futures on Thursday edged up to their highest since August 2016, as the US dollar hit three-year lows.

Comex gold futures moved perfectly in line with our expectations. As mentioned in the previous update, prices could now consolidate in the $1,290-1,320 per ounce levels before edging higher towards $1,352-55 zone.

As expected, prices have come to the important resistance around $1,355 and moved even beyond that. Dips to $1,343-45 followed by $1,325 are expected to hold for an initial test of $1,374 in the coming sessions. A crucial long-term trend line breakout at $1,343-45 has been broken reviving bullish for $1,430-35 in the coming months.

Only a direct fall below $1,307 could postpone the expected bullishness. Such a fall could see prices testing the next support at $1,280. From the bottom at $1,045 in December 2015, prices have been making higher highs so far in 2017, a clear sign of a rising trend, which has made us believe the bigger picture to be supportive despite strong corrective declines from time to time. In the coming week, we expect $1,340-45 to hold for a push higher towards $1,373-75 or even higher to $1,390-95.

Wave counts

It is most likely that the fall from the record $1,925 to the recent low of $1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards $1,025-30 or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near $1,375 or even higher.

After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to $1,476. If the current decline as a whole from $1,920 can be considered as a fourth wave, then the fifth wave could begin and cross $1,700 in the long-term. But, failure to follow-through above $1,355 has dashed any hopes of any impulsive up move.

As prices have broken certain important supports and shows weakness targeting $1,100. But, a sustained move above $1,200 has once again revived bullish hopes and will make the necessary adjustments to the wave counts, as the prices break key resistance above. RSI is in the oversold zone now indicating a possible correction in the offing. The averages in MACD have gone above the zero line of the indicator again, indicating a bullish reversal. Only a cross over again below the zero line could hint at a reversal in trend to bearish.

Therefore, buy Comex gold on dips around $1,343-45 with the stop-loss at $1,326 targeting $1,374 followed by $1,391.

Supports are at $1,345, 1,327 and 1,305. Resistances are at $1,374, 1,395 and 1,431.

The writer is the Director of Commtrendz Research. There is risk of loss in trading.

THE BUSINESS LINE DATE: 29/1/2018 P.N.19

Iron ore price rise puts small sponge iron makers in quandary

SURESH P IYENGAR
Mumbai, January 28

The sharp rise in iron ore prices has taken a heavy toll on small and medium sponge iron manufacturers across the country.

Earlier this month, NMDC increased iron ore prices by 30 per cent, from ₹5,100 to ₹6,600 a tonne.

Vijay Jhawar, Secretary, Chhattisgarh Sponge Iron Manufacturers Association, said the Centre should fix the price of iron ore supplied through linkages for one year, as price volatility in the key raw material can potentially sink a few industries.

If the Centre can insist on the industry supplying steel at a fixed price for six-nine months for specified government projects, how can it let iron ore prices fluctuate so widely, he asked.

Moreover, he said, iron is a natural resource, and it belongs to the steel industry as much as it belongs to NMDC. The industry is in doldrums as banks are not willing to provide extra working capital to tide over the iron ore price rise, because of the bad experience they have had with the industry, he said.

Iron ore constitutes 65 per cent of overall sponge iron making; 2 tonnes of the material is required to produce 1 tonne of sponge iron.

Sharp increase Earlier this month, NMDC increased iron ore prices by 30 per cent, from ₹5,100 to ₹6,600 a tonne

Finished product

The Centre should levy loyalty and other cess on the finished product rather than the basic raw material to promote value addition, said Jhawar.

There are about 360 small units producing about 35 million tonnes (mt) of sponge iron, with Chhattisgarh and Odisha commanding capacities of 19 mt.

The situation has become piquant for MV Subba Rao, Chairman, KIOCL Ltd, who has to chart a plan to keep his plant running after receiving the best exporter award for 2017 from Mangaluru Customs.

With pellet export realisation at $105 (₹6,720) a tonne, almost equal to the iron ore price, Rao plans to buy two vessels of iron ore from NMDC, two vessels from private miners in Chhattisgarh and one shipment from Goa everyday for blending. This will be more cost-effective than buying five vessels from NMDC.

RK Goyal, Managing Director, Kalyani Steel and Vice-President of Karnataka Iron and Steel Manufacturers Association, said there is a tremendous shortage of iron ore supply in Karnataka even after the Supreme Court increased the annual production cap for the State from 30 mt to 35 mt. Mining companies are waiting for environment and other clearances for the enhanced production quota.

THE ECONOMIC TIMES DATE: 29/1/2018 P.N.8

Bid Deadline for Bhushan Power & Steel Extended to February 8

Rakhi Mazumdar
& Saikat Das

Kolkata | Mumbai: The last date for submitting bids for debt-laden Bhushan Power & Steel has been extended by 10 days to February 8 to consider some 'encouraging' offers for the company, the Committee of Creditors decided on Saturday.

The committee wants to assess the offers, including one by a UAE-based investor believed to be close to the company's promoters, and check the credentials of the bidders, two people familiar with the matter told ET. Tata Steel, Vedanta, JSW and AION Capital are among those in the fray for Bhushan Power, which faces claims of about ₹47,000 crore from lenders. ArcelorMittal opted out of the race.

Tata Steel, Vedanta, JSW and AION Capital are among those in the fray for Bhushan Power

Officials involved in the process now plan to approach Kroll, an analytics firm, to investigate the background of the bidders, sources said.

"There are quite a few encouraging bids for the company, with some seeking more time. The deadline for submission of bids has been extended to consider the bids carefully," said an official involved in the resolution process. "We will seek help from Kroll to investigate the background of some of the bidders to ensure transparency in the entire process."

