



खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-5

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It is requested that the mineral related news appeared in the Local News Papers of different areas can be sent to Central Library via email **ibmcentrallibrary@gmail.com** (scanned copy) so that it can be incorporated in the future issues to give the maximum coverage of mining and mineral related information.

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Mrs. D. H. Vairagare
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खनिज समाचार

KHANIJ SAMACHAR



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INDIAN BUREAU OF MINES

VOL. 2, NO-5, 1st –15th MARCH, 2018

THE BUSINESS LINE
DATE: 5/3/2018 P.N.8

GLOBAL	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	2139	-1.4	-3.2	12.4	2270	1847
Copper	6864	-2.8	-2.0	16.0	7216	5462
Iron Ore	76	1.4	3.9	-18.3	90	54
Lead	2442	-3.8	-9.7	8.7	2683	2030
Zinc	3358	-5.5	-5.4	21.1	3619	2434
Tin	21569	-1.0	-0.6	11.6	22104	18867
Nickel	13403	-2.3	0.0	25.0	14150	8710

THE BUSINESS LINE
DATE: 12/3/2018 P.N.8

Metals (\$/tonne)						
Aluminium	2100	-1.8	-1.0	13.2	2270	1847
Copper	6938	1.1	3.4	22.3	7216	5462
Iron Ore	68	-10.1	-8.6	-20.5	89	54
Lead	2375	-2.8	-6.4	5.6	2683	2030
Zinc	3276	-2.4	-4.0	22.7	3619	2434
Tin	21477	-0.4	1.7	11.3	22104	18867
Nickel	13814	3.1	6.8	36.9	14150	8710

PREMIUM PICK Co trades 30% higher than other tyre stocks and robust volume growth and margins may maintain the valuations

In Farms and Mines, BKT Treads on Growth Track

Ashutosh.Shyam@timesgroup.com

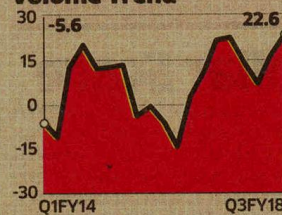
ET Intelligence Group: The continued strength in demand for agriculture tyres in Europe may lend more credence to volume visibility of Balkrishna Industries (BKT), a maker of off-highway tyres (OHT) used in tractors and heavy mining equipment.

BKT stock trades at 30% premium to the average of prominent Indian tyre makers and having operating profit margin nearly double of conventional tyre makers. The better volume visibility and superior margin may help maintain premium price-earnings multiple with its peers.

BKT's volume growth in December quarter stood at 24%, highest in at least 18 quarters, thanks to 35% growth from farm equipment manufacturer of Europe and 17% growth in Off-the-Road (OTR) tyres from the mining sector.

In the last nine months FY18, volume rose 15% to 145,211 tons. The company has given a volume growth guidance of 11-13% for the current fiscal after the Q2 results which look quite achievable given the traction in demand for OHT tyres. The street has

Balkrishna Industries: Volume Trend



R&D OUTPUT



Co's 39-inch mining tyres have been accepted both in OEM and replacement markets

been pricing volume growth of 15% a year in the next three years.

Apart from the agricultural segment, the company is gradually increasing the presence in the OTR segment — used in mining and construction equipment. BKT is gradu-

ally becoming an approved vendor to all leading vehicle makers and expanding its network.

In order to tap the mining segment, it has launched 39-inch mining tyres using its own R&D which has been well accepted among OEM and replacement market. The company has only 3% market share in the OTR segment, hence using its leverage of lower cost production and lower prices it has potential to gain sizeable market share in the next few years.

On the earnings side, the company could potentially have several ways to improve its margins. The operating margin in December 2017 dropped 30.3% from 33.4% a year ago due to one-off expenditure from shift plant and machinery to Bhuj plant from Waluj.

The margin could remain in the range of 32-33% in the medium term owing to richer product mix as share higher margin mining tyres rise, more production from better efficient and profitable Bhuj plant and 100-150 basis improvement in margin as backward integration benefit as the company setting up carbon black manufacturing plant of 60,000 tons.

PROXY FOR STEEL SECTOR Even as stock has shed 20% since Jan, co hiking ore prices amid mining bans in states, strong demand for steel, and debt-free books make it attractive

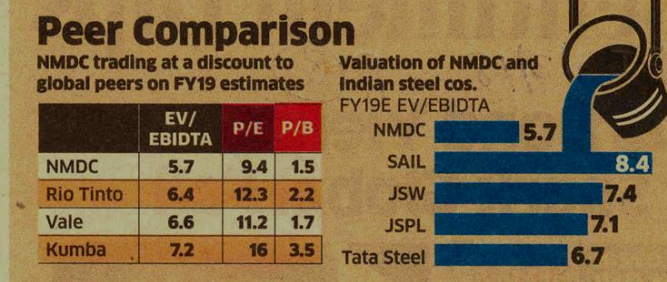
NMDC Pricing Power to Drive Double-digit Growth in Profits

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: NMDC's share price has dropped by over 20% since a partial stake sale by the government in January on general market weakness and weak quarterly results. Being the largest iron ore producer, NMDC offers a proxy play to the rising steel demand.

Compared with the steel players, NMDC is debt free. It has been reporting record production amid two price increases in the current fiscal. It is also expected to benefit from the recent mining ban in Goa and Odisha. Given these factors, investors may find the stock attractive.

In the past two months, NMDC increased ore price by nearly 25% from the year-ago level. The production volume was also 9% higher year on year in the first nine months of FY18. This should support the earnings growth in the near term. Amid the recent ban on



several mines in Odisha and Goa by the Supreme Court, NMDC is expected to command higher pricing power at a time when steel demand looks strong.

This may result in a double-digit growth in the operating profit before depreciation (EBITDA) for the next two-three years. The momentum is likely to continue with its three-million-tonne (MT) steel plant expected to be operational in FY21. After Tata

Steel, NMDC will be the only company with forward integration (having iron ore mines as well as steel plant). Also, over one-third of current annual production of iron ore will likely be disrupted by FY20 for the short term as current licences of private bidders expire. This may help ore miners retain pricing power.

For the December quarter, the company's sales fell by 20% to ₹2,469 crore

and EBITDA dropped by 6% to ₹1,331 crore year-on-year due to temporary railway line disruption and lower realisation. With these issues sorted, performance in the coming quarters is expected to be strong. Also the benefit of nearly 25% year-on-year price increase in the past two months will be visible from the March quarter.

At Wednesday's closing share price of ₹129.4, NMDC's enterprise value (EV) was under six times FY18 expected EBITDA. This is cheaper than some of the top steel makers who trade at an EV/EBITDA of above seven. Compared with them, NMDC has no long term debt and operates at a much higher EBITDA margin of nearly 60%.

The company has a history of paying healthy dividends in March. Last year, it paid ₹4.15 per share. Its current dividend yield is 4.5%. In addition, NMDC's current valuation does not reflect the potential gains from the steel plant once it is functional. These factors make the stock attractive at the current price.