Individual bidders could not be contacted immediately for comments. Earlier, the last date for bids was January 29.

Reshmi Khurana, head of South Asia for Kroll, declined to comment on specific cases, citing confidentiality agreements. She said Kroll has been working with banks on several cases that are a part of the bankruptcy court proceedings with a mandate to identify ownership of bidders and whether they are linked to the promoters of stressed assets.

The other objective of such audits is to establish the financial wherewithal of bidders and their operating experience and track record. Bidders are also examined to gauge their resolve and experience in turning around stressed assets. Lack of information about a bidder is enough reason to be wary, according to Khurana.

The bankruptcy court process is mainly to preserve assets and bankers are aware that any mistake in selecting a bidder can derail the whole process.

Bhushan Power, which is not listed, runs a 506 MW captive power plant and operates 3.5 million tonnes of steel making facilities across Odisha, West Bengal and Chandigarh, producing cold rolled and galvanised steel sheets used in automobiles and consumer durables. It has a pellet plant and an iron ore beneficiation plant.

The Sanjay Singal promoted company ran into rough weather following the cancellation of its iron ore and coal mine permit. The company was allotted a coal mine, with reserves of about 250 million tonnes. However, the allotment was cancelled in 2014 in the aftermath of the coal scam.

Bhushan Power was admitted by the dedicated bankruptcy court in July last year. It is one of the dozen-odd stressed assets that the RBI has mandated for early resolution by banks under the Insolvency and Bankruptcy Code. Punjab National Bank was the lead lender in the consortium of banks.

Vedanta Gets 2 Mines & a Shine

Two bauxite mines in Odisha to take care of 75% of co's needs, to help co double aluminium production

Arijit.Barman@timesgroup.com

Davos: After being vilified for more than seven years by activists and the green lobby, political heavyweights such as Rahul Gandhi and even a handful of conscious capitalists for his mining exploits, or rebuked by the British government, international pop stars and Hollywood legends for his apparent failure to respect the rights of an indigenous tribe, Anil Agarwal finally has some respite - and hopes of a turnaround for his mega aluminium operations in Odisha. Agarwal's flagship Vedanta has been awarded two bauxite mines by the state government, a top official said, confirming the move that will help reverse the massive financial drain the group has endured since 2013.

The two mines with 15 MTPA bauxite reserves can take care of 75% of Vedanta's needs of 20MTPA. The mining output will help Vedanta convert it into 6 MTPA of alumina, which, in turn, will be refined to 3 MTPA of aluminium. That would mean doubling of current capacity from 1.75 MTPA. "We have been pleading with the state for a long time. They have always been proactive. Now, finally we can ramp up production and then expand the total capacity. I am very hopeful that the worst is over for us," Agarwal said, confirming the development in an exclusive interview with ET in Davos.

Vedanta has invested more than ₹50,000 crore in Odisha in two smelters, refinery, and captive and merchant power plants, making it the largest investment by a corporate house in last 15 years in the state.

Play On India

Boosting production

Oil: 50,000 barrels per day from 25,000 bpd

Aluminium: 3MTPA from 1.75 MTPA

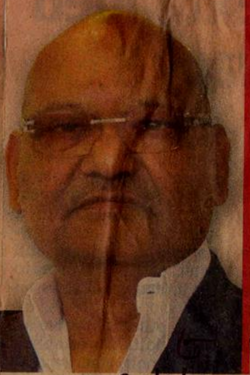
Silver: 1000 tonnes

Zinc: 1.2 MTPA from 1 MTPA

Copper (Zambia): 400,000 tonnes from 100,000 tonnes

Copper Smelter: 1MTPA

Total cost: $8 billion



Anil Agarwal, founder & Chairman, Vedanta Resources

Bidding for Electrosteel to leverage iron ore mine in Jharkhand, focus on downstream

Want to tap **$100 billion import** market of electronic items like LCD screens, monitors, cellphone screens etc

ET 29/1/18 P(7)

The two smelters are in Jharsuguda, with a combined capacity of 1.75 million tonnes, representing the world's largest single-location aluminum facility.

The aluminum refinery is in Lanjigarh and has a capacity of 1 MTPA, and it has already sought approvals to expand this capacity to 6 MTPA from the state government. Vedanta was involved in a joint venture with the Odisha Mining Corporation (OMCL), a state-owned company, to develop a bauxite mine in the Niyamgiri hills and supply material to the conglomerate's nearby alumina refinery. But since 2013, the company has been hamstrung as local villages voted against its mining operations in Rayagada and Kalahandi districts.

Unavailability of bauxite meant the company's Lanjigarh alumina factory would languish from raw material crunch. The unit has been compelled to run on low capacity on imported bauxite. As a result, the Jharsuguda smelter is unable to source sufficient alumina, the feedstock for aluminium, in house. Currently, the company is estimated to be importing 60-65% of its alumina requirement from different countries. This has meant a production of a paltry 0.96 million tonnes (MT) of aluminium across its two facilities in Odisha and Chhattisgarh in FY17, although the expectation is of an annual output of 1.6 MT in FY18. "Vedanta now buys alumina at $300/tonne whereas if it produced on its own, it would've cost $180/tonne. The operations are still loss-making at the PAT level due to the high debt overhang," said Rakesh Arora, Managing Partner, Go India Advisors.

Alumina is like a white powder produced by the refining of bauxite and is the raw material to make aluminium.

VENTURING INTO GLASS

"Scale is the most important factor that ails most Indian businesses," said Agarwal. "In natural resources, we have six main businesses – zinc-lead-silver, iron ore, oil, aluminium, copper and power. We are ramping up in all," he said. "We have also identified a new business that is specialty glass," he added.