Investors hot on battery than boring gold

BLOOMBERG

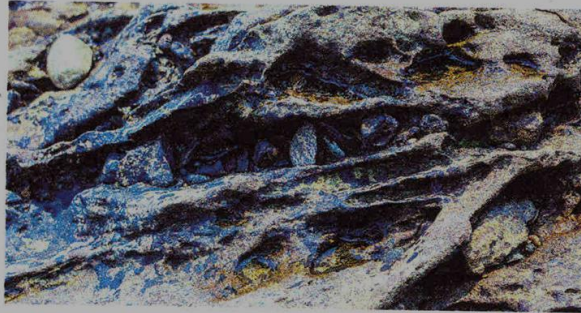
February 28

Gold producers are doing everything they're supposed to be doing— squeezing more profit out of mines, penny-pinching on projects and resisting the kind of big deals that got them into trouble when prices fell.

While that is satisfying their large institutional shareholders, it is not enough to lure more general investors drawn to flashier electric-vehicle commodities, as well as to stocks riding the marijuana and cryptocurrency booms.

Investors seeking gold exposure are preferring exchange-traded funds, all at a time when money is pouring into lithium and cobalt companies that have plugged into the rechargeable-battery rush.

That is the message from the BMO metals and mining conference, where 1,400 bankers, miners and investors have gathered over four days of



GETTY IMAGES/ISTOCKPHOTO

meetings hoping to find opportunities. "Right now, gold has been so boring and asleep that nobody cares," David Harquail, CEO of precious-metal royalty and streaming company Franco-Nevada Corp and Chairman of the World Gold Council, said in an interview from the conference in Florida.

Cannabis and Cryptos

"The dearth of M&A is indicative of lack of growth presented by gold companies," said Pierre Lassonde, Chairman of

the Franco-Nevada. He thinks this will persist for another 12-18 months, at which point investors will demand growth. But for now, the gold price has gone nowhere over the last five years and there are plenty of other flashier commodities attracting generalist interest.

Last week, Cobalt 27 Capital Corp. CEO Anthony Milewski said his company was in talks with multiple parties interested in securing cobalt supplies, including battery makers, automobile manufac-

turers and Chinese conglomerates.

On Tuesday, he said industrial and trading companies are also starting to invest directly in Cobalt 27 equity. Meanwhile, increasing numbers of investors are interested in buying shares as a proxy for adoption of electric vehicles.

Gold producer Agnico Eagle Mines Ltd. is dusting off its idled cobalt land holdings in Canada after receiving multiple inquiries, CEO Sean Boyd said at the conference. Both Barrick and Newmont, the top two gold producers, said they are feeling no pressure from large investors to make big acquisitions.

"While investors centre their attention on giant tech stocks, along with companies riding the bitcoin, marijuana and electrification booms, gold will have its day," Egizio Bianchini, the outgoing co-head of global mining for BMO Capital Markets, said.

JSW Steel to buy Italy's Aferpi for almost ₹600 cr.

'May also bag Monnet Ispat as lenders clear financial bids'

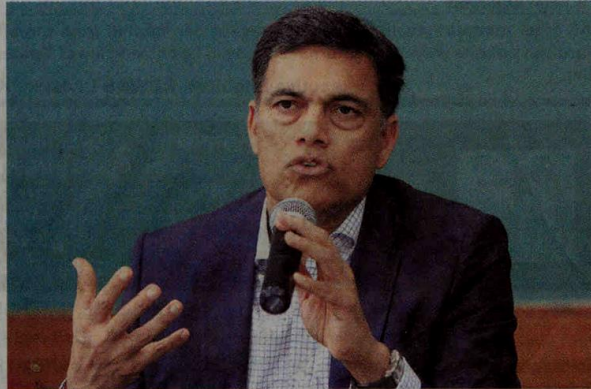
PIYUSH PANDEY
MUMBAI

JSW Steel is all set to sign a term sheet with Algeria's Cevital to buy Italy's second largest steel firm Aferpi for almost ₹600 crore

"JSW's senior officials are in Italy and a term sheet is likely to be signed tomorrow," a source told *The Hindu*. "The government will announce the deal after the term sheet is signed," the added. Cevital had bought Italian steel firm Lucchini in 2014 and renamed it Aferpi. Lucchini, which was then owned by Russia's Severstal, was declared insolvent in 2012.

JSW Steel is also set to acquire Monnet Ispat & Energy as the lenders had cleared the financial bids and were evaluating the technical bids. The winner would be announced in a couple of weeks, according to sources.

JSW Steel along with Aion Capital Partners had submitted a bid for ₹3,750 crore that includes payment of



Winner takes it all: JSW Steel is close to inking deals on acquiring two companies. ■ REUTERS

₹2,500 crore to the lenders and balance to the operational creditors against Monnet Ispat's outstanding debt of more than ₹10,000 crore.

"The financial bids have been cleared by the lenders," a person, privy to the development, told *The Hindu* on the condition that the identity would not be disclosed. "They are now evaluating the other terms and conditions of the bids. They will send their approval to

the NCLT (National Company Law Tribunal) by mid March," the person said.

'Met all preconditions'

When asked if the bid can be rejected on the ground that JSW-led consortium was the sole bidder, a JSW senior official said, "we have met all the preconditions of the IBC.

There is no such provision." A JSW spokesperson declined to comment on the issue.

'Minerals mined illegally in Rajasthan'

SC orders flouted, says CAG report

SPECIAL CORRESPONDENT
JAIPUR

Around 98.87 lakh tonnes of minerals, worth ₹204.50 crore, were illegally excavated in five districts of Rajasthan between 2011-12 and 2016-17. The mining had not only violated the rules and regulations but also flouted the Supreme Court's direction to stop the degradation of environment in the Aravalli hills.

In its report on the economic sector for the financial year ended March 31, 2017, tabled in the Assembly on Tuesday, the Comptroller and Auditor General (CAG) had pulled up the State government for the illegal mining, while pointing out that the Mines Department could recover only ₹25.57 crore against the total recoverable amount of ₹204.50 crore.

There were inadequacies in preventive measures as well as in the follow-up of the illegal cases detected, while the delay in issuing

notices for recovery of penal amount removed the scope for deterrence, said the CAG. Besides, the policy measures framed in 2011 for curbing illegal mining were not implemented.

Serious violations

"We noticed serious violations of the Supreme Court's orders, as mining leases falling in the Aravalli mountain range were granted, renewed and extended. Besides, the Ministry of Environment and Forest also granted environment clearance for mining lease despite the area falling in Aravalli hills," it said.

The districts where illegal mining took place during five years were Alwar, Jaipur, Sikar, Rajsamand and Udaipur. The CAG said that though nine mining engineers' offices in these districts had registered 4,072 cases of illegal mining, transportation and storage of minerals, they could make a negligible recovery.



A view of the Essar Steel complex at Hazira, Gujarat

Numetal confident of turning Essar Steel around if bid clicks

OUR BUREAU

Mumbai, Feb 28

Tyazhpromexport JSC, a shareholder in Numetal which has bid for Essar Steel, is confident of scripting a quick turnaround of the distressed assets if it emerges as the highest bidder.

TPE is a leading engineering agency in Russia in ferrous and non-ferrous metallurgy project operations and construction with experience of over 60 years and wholly owned by Rostec, a \$19 billion Russian state Corporation.

Luxembourg-headquartered ArcelorMittal is the only other

bidder for Essar Steel's assets and has bid aggressively as its attempts to get a foothold in the fast-growing Indian steel market over the last 10 years have failed.

TPE says it will carry out studies for installation of new facilities in order to maximise production from the profitable routes and optimise production from the loss making lines.

Ismail Mazanaev, Managing Director, TPE India said that with its rich technical experience and strong financial capability the new management would ensure Essar remains one of the key players in the steel industry.

NAVBHARAT DATE: 1/3/2018 P.N.7

IBM का आज स्थापना दिवस

व्यापार प्रतिनिधि

नागपुर. भारतीय खान ब्यूरो द्वारा 71वां स्थापना दिवस 1 मार्च को खनिज दिवस के रूप में मनाया जाएगा. स्थापना दिवस की स्मृति में 1 मार्च को अपराह्न 3 बजे समारोह खनिज दिवस के रूप में भारतीय खान ब्यूरो मुख्यालय, इंदिरा भवन, सिविल लाइन्स में आयोजित किया जाएगा. कार्यक्रम की अध्यक्षता महानियंत्रक रंजन सहाय करेंगे. डब्ल्यूसीएल के अध्यक्ष राजीव रंजन मिश्रा मुख्य अतिथि होंगे. मायल के अध्यक्ष एम.पी. चौधरी विशिष्ट अतिथि होंगे. 1 मार्च 1948 को भारतीय खान ब्यूरो की स्थापना की गई थी. कार्य, खान और ऊर्जा विभाग द्वारा 10 से 13 जनवरी 1947 में आयोजित खनिज नीति कान्फ्रेंस के विचारों को दृष्टिगत रखते हुए यह निर्णय लिया गया कि राष्ट्रीय खनिज नीति का निर्माण कर उसका अनुसरण किया जाए.

मिलकर करें काम, तो होगा लाभ

IBM का स्थापना दिवस मना

व्यापार प्रतिनिधि

नागपुर. खनन क्षेत्र में नागपुर की भूमिका काफी महत्वपूर्ण है. 4 बड़ी-बड़ी सरकारी कम्पनियां यहां पर कार्य कर रही हैं. आईबीएम, एमईसीएल, वेकोलि और मायल जैसी कम्पनियों से नागपुर और विदर्भ का विकास हो रहा है. अगर ये चारों कम्पनियां एक मंच पर आकर एक साथ कार्य करें, तो प्रगति और तेजी से हो सकती है. उक्त विचार भारतीय खान ब्यूरो (आईबीएम) की स्थापना दिवस पर वक्ताओं ने व्यक्त किए.



671वां स्थापना दिवस के अवसर पर आईबीएम भवन में आयोजित कार्यक्रम में वेकोलि के अध्यक्ष तथा प्रबंध निदेशक राजीव रंजन मिश्र मुख्य अतिथि थे. मायल के अध्यक्ष तथा प्रबंध निदेशक मुकुंद चौधरी विशिष्ट अतिथि थे, जबकि अध्यक्षता आईबीएम के महानियंत्रक रंजन सहाय ने की. सहाय ने बताया कि आईबीएम का काम लाइसेंस जारी करना है और पिछले कुछ समय में आईबीएम ने तकनीकी रूप से काफी उन्नत काम किया है. खनिज चोरी रोकने से लेकर अधिकांश काम आनलाइन हो चुका है. चोरी रोकने के लिए एप का निर्माण किया गया है, जो काफी कारगर साबित हो रहा है. इसी प्रकार कई अन्य महत्वपूर्ण काम भी किए जा रहे हैं. उन्होंने कहा कि आईबीएम से अलग होकर देश में कई कम्पनियां बनी हैं, जो खनन क्षेत्र में उल्लेखनीय काम कर रहे हैं. मिश्र ने कहा कि आईबीएम की भूमिका काफी महत्वपूर्ण है. नागपुर में 4 सरकारी कम्पनियां मिलकर काम करें, तो निश्चित रूप से राज्य के विकास में अहम योगदान कर सकता है. उन्होंने कहा कि आज वेकोलि केवल कोयला निकालने का काम नहीं कर रहा है, बल्कि सामाजिक दायित्व भी बड़े पैमाने पर निभा रहा है.

IBM, मायल, वेकोलि और MECL निभा सकते हैं बड़ी भूमिका

■ उन्होंने कहा कि सरकारी आवास निर्माण के लिए अत्यंत कम दरों पर रेती दी जा रही है. कोल नीर का उत्पादन हो रहा है, वहीं कई गांवों में खान से निकालने वाला पानी शुद्ध कर आपूर्ति किया जा रहा है.

■ चौधरी ने भी आईबीएम को बधाई दी. उन्होंने कहा कि आईबीएम के कारण अनेक क्षेत्रों में कार्यरत माइंसों का नियंत्रण बेहतर तरीके से हो रहा है. आगे भी इसी प्रकार विकास में योगदान दिया जाएगा. आईबीएम कर्मचारियों ने रक्तदान शिविर का भी आयोजन किया. बड़ी संख्या में लोगों ने रक्तदान किए.

■ इस अवसर पर मंच पर पी. टियू उपस्थित थे. एम. सिद्धीकी ने संचालन और धन्यवाद ज्ञापित पी. के. जैन ने किया.

'Start working differently for betterment of community'

■ Staff Reporter

"MINING and mineral industries should now start working differently for the betterment of the community," said Rajiv Ranjan Mishra, CMD, WCL during the 71st Foundation Day programme of Indian Bureau of Mines (IBM) at IBM auditorium, Civil Lines on Thursday.

Addressing the august gathering, Mishra, highlighted the functional role of IBM and the sterling contribution made by IBM towards development of the Indian mining and mineral sectors.

He emphasised the need for 'Out of the Box' thinking in application of technology. Mishra explained about the initiatives undertaken by WCL in setting up of plants for production of sand from overburden that is available at the coal mines.

He also explained about their initiative in the field of conservation of water used in the coal mines to produce low-cost portable drinking water christened with the title 'Coal Neer'. He also highlighted WCL's



WCL CMD Rajiv Ranjan Mishra addressing the gathering while S Tiu, Mukund P Chaudhari and Ranjan Sahai also look on. (Pic By Anil Futane)

contribution towards manufacturing bricks from fly ash which he said will enable fulfilling the low-cost housing scheme launched by the Prime Minister under Pradhan Mantri Awaas Yojana.

Guest of honour Mukund P Chaudhari, CMD, MOIL, congratulated IBM for its 71st years of existence and for the Nation-building role that it has played. Chaudhari conveyed his best wishes for all future endeavours

that IBM would undertake.

Ranjan Sahai, Controller General, IBM and President of the function, appreciated the presence of all invitees who graced the occasion, Sahai extended his warm wishes and gratitude to all guardian seniors and ex-IBM officers.

Sahai stressed on the diversifications that IBM had recently undertaken in the fields of Star Rating of Mines; Developing of Mining Tenement

System; and Initiating Mining Surveillance System through satellite technology.

IBM conducted a blood donation and medical camp for employees to mark the Foundation Day.