Last month, Vedanta acquired a controlling stake in a Japanese glass substrate manufacturing company, AvanStrate Inc, from global private equity firm, The Carlyle Group, for $158 million.

AvanStrate makes glass substrates for small and medium-sized high resolution thin film transistor (TFT) liquid crystal display (LCD) panels, which are used in screens for devices including smartphones, cameras, flat screen televisions and tablets. Glass substrate is made of silicon and metallic oxides.

The Japanese company was established in 1991 as an equal joint venture between general glass manufacturer Nippon Sheet Glass and Hoya. It was formerly known as NH Techno Glass Corp.

"I am very keen on speciality glass meant for LCD screens, mobile phones and other electronic items. The company has R&D in Japan and manufacturing in Korea and Taiwan. We will first stabilise its operations then increase capacity. India imports $100 billion of electronic items annually. We want to set up production in India as part of PM's pitch to boost local manufacturing," said Agarwal. "This should be a game-changer."

A new company is likely to be set up for this business. The plan, said Agarwal, is to also set up a greenfield unit in Nagpur, Maharashtra, in two years. Only a handful of global companies dominate the space like Corning, Nippon and Asahi Glass at present.

With the Anglo-American stock rising by more than 40% since he invested in tranches to take his stake up to 21%, he is no rush to explore any strategic option. "We were keen to see if Hindustan Zinc can be merged with Anglo-American. But there is no immediate need. I stand vindicated. I will own the shares for a long time," Agarwal said. Insisting that there exists tremendous opportunities to leverage the operations of both companies in India and Africa in areas as diverse as zinc, iron ore, diamond, coal and platinum, Agarwal said he is keen on a collaboration.

THE BUSINESS LINE DATE: 29/1/2018 P.N.8

Gold shines as dollar gets a knock

But a corrective fall is likely as the resistance at $1,370 may halt the rally

GURUMURTHY K

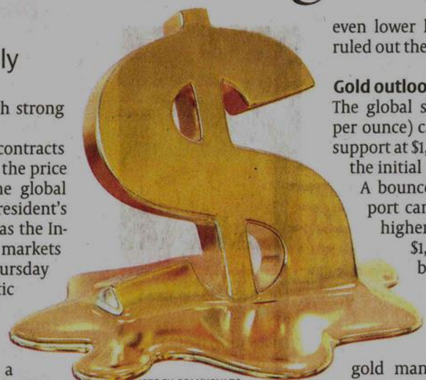
Gold continues to glitter as the US dollar is knocked down for the sixth consecutive week. Global spot gold prices surged to a high of $1,366 per ounce on Thursday. The US dollar index dropped below the key psychological level of 90. Though the US President Donald Trump's comments that he wanted a strong dollar gave a breather for the greenback, the impact was short-lived. Gold prices came-off from the week's high, giving back some of its gains after Trump's comment and closed at $1,349 per ounce, up 1.3 per cent for the week.

Silver clawed back sharply after an initial fall last week. The global spot silver prices made a low of $16.75 per ounce and bounced back sharply to make a high of $17.7 per ounce. It closed the week at at $17.40 per ounce, up 2.3 per cent.

On the domestic front, both the gold and silver futures contract on the Multi Commodity Exchange (MCX) have closed the week with strong gains.

The MCX futures contracts have not factored in the price fall witnessed in the global prices after the US President's comment on dollar as the Indian commodity markets were closed on Thursday and also the domestic markets were closed on Friday on account of public holiday. So there is a high probability for the gold and silver futures contract to open gap-down today (Monday).

The MCX-gold futures contract made a high of ₹30,464 per 10 gm and closed at ₹30,361 per 10 gm, up 2 per cent. Silver futures contract on the other hand made a high of ₹40,180 per kg before closing the week 2.5 per cent higher at ₹39,960 per kg.


ISTOCK.COM/KOYA79

Dollar outlook

The downtrend in the dollar index has strengthened after the strong break below 89.8 last week. The region between 89.8 and 90 will now be a strong short-term resistance. There is a strong likelihood of the index falling to 87.9 . If the index manages to bounce from this support, a relief rally to 90 and a range bound move between 89 and 90 is possible for some time. Since the dollar index has been falling continuously, the support at 87.9 is more likely to hold on its first test. As such, rally in gold could lose momentum and prices can continue to remain below $1,370 for some more time in the short-term. But if the dollar index breaks below 87.9 decisively eventually, a fall to 86 or even lower levels cannot be ruled out thereafter.

Gold outlook

The global spot gold ($1,349 per ounce) can dip to test its support at $1,340 per ounce in the initial part of the week. A bounce from this support can take the prices higher to $1,360 or $1,370. A range-bound move between $1,340 and $1,370 can be seen for sometime if gold manages to sustain above $1,340. But if the yellow metal declines below $1,340, it can fall further to $1,330 or $1,325 thereafter. A strong break and a decisive close above $1,370 is needed for gold to gain fresh momentum. Such a break can take the prices higher to $1,390 and $1,400 thereafter.

The MCX-Gold (₹30,361 per 10 gm) can open with a gap-down to factor-in the global price fall over the weekend. However, the support at ₹29,900 can limit the downside and can keep the uptrend intact. An eventual bounce from this support will see the overall uptrend resuming to target ₹30,800 and ₹31,000 in the coming weeks.

Medium-term traders can go long on dips at ₹30,100 and accumulate at ₹29,950. Stop-loss can be placed at ₹29,650 for the target of ₹31,000. Revise the stop-loss higher to ₹30,250 as soon as the contract moves up to ₹30,600.