Mujib U Siddique, Mineral Economist, compered the programme. The event commenced with lighting of traditional lamp and Saraswati Vandana. The guests also released a souvenir. They also honoured all blood donors with a certificate during the programme.

Earlier, S Tiu, Chief Controller of Mines, IBM, gave the introductory remarks and welcomed the dignitaries and highlighted the contributions of IBM in a various technical domains of the mineral and mining sectors.

M Mukherjee and C S Gundewar, former Controller Generals of IBM, a large number of ex-employees, current employees, geologists, representatives from MOIL and WCL were present during the programme. Dr P K Jain, Chief Mineral Economist, IBM proposed a vote of thanks.

THE BUSINESS LINE DATE: 2/3/2018 P.N.14

Comex gold on a downtrend; buy if it dips to \$1,300/ounce

Stop-loss: \$1,297;
target: \$1,345

GNANASEKAART

Comex gold futures fell on Thursday, extending losses for a third day after comments from Federal Reserve Chairman Jerome Powell this week shored up expectations for further increases to US interest rates and held the dollar near a five-week peak.

Comex gold futures are edging lower, but hasn't fallen as much as the other non-agri commodity peers. As mentioned in the previous update,

prices could now consolidate in the \$1,300-1,320 per ounce levels before edging up again.

A round of consolidation in the \$1,305-1,335 zone looks likely for a while. In the near-term, upticks could be capped in the \$1,335-45 zone and edge lower towards initial support at \$1,300-05. And failure to hold here could take it down to \$1,278-80. The medium-term picture still holds some promise, therefore, caution should be exercised on getting excessively bearish too.

A positive trigger for a sustaining the uptrend is likely to be above a close of \$1,375. In the coming week, we expect

\$1,300-05 levels to hold for a push higher towards \$1,335 or even higher to \$1,365 levels subsequently.

Wave counts: It is most likely that the fall from 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 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.

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 levels. 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 neutral zone

now indicating that it is neither overbought nor oversold. The averages in MACD are still above the zero line of the indicator again, indicating bullishness to be intact. 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 \$1,300-05 with the stop-loss at \$1,297 targeting \$1,345 followed by \$1,374.

Supports are at \$1,305, 1,295 and 1,278. Resistances are at \$1,335, 1,351 and 1,374.

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

Stiff Steel, Aluminium Tariffs Likely from US

Trump wants tariffs of 25% on steel and 10% on aluminium from all countries

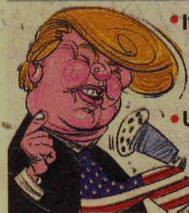
Jennifer Jacobs & Joe Deaux

President Donald Trump is set to announce steep tariffs on steel and aluminum imports on Thursday, people familiar with the matter said, in what would be one of his toughest actions yet to implement a hawkish trade agenda that risks antagonising friends and foes alike.

Trump told aides he wants to announce tariffs of 25% on steel and 10% on aluminium from all countries, according to two people who asked not to be identified because the deliberations aren't public. One person said the details of the decision may still change, and it's possible some countries may be granted exemptions. "Our Steel and Aluminum industries (and many others) have been decimat-

Hawkish Agenda

- Donald Trump may announce steep tariffs on steel and aluminum imports
- Trump's hawkish trade agenda risks antagonising friends and foes alike
- He is likely to propose tariffs of 25% on steel and 10% on aluminium from all countries



- It's also possible some countries may be granted exemptions
- US move may provoke retaliation from China

ed by decades of unfair trade and bad policy with countries from around the world," Trump said in a Twitter posting Thursday. "We must not let our country, companies and workers be taken advantage of any longer. We want free, fair and SMART TRADE!"

Then president has been considering a range of options to curb

imports of steel and aluminum, after the Commerce Department concluded shipments of the two metals hurt US national security.

Leading up to the decision, the president told confidantes he was leaning toward a 24% tariff on steel, the harshest of the alternatives given to him by Commerce. The US move may provoke retaliation from China, the world's biggest steel and aluminum producer, at a time when President Xi Jinping's top economic adviser, Liu He, has been dispatched the US in attempt defuse tensions.

China has already launched a probe into US imports of sorghum, and is studying whether to restrict shipments of US soybeans. Asian steel stocks declined. Nippon Steel & Sumitomo Metal and JFE Holdings slumped in Tokyo while Baoshan Iron & Steel fell in Shanghai, Hesteel retreated in Shenzhen and BlueScope Steel dropped in Sydney.

US producers from Alcoa Corp. to AK Steel Holding rose before the start of regular trading in New York, while aluminum avoided an industrial-metals selloff in London. — Bloomberg

Reality Check

Billionaire Chases Base-metal Buy with a \$3b Budget



Sweden's billionaire Lundin family is looking to spend as much as \$3 billion on a new industrial-metal asset as prices rally, before turning its attention to scouring for a new gold project. Lundin Mining Corp is on the prowl for a long-life zinc, nickel or copper asset and would shell out \$1 billion to \$3 billion, Lukas Lundin said in an interview on Wednesday from the BMO Global Metals & Mining Conference in Florida. An existing operation is his preference and copper "might be the easiest asset to work with." With his younger brother Ian Lundin, the 59-year-old oversees a global family business with stakes in commodities including industrial metals, gold, diamonds, oil, uranium and Latin American cattle.

— Bloomberg

U.S. to impose tariffs on metal imports

AGENCE FRANCE-PRESSE
WASHINGTON

U.S. President Donald Trump said Thursday he will sign off "next week" on tariffs on cheap steel and aluminum imports, especially from China, which he said are harming U.S. producers. Mr. Trump made the announcement during a meeting at the White House with producers of the two metals, who would be among the principal beneficiaries of any new barriers to competing imports.

25% tariff on steel

He said a 25% tariff would be placed on steel products, and a 10% tariff would be imposed on aluminum.

Earlier on Thursday, Mr. Trump lashed out at "unfair trade" practices followed by other countries. "Our Steel and Aluminum industries

(and many others) have been decimated by decades of unfair trade and bad policy with countries from around the world," he tweeted. "We must not let our country, companies and workers be taken advantage of any longer. We want free, fair and SMART TRADE!"

And while Mr. Trump did not mention China in this latest tweet, it came on a day one of his top economic advisers, Gary Cohn, was due to meet with Chinese economic adviser Liu He at the White House.

Any U.S. action is likely to be challenged by the exporting countries in the World Trade Organization.

Meanwhile, industries in the U.S. have urged the administration to exercise care since high import tariffs would raise the cost of supplies.

NMDC slashes iron ore prices by ₹100 per tonne

PRESS TRUST OF INDIA

New Delhi, March 1

NMDC, the country's largest iron ore mining company, has slashed the prices of higher grade iron (lumps) by ₹100 to ₹3,000 per tonne for the current month.

The state-run firm has also cut the prices for iron ore fines, which are inferior grade ore, by ₹100 to ₹2,660 per tonne for March. The prices exclude royalty, DMF (District Mineral Fund), NMET (National Mineral Exploration Trust), cess, forest permit fee and other taxes. In February, the company had fixed the prices of lump ore at ₹3,100 per tonne and of fines at ₹2,760 per tonne.

Iron ore is the main ingredient used in making steel. NMDC produces about 30 million tonne of iron ore from three fully mechanised mines. The company is involved in the exploration of wide range of minerals including iron ore and copper.

Trump triggers tariff trauma

OUR BUREAU & NYTNS

Washington/Calcutta: US President Donald Trump said on Thursday he would impose stiff tariffs on imports of steel and aluminium, making good on a key campaign promise and rattling stock markets as the prospect of a global trade fight appeared imminent.

"Trade wars are good, and easy to win," he tweeted the next morning.

In a hastily arranged meeting with industry executives that stunned many inside the West Wing, Trump said he would formally sign the trade measures next week and promised they would be in effect "for a long period of time".

The action, which came against the wishes of Trump's pro-trade advisers, would impose tariffs of 25 per cent on steel and 10 per cent on aluminium, effectively placing a tax on every foreign shipment of those metals into the United States.

The President told more than a dozen executives that he wanted the tariffs to apply to all countries, one executive in attendance said.

Trump argued that if one country was exempt, all other countries would line up to ask for similar treatment, and that metals could end up being shipped to the United States through exempted countries.

Trump's authority to impose such sweeping tariffs stems from a commerce department investigation that concluded last month that imported metal threatened na-

BOILING POINT

US steel imports (in %)
Top 10 sources

Canada	16	Turkey	7
Brazil	13	Japan	5
South Korea	10	Taiwan	4
Mexico	9	Germany	3
Russia	9	India	2

Top 10 sources account for 78 per cent of US Steel Import.

Sources: Global Steel Trade Monitor (Dec 2017)



tional security by degrading the American industrial base.

The administration has said it wants to combat cheap metals flooding into the United States, particularly from China, but a broad set of tariffs would fall most heavily on allies, especially Canada, which supplies steel and aluminium to American companies as well as the military.

"People have no idea how badly our country has been treated by other countries," Trump said on Thursday.

"They've destroyed the steel industry, they've destroyed the aluminium industry, and other industries, frankly."

"We're bringing it all back," he added.

Friday morning, Trump tweeted that a trade war would be a positive development in the context of the United States' current position with its trading partners.

Stocks across the globe fell in response to the potential tariffs, with declines in the industrial sector outpacing the

overall market.

Trump's announcement came despite months of heavy pushback from American companies that use metals in their products, like automakers and food packagers, and foreign officials, who warned that tariffs would strain relations and could prompt retaliatory trade actions.

It also elicited a swift and severe response from Republican lawmakers, who said the action would ultimately hurt American companies, workers, consumers and the economy.

The announcement capped a frenetic and chaotic morning as Trump summoned more than a dozen executives from the steel and aluminium industry to the White House, raising expectations that he would announce his long-promised tariffs.

Advisers have been bitterly divided over how to proceed on the tariffs, including whether to impose them broadly on all steel and aluminium imports, which would

ensnare allies like the European Union and Canada, or whether to tailor them more narrowly to target specific countries.

In a commentary, Morningstar Inc said it was still unclear whether the Trump administration will apply the new tariffs in a "blanket fashion to all countries or only to a targeted list of countries."

It added that there has "been significant disagreement among Trump's advisers as to how severe the resulting tariffs should be. On one hand, trade hawks, including commerce secretary Wilbur Ross, US Trade Representative Robert Lighthizer, and trade advisor Peter Navarro, have pushed for steep tariffs and quotas, while others, including Chief Economic Adviser Gary Cohn have supported a more moderate approach."

In its February 16 Section 232 report, US Department of Commerce had proposed blanket tariffs of 24 per cent for all steel imports and 7.7 per cent for all aluminium imports, both less severe than the figures indicated by Trump on March 1.

However, the agency had also recommended 53 per cent targeted tariffs for steel and 23.6 per cent targeted tariffs for aluminium.

Therefore, the actions proposed by Trump could be viewed as more punitive or significantly less punitive than the recommended sanctions depending on their scope.

New York Times News Service and additional reporting by our Calcutta bureau

JAYANTAROY CHOWDHURY

New Delhi: India will not impose any retaliatory duty on American steel amid fears of a global trade war in the wake of US President Donald Trump's decision to slap a 25 per cent duty on steel imports.

Top commerce and steel ministry officials ruled out retaliatory tariffs and said the impact of Trump's decision announced late Thursday on India would be minimal as a mere 2 per cent of the country's steel exports go to the US.

"It will now be impossible to sell to the US. However, the impact is small... we mostly export pipes there and can find alternative markets. The bigger impact would be on the cost structure of US business who use imported steel as raw material for further production," said S.K. Roongta, former chairman of SAIL and an industry expert.

The biggest impact of the US decision will be on neighbour Canada, which meets 16 per cent of American demand, followed by Brazil and South Korea. China, like India, accounts for just 2 per cent of US steel imports.

Analysts said Indian and Chinese steel were earlier targeted by the US in the form of higher countervailing duties.

The US uses its own law Trade Expansion Act of 1962, Section 232(b) to investigate whether certain imports, or the high levels of certain imports, pose a threat to national security. However, this has been occasionally challenged

India rules out duty retaliation

TREND WATCH

India's export of iron & steel

	To US	Total
'15-16	314830	7570179
'16-17	354251	14035205
'17-18*	240244	12205814

*April-December 2017

Figures in tonnes

Source: Directorate General of Commercial Intelligence and Statistics

by its trade partners.

Steel secretary Aruna Sharma told a news agency that "validity of Section 232 is stretched to be used as tariff barrier". Indian analysts believe the biggest impact would be on US automobile and oil and gas industries whose costs would go up.

"What we have to see is how the Canadians, Europeans and Koreans react to the US decision," said Roongta. Canada has already reacted to the US tariff announcements by stating it could take counter measures. China, too, is believed to be considering retaliatory measures.

War over Harley

The US President stirred up a row earlier this week by complaining about India's tax on

motorcycle. On Monday, Trump said: "When they (Harley-Davidson) send a motorcycle to India, as an example, they have to pay 100 per cent tax - 100 per cent. Now, the Prime Minister, who I think is a fantastic man, called me the other day and said we are lowering it to 50 per cent. I said okay, but so far we're getting nothing. So we get nothing. He gets 50 (per cent), and they think we're doing - like they're doing us a favour. That's not a favour."

India, however, has little grounds to complain against the protectionist policies of the US as it has been following a similar approach to prop up its own "Make in India" Campaign. In his budget for 2018-19, finance minister Arun Jaitley had raised import duties on a clutch of items.

WTO warning

Late in the evening, the chief of the World Trade Organisation warned a trade war is "in no-one's interests". "The WTO is clearly concerned at the announcement of US plans for tariffs on steel and aluminium. The potential for escalation is real, as we have seen from the initial responses of others," WTO director-general Roberto Azevedo said in a statement.

Swedish home appliance maker Electrolux said it would suspend its investments in the US. "We're freezing our investments," Electrolux spokesman Daniel Frykholm was quoted as saying by Swedish news agency TT.

European industry raises alarm bells; EU warns of retaliatory measures

US bid to impose import duties on steel and aluminium will have a negative impact on global trade and markets, say officials

VIDYA RAM

London, March 2

Politicians, industry, and unions in Europe and Britain have reacted with alarm to the US Government's announcement of restrictions in the form of a surcharge on exports of steel and aluminium to the US, with the European Commission warning of proposals for "WTO compatible countermeasures" to rebalance the situation.