Silver outlook

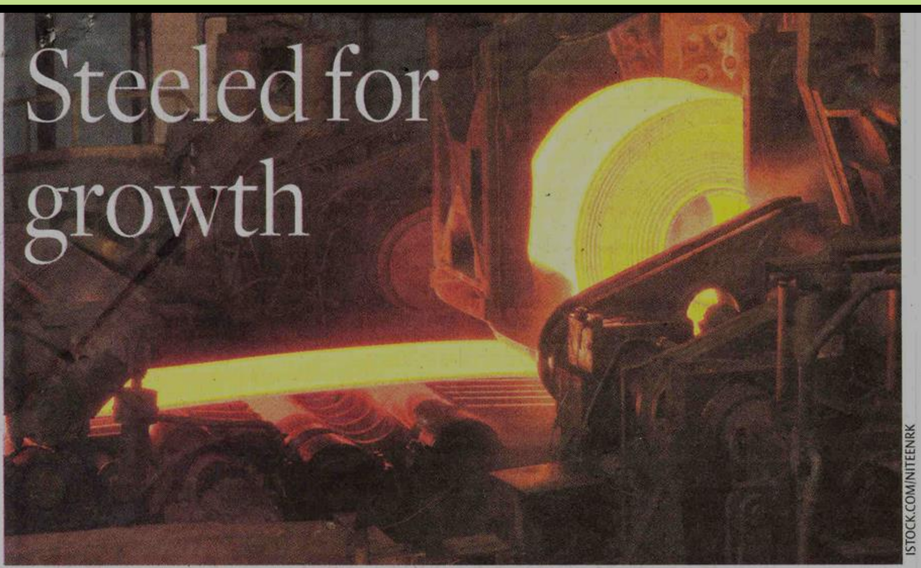
The support at $16.75 has held well for the global spot silver ($17.4 per ounce) last week. Resistance is at $17.5. Inability to break above this hurdle can keep silver range bound-between $16.75 and $17.5 for some time. A strong break above $17.5 is needed for Silver to gain fresh momentum and target $18 or $18.5 thereafter.

On the domestic front, the MCX-Silver (₹39,960 per kg) contract has a key support at ₹39,500 which is likely to limit the downside in the near-term. As long as the contract remains above this support, the outlook will remain bullish for the target of ₹41,000. But if the contract breaks below ₹39,500, then an intermediate dip to ₹39,000 or ₹38,800 is possible in the near term.

MCX Gold
Supports
₹29,900, ₹29.550
Resistances
₹30,800/₹31,000

MCX Silver
Supports
₹39,500/₹39,000
Resistances
₹40,200/₹41,000

Steeled for growth



This leading steel maker is gearing itself up for the good growth opportunity ahead

SATYA SONTANAM

The stock of JSW Steel has gained about 50 per cent over the last year. This is thanks to favourable market conditions for the steel industry from mid-2016 that have benefited major steel companies in the country. JSW Steel's consolidated operating profit in FY-17 nearly tripled over that in FY-16. This was a sharp turnaround from the performance in FY-16 which saw profit drop about 53 per cent compared with FY 2015. Aided by volume growth, the company's revenue performance in FY-2018 so far has been good.

Standalone revenue (India operations) grew about 18 per y-o-y in the first half of FY-18 to ₹30,052 crore, while revenue from the US subsidiary increased about 80 per cent y-o-y to about $113 million. In the December 2017 quarter, the company has recorded its highest ever quarterly crude steel production of 4.11 million tonne (mt), an increase of 6.5 per cent y-o-y.

With increasing demand in the domestic market and in China and high steel prices, the outlook for the sector looks positive over the next two to three years. JSW Steel is well poised to reap the benefits with expansion plans underway.

Despite the stock's rally, it trades at reasonable valuations due to good earnings growth potential. At ₹290, the stock trades at about 13 times its FY-19 estimated earnings, somewhat higher than the about 11 times average of forward earnings over past three years. But this does not seem out of place given the company's growth prospects. Sales volumes should continue rising with increased demand and capacity expansion.

Margins should also get a leg-up with the company's focus on value-added and specialty products in the product mix, cost reduction measures and guidance to keep debt at reasonable levels. Investors with a two to three year perspective can buy the stock.

Expansion to meet demand

Since mid-2016, the steel sector in India has been benefitting from buoyant demand and healthy price realisations. This has been aided by increasing global demand including from China and the production cuts there. The favourable global demand-supply dynamic is expected to continue. Indian steel makers have also gained from the various measures to restrict cheap steel imports into the country such as anti-dumping duties and minimum import prices. Demand in India is expected to continue growing at a healthy pace with the government's thrust on the infrastructure sector.

JSW Steel is among India's largest integrated steel manufacturers with a capacity of 18 million tonnes per annum—12 mtpa at Vijayanagar plant in Karnataka, 5 mtpa at Dolvi plant in Maharashtra and 1 mtpa at Salem in Tamil Nadu.

The planned capex over four years is about ₹26,800 crore including outlay for the Dolvi plant's expansion — one of the key projects being undertaken by the company.

The company plans to increase the crude steel capacity at the Dolvi plant from 5 mtpa to 10 mtpa by March 2020. The capex allocated to this project is ₹15,000 crore. The remaining amount is for initiatives to improve the product mix and decrease the cost of production. JSW Steel has plans to expand capacity to 40 mtpa by 2030 with plants in mineral-rich States Odisha and Jharkhand.

The management plans to maintain net debt-to-equity at less than 1.75 times while the capex programmes are executed

CONTD. ON PAGE 35

CONTD. FROM PAGE 34

THE HINDU DATE: 29/1/2018 P.N.4

over the next two years. The company is also looking at acquiring assets of stressed companies such as Bhushan Steel and Monnet Ispat that are facing insolvency proceedings. Amidst the ongoing consolidation in the sector, the company's strong balance sheet gives it leeway for expansion and growth over the next few years, while keeping leverage at manageable levels.

Product mix improvement

Over the past few years, JSW Steel has been increasing the mix of high-margin value-added and specialty products in its portfolio. These products accounted for about 60 per cent of the company's sales volumes for the quarter year ended September 2017 compared with 53 per cent in the year-ago period. At the ongoing 5 mtpa expansion at Dolvi too, the company plans to have about 2.5 mt to make the value-added and specialty products.

Increasing share of exports in the revenue mix has also aided JSW Steel with realisations on exports being at a premium to domestic prices. From 12 per cent of the sales volumes in FY-16, exports accounted for 26 per cent of volumes in FY-17.

Input costs to decline

JSW Steel is set to get good relief on supply of iron ore, its main raw material. The Supreme Court's judgment to increase the cap from 30 mtpa to 35 mtpa for

Sales volume mix

Quarter ended September 2017

the Category A and B mines in Karnataka has come as a relief to the company and will aid iron ore supply to its Vijayanagar plant. The company is also hopeful of reduction in the premium (₹600 per tonne) charged by the Karnataka's NMDC (National Mineral Development Corporation) on supply of iron ore due to its non-availability. Higher supply of iron ore is expected by the end of FY-18.

The company is also taking various initiatives to reduce its cost of production. For instance, it is setting up a 20 km pipeline conveyor for transportation of iron ore to the integrated Vijayanagar plant from the mines. This pipeline conveyor that will replace truck transportation is to be commissioned next year and is expected to benefit the company to the tune of ₹300-500 per tonne.

Good financials

The change in fortunes in the steel sector is reflected in JSW Steel's financial performance. From loss of about ₹481 crore in FY-16, the company registered net profit of ₹3,467 crore in FY-17. Even in FY-16, a difficult year for the steel industry, the company managed profit at the operating level.

The company has done well on the revenue front in the current fiscal. Aided by sales volumes growing about 4 per cent y-o-y to 7.4 mtpa in the first half of FY-18 and better realisations, the company's consolidated revenue in the first half of the FY-18 grew 20 per cent y-o-y. But operating profit fell by about 8 per cent due to higher raw material prices and restrictions on sales realisations due to contracts that were locked in until September. Renegotiation of these contracts in the second half of FY-18 should aid profit growth. The weakness in performance was in the June 2017 quarter.

In the September 2017 quarter, the company's revenue and net profit grew 17 per cent and 29 per cent respectively y-o-y. The second half of FY-18 is expected to be better than the first with renegotiated contracts and lesser pressure on the cost front.

THE TIMES OF INDIA (CITYLINE) DATE: 29/1/2018 P.N.1 & 10

Land ready for Lloyds sponge iron unit in G'chiroli

Shishir.Arya@timesgroup.com

Nagpur: Decks have been cleared to hand over 100 acres of land to Lloyds Metals and Energy Limited (LMEL) for setting up a sponge iron plant in Gadchiroli. The plant, if materialized, would be the first major industrial unit in the Naxalite-affected district. The land is expected to be transferred to the company by mid-February, after it pays the cost which comes to around Rs5 crore.

LMEL has an iron ore mine in Surjagarh area of Gadchiroli, which is also the only venture of its scale in the district.

The sponge iron plant at Aashti within the district is planned to be run on the ore extracted from Surjagarh. There have been demands from local organizations that if LMEL wants to mine iron ore from Surjagarh then the material has to be processed in a plant set up within the district itself.

Lloyds already has a plant with 1000 MT capacity at Ghuggus in neighbouring Chandrapur district, which uses iron ore procured from the open market.

"With all the formalities done, now the company needs to pay Rs5 crore towards the land cost to the state government. It is expected that the transfer may take place in mid-February," said a source involved in the process.

Sources in Maharashtra Industrial Development Corporation (MIDC) confirmed that rest of the procedure has been done and now the payment was awaited from LMEL.

Sources say this is a matter of formality. With the amount not being big as compared to the total project cost of Rs700 crore, the company is expected to be making the payment soon. There are plans to start construction on the plot by March, said sources.

The proposed plant at Aashti will be entirely depending on iron ore extracted from Surjagarh mines. Full-fledged operations have not begun yet mainly for want of security in the Naxalite-infested area. Two years ago, Naxalites had torched the company's vehicles and in 2013 an officer of the vice-president's rank was killed by the outlaws.

▶Continued on Page 10

IN A NUTSHELL

Surjagarh villagers had recently built a human fence to keep mining companies out of forest

- LMEL has an iron ore plant in Surjagarh village
- Mining permit was secured in 2007
- Operations began in 2016 but continuing at a slow pace
- There were demands that LMEL must process the ore at a plant within the district
- Land is ready for the proposed plant at Aashti
- Co ready to take over but worries about ore availability

'Plan to invest ₹700 crore in Aashti plant'

▶Continued from P1

Even as the company is ready to take up the land, there is also a concern that it should be able to start full operations in the mines also.

"There is a plan to invest ₹700 crore in the Aashti plant. If iron ore is not available then it may end up being a dead investment," said a source involved in the development.

Sources say in January, iron ore could be transported out of the mine only for seven days. The ore is transported under police protection on account of the Naxalite threat. The dates are decided mutually by the company and the police, said a source. Permanent posts will be set up only after the under construction road leading out of the mine is completed.

"The Aashti plant will be needing as much as 50,000 tonne a month and another 75,000 tonne for the Ghuggus plant. The latter can run on ore procured from the market but the Aashti plant will be needing supplies from Surjagarh itself," said a source.