"We will not sit idly while our industry is hit with unfair measures that put thousands of European jobs at risk," said Jean Claude Juncker, President of the European Commission, who slammed the US government's protectionism.

"Protectionism cannot be the answer to our common problem in the steel sector. Instead of providing a solution, this move can only aggravate matters," he said, following the announcement of import duties of 25 per cent on steel and 10 per cent on aluminium on Thursday. Cecilia

Malmstrom, Commissioner for Trade, warned that the move would simply raise costs and reduce choice for US consumers of steel and aluminium. "These US measures will have a negative impact on transatlantic relations and on global markets," she added.

In 2017, the EU exported 5 million tonnes of steel to the US out of a total export volume of 40 million tonnes, according to EU steel trade association EUROFER. "In the current context of massive global excess steel capacity, markets will be forced to take preventative contingency actions to avoid domestic market disruption from traded deflection," said its director, Axel Eggert.

Tata Steel Europe, for which the US represents 10 per cent of its sales, welcomed the EU's pledge of swift action. "The EU must not allow the moderate recovery in our industry over the last year to be destroyed by the EU's most important ally," said a



On the boil Steel coils at the Thyssenkrupp factory in Duisburg, Germany. The US move risks sparking a trade war if he goes ahead with plans to impose steep tariffs on steel and aluminium imports AP

Tata Steel Europe spokesperson.

The concerns were echoed in individual European markets, including in Britain, which exports some £360 million of high value steel products to the US, or around 15 per cent of the sector's exports, according to industry body UK Steel.

In addition to hitting US exports, UK Steel warned the US move could have a knock on effect on markets such as the UK, with steel diverted away from the US to other markets. "In its imagined post-Brexit role as the vanguard for global free trade, it must remember that not everyone is on the same page and not

everyone is playing by the same rules. Whilst we have to resist any urge to mirror such protectionist moves, we must at the same time be clear-eyed and equip ourselves with tools to respond effectively and protect our interests when necessary," said UK Steel Head of Policy, Richard Warren.

German Chancellor Angela Merkel's spokesperson said the federal government rejected the tariffs, and pledged to stand side-by-side the European Commission, the AFT reported.

Further details of the US plans are expected to be unveiled next week.

ArcelorMittal, Nippon Steel to jointly bid for Essar Steel

'Joint operations in U.S. since 1987 to come in handy'

SPECIAL CORRESPONDENT
MUMBAI

Steel baron Lakshmi Niwas Mittal-led ArcelorMittal and Japanese steel major Nippon Steel & Sumitomo Metal Corporation (NSSMC) have placed a joint bid for debt-laden Essar Steel.

In its resolution plan for Essar Steel, ArcelorMittal's subsidiary ArcelorMittal India Private Limited (AMIPL) on February 12 outlined the intention to have NSSMC formally join its bid for Essar Steel.

"Should the submitted resolution plan be selected and formally accepted by India's National Company Law Tribunal, ArcelorMittal and NSSMC would jointly acquire and manage Essar Steel," ArcelorMittal said in statement on Friday.

"The ArcelorMittal bid is ahead of Numetal's bid; Rewant Ruia, son of Essar promoter Ravi Ruia is a stakeholder in [Numetal]," a source in the know of the development told *The Hindu*.

'20-year history'

Mr. Lakshmi Mittal, chairman and CEO, ArcelorMittal, said, "Partnering with NSSMC for Essar Steel was always our intention and adds further strength to our offer. Combining our experience and expertise creates a powerful partnership that has a proven track record – our rich history of... collaboration dates back more than 20 years with three joint ventures in the U.S."

"We believe that together, we can contribute our knowledge and technology to support a rapid turnaround in Essar's performance, enabling it to increase production, enhance its product capabilities and make a meaningful contribution to the future growth of India's manufacturing sector and the development of its economy," it added.



Joint exercise: With NSSMC, we can support a turnaround in Essar's performance, says L.N. Mittal-led ArcelorMittal. •AFP

"The JV between ArcelorMittal and NSSMC is said to be a partnership of equals," said another source in the know of the development.

ArcelorMittal and NSSMC have operated I/N Tek and I/N Kote in Indiana, U.S., under joint venture agreements since 1987. I/N Tek and I/N Kote are high-added value downstream steel finishing facilities which serve the automotive and domestic appliance markets.

In its resolution plan, AMIPL set out a detailed industrial and turnaround path aimed at 'restoring Essar Steel's fortunes, enabling it to realise its full potential and participate in the anticipated steel demand growth in India', the company said in the statement.

NSSMC will proceed with ArcelorMittal to form the joint venture and acquire ESIL, subject to the approval of the regulatory authorities, NSSMC said in a statement.

It added that India was one of the most promising steel markets in the world, with significant growth potential in the medium- and long-term and where domestically produced steel products command a superior position.

'Expanding production'

NSSMC has been steadily expanding local production in India and 'targeting sectors

advantageous to its technological superiority' it said.

Meanwhile, NSSMC has also been seeking opportunities to engage in integrated steel production in India to capture the growing demand for steel products, which is expected to increase along with the development of domestic infrastructure, the statement added.

ESIL, a major steel firm, has a fully integrated steel production system located on the west coast of India. It manufactures flat steel products, plates and pipes, which are sold through its domestic sales channels, and owns an iron ore mine in the east of India.

"Based on the success of the relationship between NSSMC and AM, as well as AM's extensive track record of rebuilding many companies and substantial market knowledge of India, NSSMC believes that by bringing together the strengths of both companies, NSSMC and AM will be able to successfully turn around ESIL and transform it into a competitive steel business," NSSMC added in its statement.

Acquisition of Essar Steel is a part of NSSMC's 2020 Mid-Term Management Plan that lays out a roadmap to further enhance and develop its global business, the statement said.

Trump to impose steep tariffs on steel, aluminium

Wall St falls on trade war fears; studies show few jobs likely to be created

REUTERS

Washington, March 2

President Donald Trump announced on Thursday he would impose hefty tariffs on imported steel and aluminium to protect US producers, risking retaliation from major trade partners like China, Europe and neighbouring Canada.

Fears of a trade war triggered a sell-off on Wall Street.

Trump said the duties, 25 per cent on steel imports and 10 per cent on aluminium, would be formally announced next week, although White House officials later said some details still needed to be ironed out.

Trump believes the tariffs will safeguard American jobs, but many economists say the impact of price increases for users of steel and aluminium, such as the auto and oil industries, will destroy more jobs than curbs on imports create.

"We're going to build our steel industry back and our aluminium industry back," Trump said.

Shares of US domestic steel and aluminium makers rallied, but shares of companies ranging from auto makers to airplane makers fell on the potential impact of the higher costs they will have to pay for the metals.

The S&P 500 Index dropped almost one per cent and was on track for its worst week in a month, while the Dow Jones Industrial Average lost more than 300 points after Trump declared trade wars are easy to win in a tweet on Friday.

The CBOE Volatility Index, better known as the VIX, continued its four-day climb and rose past 25.