"The situation has improved and the police presence has increased too. But the frequency of transport of ore has to increase," the source said.

THE BUSINESS LINE DATE: 30/1/2018 P.N.7

Unease in doing business: Legal wrangles remain bane of running operations in India

OUR BUREAUS

New Delhi/Mumbai, January 29

Notwithstanding the striking progress made in ease of doing business, India continues to lag behind Pakistan, Congo and Sudan when it comes to enforcing contract agreements.

Pointing to the long-standing problem of rising pendency of economic and tax-related cases in the Indian courts and Economic Tribunals, the Economic Survey said the next frontier on the ease of doing business front will be addressing these issues in the appellate and judicial arenas, to boost economic activity.

Throwing light on the problem of "delayed and hence denied justice" by quoting actor Sunny Deol's memorable film dialogue "*tarikh-par-tarikh*" (date followed by date), the Survey said the high number of pending economic cases with the Supreme Court, Economic Tribunals and Tax Department has led to stalled projects, hurdles in dispute resolution and contract enforcements, escalation in legal costs for companies and the government and has also adversely impacted investments.

The average age of pending cases across the tribunals is 3.8 years. The explosion of pendency in telecom and electricity was the result of interventions by the Supreme Court, says the Survey. Infrastructure project are among the worst hit by cases pending across various courts.

Infra projects

Ministry	Stayed projects	Total value (₹ cr)	Duration of stay (years)
Shipping	2	2,620	5.9
Power	11	23,913	3.0
Road	30	11,216	3.0
Petroleum	2	342	0.9
Mines	12	106	4.5
Railways	12	13,882	3.0
Total	**52**	**52,081**	**4.3**

The Survey goes on to suggest that the Centre, particularly the Tax Department, should "exercise greater self-restraint" by limiting appeals, given their low success rate.

It has noted that the success rate of the Tax Department at appellate tribunals, high courts and the Supreme Court for both direct and indirect litigation is less than 30 per cent and in some cases it's as low as 12 per cent.

"The Department unambiguously loses 65 per cent of its cases. Over a period of time, the success rate of the Department has only been declining, while that of the assessees has been increasing," it added.

The Survey has urged the government and the judiciary to work together on large-scale reforms and incremental improvements to combat these issues.

It suggested that the Tax Department limit the number of appeals by either forming ex-ante rules for limiting appeals or by creating an independent panel to decide on further appeals of tax verdicts against the department.

Some of the other recommendations include expanding judicial capacity in lower courts to reduce the existing burden on high courts and the Supreme Court, increasing state expenditure on judiciary and improving courts' case management and automation systems.

Abhishek Goenka , Leader-Corporate & International Tax, PwC, said: "The Economic Survey recognises the need to address the ever-growing tax litigation in India. With the Tax Department being the largest litigator with a low success rate, the government may be expected to introduce measures to curb frivolous litigation and promote tax certainty."

Riaz Thingna, Director, Grant Thornton Advisory Pvt Ltd, said: "The Economic Survey has rightly highlighted the need for an effective and efficient judicial disposal system as a development area. While we have experienced a higher level of discretion by the Tax Department in litigating on tax positions taken by taxpayers, this area requires a structural change in the approach to dispute management as recommended by the Tax Administration Reforms Commission in its first report in 2014."

Long road Infrastructure projects are among the worst hit by cases pending across various courts

THE BUSINESS LINE DATE: 30/1/2018 P.N.6

Steel sector accounts for most number of Insolvency and Bankruptcy Code cases

Sector in default of over ₹57,000 crore

OUR BUREAU

Mumbai, January 29

Of the 525 cases with total underlying default of ₹1,28,810 crore so far admitted under the Insolvency and Bankruptcy Code (IBC), the steel sector is the single-biggest defaulter in terms of both number of defaulting corporates (45) and total underlying default (₹57,001 crore).

Within the steel sector, corporate insolvency resolution process (CIRP) is on in the case of 39 corporates, resolution plan has been approved in the case of two, and liquidation order has been passed in the case of three. One case has been closed by appeal/review.

The steel sector is followed by the retail industry, with total underlying default aggregating ₹12,719 crore involving 12 corporates.

As per the Economic Survey's sector-wise analysis (based on data from the Insolvency and Bankruptcy Board of India) of admitted cases under IBC, the other sectors accounting for large underlying default include: capital goods — non-electrical equipment (17 corporates with total underlying default aggregating ₹4,785 crore); textiles (33 corporates, ₹4,679 crore); trading (39 corporates, ₹4,560 crore), chemicals (19 corporates, ₹4,433 crore), shipbuilding (two corporates, ₹4,292 crore), and construction (40 corporates, ₹4,004 crore).

Further, the insolvency process has been invoked in the case of sectors such as computer education (one corporate, ₹2,909 crore), and mining and mineral products (13 corporates, ₹2,700 crore). In the 'others' category, there are 304 corporates with aggregate underlying exposure of ₹26,727 crore. According to the Survey, the new code has provided a resolution framework that will help corporates clean up their balance sheets and reduce their debts. Since IBC was passed in May 2016, there has been a significant amount of progress – the entire mechanism for the Corporate Insolvency Resolution Process (CIRP) has been put in place, it said.

It elaborated that "a number of rules and regulations have been notified to create the institutions and professionals necessary for the process to work. A large number of cases have entered the insolvency process, and a few have even exited the process."

Over 1,300 insolvency professionals are registered (under three Insolvency Professional Agencies), the Survey said and added that the first information utility has also started functioning.

Sector-wise analysis of admitted cases under IBC, 2016

Sector	Total underlying default (₹ cr)	Number of corporates: CIRP in progress	Resolution plan approved	Liquidation order passed	Closed by appeal/ review	Total
Steel	57,001	39	2	3	1	45
Retail	12,719	12				12
Capital Goods-Non Electrical Equipment	4,785	14		2	1	17
Textiles	4,679	29		3	1	33
Trading	4,560	30	3	4	2	39
Chemicals	4,433	18	1	19		
Ship Building	4,292	2				2
Construction	4,004	35		1	4	40
Computer education	2,909	1				1
Mining & Mineral Products	2,700	10	1	1	1	13
Others	26,727	261	4	16	23	304
Total	**1,28,810**	**451**	**10**	**30**	**34**	**525**

Source: IBBI

THE HINDU DATE: 30/1/2018 P.N.1

Diamonds make the cut with domestic investors

Trades double less than five months after India opens world's first diamond futures exchange

ASHISH RUKHAIYAR
MUMBAI

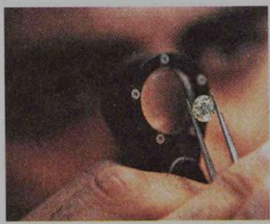
It's been five months since the world's first diamond futures exchange began operations in India. If the trading data are any indication, it will appear that more and more investors are making diamonds their best friend.

The Indian Commodity Exchange Ltd (ICEX), backed by the Anil Ambani-owned Reliance Capital, commenced trading operations in diamond futures on August 28 last year. Data show the exchange, which saw trading worth ₹142 crore in September (its first full month of operations), witnessed trading worth ₹330 crore in the current month (as of January 25). In terms of volume, the exchange registered a rise from 4.39 lakh lots to 10.7 lakh lots in the same period.

ICEX offers trading in diamonds of two sizes: 50 cents and 1 carat (1 carat equals 100 cents). An investor can buy diamonds through the systematic investment plan (SIP) route by buying as low as 1 cent in one trade, for as little as ₹3,200, and continue to buy further. One can seek physical delivery of the diamond after accumulating at least 50 cents.

A good option

"We have seen a healthy growth in trading volumes, which shows that it has emerged as a good investment option for common investors, enabling them to diversify their portfolio," said Sanjit Prasad, managing director and chief executive officer, ICEX.



The growth in trading volumes at ICEX has been healthy. ▪REUTERS

Market participants attribute the rise in trading to an anticipated rise in the price of diamonds later this year. The world's two largest diamond-mining companies, De Beers and Alrosa, have predicted an increase in diamond prices. They expect a significant supply shortage by 2018-end, which could trigger a substantial rally in diamond prices in the current year.

"The bullish fundamentals coming from the world's two largest diamond-mining companies suggest that the domestic diamond investors are here to gain," said Ramesh Patel, Director, Ratnakala Exports. "The small lot size of diamond trades enables all kinds of investors to build their position," he added.

India's diamond industry, too, expects prices to go up by 10% within the next three months. The strong projections are on the back of a predicted increase in global diamond prices due to strong growth in the leading global economies, surging demand, and falling supply.

Price may go up

"The IDEX diamond index has recovered from its five-year low and almost touched a 52-week high. All these factors are indicating that the price of diamonds could increase by 4-7% or even up to 5-10% on outer-limit estimates, by the next quarter," said Ashish Mehta, Director, A.S. Exports.

Interestingly, India is the world's third largest diamond consumer, accounting for 8% of the global market. It exports 95% of the total imported rough diamond, as per statistics from the Gems and Jewellery Export Promotion Council (GJEPC).

THE BUSINESS LINE DATE: 30/1/2018 P.N.19

Prospects remain unclear for MCX Aluminium

GURUMURTHY K
BL Research Bureau

The Aluminium futures contract on the Multi Commodity Exchange (MCX)has been stuck in a narrow range between ₹140 and ₹144 per kg over the past week. The immediate outlook is unclear.

A breakout on either side of ₹140 or ₹144 will decide the next move. Traders can continue to stay out of the market until the range breakout, which can give a clear cue on the next trend.

If the contract continues to trade below ₹144 and declines breaking the lower end of the range ₹140, then it can come under pressure. Such a fall can take the contract lower to the crucial support level of ₹137. A bounce from ₹137 will ease the downside pressure. In such a scenario, a relief rally to ₹140 or even higher levels is possible. But if the contract breaks below ₹137 decisively, it can come renewed selling pressure. Such a break will increase the likelihood of the contract tumbling to ₹132 or ₹131 on the back of profit booking.

On the other hand, if the contract manages to break the current range above ₹144 in the coming days, the downside pressure will ease. In that case, the MCX Aluminium futures contract can target to the key long-term resistance level of ₹148.

Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

THE HITAVADA DATE: 30/1/2018 P.N.11

Crude steel output rises to 101.4 MT in 2017

NEW DELHI, Jan 29 (PTI)

INDIA'S crude steel production grew by 6.2 per cent to 101.4 million tonnes (MT) in 2017 compared to 95.5 MT in the previous year, a report by World Steel Association said.

China remained the world leader by producing 831.7 MT in 2017, up 5.7 per cent from 786.9 MT in the year-ago period.

Japan, the second largest global steel producer, witnessed a negative growth as steel output declined by 0.1 per cent to 104.7 MT in 2017 from 104.8 MT in 2016. Global steel production reached 1,691.2 MT for the year 2017, up by 5.3 per cent compared to 2016 when the output was 1,606.3 MT. "Crude steel production increased in all regions in 2017 except in CIS, which has remained stable (subject to current estimates)," the report said.

THE ECONOMIC TIMES DATE: 31/1/2018 P.N.15

Investment Demand for Gold Falls 60% in Jan as Prices Rise

Yellow metal rallies 7% in past month, investors now see equities as attractive option

Sutanuka.Ghosal@timesgroup.com

Kolkata: Investment demand for gold in India declined by 60% in January compared with December, as the metal's price rose 6.8% in the past one month and investors saw shares as a more attractive option.