The tariffs were sharply criticised by some senior Republican lawmakers as well as industries ranging from autos to oil to construction equipment. A major concern is that US farm exports could be hit hard in retaliation by steel-exporting countries.

"Every time you do this, you get a retaliation. Agriculture is the number one target. I think this is terribly counterproductive for the

agriculture economy," said Senator Pat Roberts, who chairs the chamber's agriculture committee.

Ready to respond

China has already threatened to curb imports of US soybeans, and the European Union has said it will consider action as well. President Xi Jinping's top economic adviser, Liu He, held talks with the Trump administration in Washington on Thursday.

The discussion was described as "frank and constructive", by a White House official, and focussed on "ways to ensure fair and reciprocal trade."

Trade tensions between the US and China have risen since Trump took office in 2017.

The tariffs will not directly hit China that hard. Data shows that Canada supplies 16 per cent of US demand for steel versus China's 2 per cent and is by far the largest

steel exporter, followed by Brazil and South Korea.

Other countries were already looking at how to respond.

Although China only accounts for a small fraction of US steel imports, its massive industry expansion has helped produce a global glut of steel that has driven down prices.

Though the administration says duties would protect US industry, critics say they would raise costs for industry and fail to deliver on Trump's campaign pledge to boost domestic jobs.

Few more jobs from tariffs

While American steelmakers lost three quarters of their jobs between 1962 and 2005, a major study by the American Economic Association showed that much of this reflected improved production technology, with output per worker rising fivefold.

"Thus, even if trade protection leads to increased domestic production, increases in employment may be far less than many hope," a report from the independent Econofact economist network said last week.

The overall impact on the US economy is likely to be muted, barring a major trade war, with steel and aluminium imports accounting for just 2 per cent of the overall total.



US President Donald Trump

ArcelorMittal assessing fallout of US decision

REUTERS

Brussels, March 2

ArcelorMittal, the world's largest steel maker, said on Friday it was assessing the potential impact of planned US tariffs on steel imports, while saying governments were right to take a tough approach to unfair trade.

ArcelorMittal, which has sizeable operations in both Europe and the US, repeatedly has complained about cheap imports from China and other countries hurting its business.

"The significant steelmaking overcapacity that has developed

this century, and the rise in exports we have seen from several steel-producing nations, legitimises governments worldwide taking a tough approach to addressing unfair trade practices," ArcelorMittal said in a statement.

"The greater need, however, is to create a truly sustainable global steel industry, and the only way to do this is for steel-producing nations around the world to work together to address global overcapacity," it said, adding it was assessing the likely impact of the US measures on its business and the industry as a whole.

'No immediate impact on India's steel exports'

REUTERS

New Delhi, March 2

India does not expect any immediate impact from US President Donald Trump's decision to impose curbs on steel imports, the Steel Ministry's top bureaucrat said on Friday.

"We have only 2 per cent of our exports to US so no immediate dent, but validity

of Section 232 is stretched to be used as tariff barrier," Steel Secretary Aruna Sharma told Reuters, referring to the US trade clause being invoked.

The Trade Expansion Act of 1962, Section 232 (b) gives the US the ability to investigate whether certain imports, or high levels of certain imports, pose a threat to national security.



Aruna Sharma

THE HINDU

DATE: 3/3/2018 P.N.13

Demand for steel grows by 5.2%: ICRA

PRESS TRUST OF INDIA

KOLKATA

Domestic steel demand has grown by 5.2% during the first nine months of 2017-18, which is positive for the industry, rating agency ICRA has said.

The rise in demand was aided by a buoyancy in the automobile sector and recovery in the construction and capital goods sectors, it said in a statement.

ICRA expects domestic consumption growth to be favourable in the backdrop of the government's thrust on infrastructure, particularly in affordable housing and power transmission. "A combination of favourable factors like domestic demand rise in domestic and international markets and lower growth in imports would help the sector in the days forward," ICRA said.

THE BUSINESS LINE

DATE: 3/3/2018 P.N.3

NMDC Nagarnar steel plant moves a step closer to commissioning

V RISHI KUMAR

Hyderabad, March 2

NMDC's steel plant at Nagarnar, Chhattisgarh has taken a decisive step towards commissioning, starting the 220 KV GIS (gas insulated switch) main receiving sub-station on Thursday.

Prashant Dash, Executive Director, Nagarnar Iron & Steel Plant, switched on the operational power receiving system in the presence of senior officials of NISP and MECON, the consultancy partner, and GE India officials.

The steel plant project gathered momentum after Bajjendra Kumar took over as CMD in September 2017. Several packages that were delayed were expeditiously taken up and work accelerated.

ArcelorMittal steels Essar bid with Nippon tie-up

OUR BUREAU

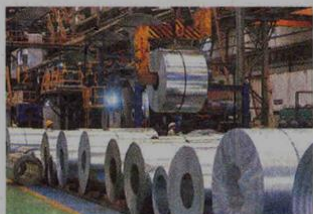
Mumbai, March 2

ArcelorMittal has joined hands with Japan's largest steel producer Nippon Steel & Sumitomo Metal Corporation (NSSMC) to take over the stressed asset of Essar Steel.

ArcelorMittal India had submitted a resolution plan for Essar on February 12, which outlined the intention to have Nippon Steel as joint venture partner.

The new joint venture company to be formed would acquire Essar Steel if the financial bid is accepted by lenders and the National Company Law Tribunal (NCLT), said ArcelorMittal in a statement on Friday.

Lakshmi Mittal-promoted ArcelorMittal has revealed his joint venture partner for the first time even as doubts are being raised



ArcelorMittal India submitted a resolution plan for Essar on February 12, outlining its intention to have Nippon Steel as joint venture partner

over the acceptance of its bid as the Insolvency and Bankruptcy Code bars promoters of defaulting companies from bidding for stressed assets.

Though the Mittals sold their stake in the bankrupt joint venture Uttam Galva before bidding for Essar Steel, ArcelorMittal will be dragged to court if it emerges as the winning bidder.

The Russian VTB Bank-led consortium Numetal Mauritius is the only other contender for Essar Steel, which has been put on the block by lenders to recover ₹45,000 crore defaulted by the company.

Existing partnership

Lakshmi Mittal, Chairman, ArcelorMittal, said partnering with Nippon Steel for Essar Steel adds strength to the offer. The companies have a proven track record with three joint ventures in the US over 20 years, he said.

ArcelorMittal and NSSMC have

been operating I/N Tek and I/N Kote in Indiana since 1987. The two units produce value-added downstream steel, which serves the automotive and domestic appliance markets.

In 2014, ArcelorMittal partnered with NSSMC to acquire AM/NS Calvert, a downstream finishing facility of 5.3 million tonne capacity in Alabama. One of the largest new steel facilities in the US in 40 years, it had failed to reach its potential.

ArcelorMittal is in the process of infusing fresh funds to enable production of value-added steel products. With these investments, the capacity utilisation of the plant has improved by over 20 per cent, shipments to automotive sector doubled in last two years and productivity at the hot strip mill has increased by over one million tonnes.