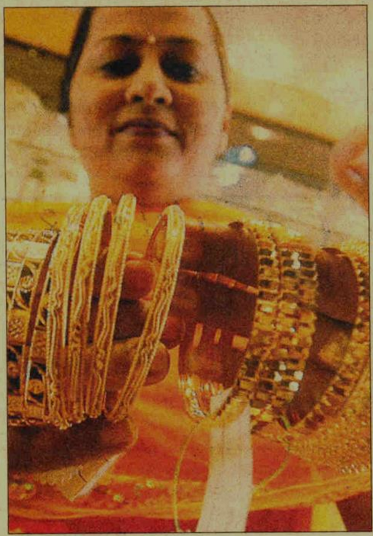
Gold is trading at ₹31,500 per 10 grams on the spot market, up from ₹29,500 a month ago.

Bullion dealers are currently not buying gold as they are waiting for the Union Budget to be presented on February 1. This has created a shortage in supply and the precious metal is now available with a premium of $2 per ounce.

"Investors are not keen to enter into the market as prices have shot up. Moreover, the returns on equity is much better than gold, which is also why investors are staying away from the precious metal," Mukesh Kothari, a director of RiddiSiddhi Bullions, told **ET**. "If prices fall to the December level, then investors may enter the market once again."

After making a low of $1,235 per ounce in mid-December, gold rose to a near-five-month high of $1,366 on January 25, marking an impressive rally of close to 11% in a very short time in dollar terms.

Weak dollar has been the sole factor for supporting gold prices. A possible US government shutdown, which has now been averted till February 8, also played a crucial role in lifting prices of the yellow metal.



Gold trades at ₹31,500 per 10 grams

Harshad Ajmera, the proprietor of Kolkata-based JJ Gold House, said market sentiment was expected to improve after the budget as the government might give some sops to boost growth. "The premium on gold is expected to disappear after budget. This is a temporary thing," he said.

The industry has been clamouring for a reduction in the import duty on gold to 4% from the current 10%. Bullion traders and jewellers said the government should not increase the goods & services tax on gold from 3% and bring down the import duty. "The government should not tweak GST further as consumers have already got used to 3% GST," Ajmera said.

Investment demand for gold witnessed a decline of 23% in the third quarter of 2017 from a year earlier, according to World Gold Council data.

Analysts said gold can move lower towards $1,320 per ounce and then to $1,280, provided the dollar index remains stable and gains strength from hereon. "On the MCX, gold futures can move lower towards ₹29,000 per 10 gms in a month's time which may spark investment demand," said Prathamesh Mallya, the chief analyst for non-agri commodities and currencies at Angel Commodities Broking.

Meanwhile, there is steady buying by jewellers in the bullion market, as they feel consumer sentiment would improve after the union budget.

THE HITAVADA(CITYLINE) DATE: 31/1/2018 P.N. 8

Coal worth crores stolen from KECML

■ **Our Correspondent**
BHADRAVATI, Jan 30

COAL worth crores amassed at Manoradeep (Baranj) Open Coal Mine (Karnataka EMTA Coal Mines Ltd (KECML) has been stolen by unidentified thieves. As per reports the Central Government had sanctioned coal mine at Manoradeep (Baranj) in the year 2006. It was allotted to Karnataka EMTA Coal Mines Ltd. Over 1,007 hectare of land from seven villages was acquired for the same project. The project went on well but later, the Supreme Court cancelled the lease of the company and handed over coal mine to KPCL. Old Karnataka EMTA Coal Mines Ltd had stopped its coal excavation in April 2015 leaving 464 miners.

But before it stopped the excavation work, tonnes coal stored up. Since then the thieves have been stealing the pile of coal with the help of JCBs and other vehicles. It is surprising that the coal theft occurred even after deploying forty to fifty security guards and some officers were deployed there to protect the stored coal and the heavy machineries from the date of Karnataka EMTA Coal Mines Ltd closure.

Whether the security guards had joined hands with thieves or not is an unanswered question.

When the coal was being stolen from under the nose of the securities then why they had not registered any complaint with the police station.

Talking to the media Pramod Bhusari, Sub-Divisional Officer, Warora, told that the incident of coal theft has reached to him and he would take action after contacting the district mining officer.

THE BUSINESS LINE DATE: 31/1/2018 P.N.18

Resistance may limit MCX Zinc upside

GURUMURTHY K
BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) has been on a strong surge over the last one month. This rally has gained momentum in the past week. The contract has surged 5 per cent last week to make a high of ₹229.85/kg on Monday. The contract has come-off from this high and is currently trading at ₹228.

The key resistance in the ₹229-230 region is holding well as of now for the contract. Inability to break above ₹230 decisively in the coming days can trigger a corrective fall in the short-term.

Since the contract has be rising continuously over the last several weeks, the possibility of the current rally halting at the ₹229-230 region cannot be ruled out. As such, short-term traders who are holding long positions can consider book profits at current levels.

As long as the contract remains below ₹230, a pull-back move to ₹220 or ₹218 is likely. But further fall below ₹218 looks less probable.

Wait for the corrective fall and initiate fresh long positions at ₹220. Stop-loss can be placed at ₹213 for the target of ₹235. Revise the stop-loss higher to ₹225 as soon as the contract moves up to ₹229.

The contract will gain fresh momentum on a strong break above ₹230 and such move will pave way for a fresh rally to ₹240 or even higher levels.

Note: The recommendations are based on technical analysis and there is a risk of loss in trading.