Coal India faces uphill task

A STAFF REPORTER

Calcutta: Coal India would have to step up its production to over 3 million tonnes (mt) per day in March to reach its annual production target of 600 mt for the fiscal, a steep hike from the target of 2 mt a day that coal and railways minister Piyush Goyal had stated in a written reply to the Rajya Sabha in January.

In the eleven months of 2017-18 (April-February), the state owned miner has produced 495.09 mt recording a modest 1.4 per cent growth over the corresponding period previous year, but falling short of the target by 7 per cent.

Two of the eight subsidiaries of the miner — Bharat Coking Coal Limited and Central Coalfields Limited — have recorded a drop in production in the eleven-month period, having to manage high

OUTPUT ALERT

April-Feb 2018	Target	Actual
Production	531.32	495.09
Offtake	541.60	525.09

Figures in million tonnes

stocks. Any coal stock more than three months results in quality deterioration and accordingly, production has to be managed such that inventory is controlled.

The public sector miner has been set a target of 600mt in this fiscal, and it has to produce 104.91mt in March itself, which according to industry sources could be an uphill task.

Coal India sources said production

tends to pick up between January and March as power plants look to stock up on coal ahead of the summer season. Based on the current trend, the miner expects to surpass production of 66.07mt reached last March. But, even with the higher production, there would still be a shortfall.

Coal offtake in the eleven-month period was 525.09mt against a target of 541.6mt a year ago.

According to the proposed annual plan for 2018-19, the output target of Coal India has been kept at 630mt which is a 5 per cent growth over the target of 2017-18.

Coal India raised thermal coal prices across certain grades in January following a decision to impose an evacuation charge of Rs 50 per tonne. Both moves are expected to add around Rs 2,700 crore to the topline of the public sector miner.

Gold recovers after US tariff announcement

Risk aversion increases demand for safe haven, pushing up gold prices

GURUMURTHY K

Gold prices gyrated in the past week. The global spot gold prices rose to a high of \$1,341 per ounce initially and tumbled about 3 per cent from there to make an intra-week low of \$1,303. The prices however managed to reverse sharply higher from this low, recovering most of the loss during the week. The yellow metal has closed at \$1,322 per ounce, down 0.45 per cent for the week.

The US President Donald Trump's announcement on import tariffs for steel and aluminum helped in triggering a reversal in gold prices. A 25 per cent import tariff on steel and 10 per cent on aluminum is expected to come into effect as early as this week. This sparked fears in the market that it could begin a trade war between the US and the rest of the world. As a result, markets turned risk averse and, in turn, gold bounced back sharply as it gained safe haven status.

Silver

continued to hover broadly around \$16.5 for the fourth consecutive week. The global spot silver prices fell to a low of \$16.17 per ounce on Thursday and bounced back from there to close on a flat note at \$16.52 per ounce.

On the domestic front, gold and silver futures contracts on the Multi Commodity Exchange (MCX) moved in tandem with the global spot prices. The MCX-Gold futures contract fell to a low of ₹30,119 per 10 gm and bounced back on the final trading day, recovering most of the week's loss. The contract closed at

₹30,448 per 10 gm, down 0.2 per cent.

The MCX-Silver futures contract tumbled to a low of ₹37,450 per kg and reversed higher from there to close the week 0.2 per cent lower at ₹38,335 per kg.

Dollar loses momentum

The US dollar index rose above the crucial resistance level of 90.55 and made a high of 90.93. However, the index failed to sustain higher and had come-off from there giving back most of the gains made during the week. It has closed at 89.98. Support is in the 89.65-89.50 region, which can be tested early this week. If the index declines below 89.5, it can fall further towards 89 or even 88.5 thereafter. Such a fall

will help in pushing the gold prices further higher. But if the dollar index manages to reverse higher from the 89.65-89.5 support zone, it can bounce back again targeting 90.5 and 91 levels.

Gold outlook

The support in the \$1,310-\$1,300 region has held well as expected. The global spot gold

(\$1,322 per ounce) price has bounced back sharply after testing this support zone last week. This indicates that the \$1,300-\$1,370 sideways range within which gold is oscillating since January remains intact. Immediate support is at \$1,315 and resistance is at \$1,325.

A strong break above \$1,325 can take the prices higher towards \$1,335 or \$1,340. Further break above \$1,340 will then pave way for the next targets of \$1,360 and \$1,370. The outlook for gold will turn negative only if it breaks below \$1,300, which looks unlikely at the moment.

The MCX-Gold (₹30,448 per 10 gm) is sustaining above the key psychological support level of ₹30,000. The contract has reversed higher after making a low of ₹30,119 last week. As long as the contract sustains above ₹30,000, the outlook will remain positive and a rally to ₹31,000 or ₹31,100 is likely in short-term.

Inability to breach ₹31,100 can pull the contract lower towards ₹30,000 again. In such a scenario, a range bound move between ₹30,000 and ₹31,100 can be seen for some time. If the contract manages to breach ₹31,100 decisively, it can gain fresh momentum. Such a break will increase the likelihood of the contract targeting ₹32,000 or even higher levels over the medium-term.

The outlook will turn negative only if the MCX-Gold futures contract breaks below

₹30,000. Such a break, though less probable can drag the contract lower to ₹29,600 or ₹29,450.

Silver outlook

The outlook for global spot silver (\$16.5 per ounce) remains mixed as it continues to hover around \$16.5 over the last four weeks. Support is at \$16.25 and resistance is at \$17.

A breakout on either side of \$16.25 or \$17 will decide the next trend. A break below \$16.25 can take silver lower to \$15.75. On the other hand, it will gain momentum and can target \$17.5 and \$17.75 if it breaks above the hurdle at \$17 decisively.

The immediate outlook for the MCX-Silver (₹38,335 per kg) is unclear. Though the support at ₹37,450 has held well and the contract bounced back sharply, clusters of resistances are poised in between ₹38,500 and ₹39,000. The contract has to break above ₹39,000 decisively to gain fresh momentum. Such a break will take the contract higher to ₹40,000 in the short-term. But inability to break above ₹39,000 can trigger a pull back move towards ₹37,450 again and keep the contract range-bound between ₹37,450 and ₹39,000 for some time.

The outlook will turn negative if the contract breaks below ₹37,450 decisively. Such a break will increase the likelihood of the contract falling toward ₹36,500.



MCX Gold

Supports

₹30,000, ₹29,600

Resistances

₹31,100, ₹31,500

MCX Silver

Supports

₹37,450 / ₹36,500

Resistances

₹39,000 / ₹40,000

ISTOCK.COM/UMESH CHANDRA

Taking coal to private players

Opening up the coal sector to private participation is a welcome reform

VIVEK JAIN
NITIN BANSAL

The approval of the Cabinet Committee on Economic Affairs to open up commercial coal mining for the private sector is a much-awaited reform. India has large proven coal reserves and 70 per cent of power generated in the country is coal-based. This essentially indicates that there is a strong demand for coal as well as strong supply growth possible. However, India has continued to rely on imported coal, though coal imports have come down to 43.6 million tonnes in nine months ended December 2017 from 49.9 million tonnes in nine months ended December 2016.

Even in a blue sky scenario where India adds 18GW of solar capacity every year, coal-based power will still continue to contribute more than 70 per cent of the overall generation even in FY22 and would require around 700-750 million tonnes of an-



ISTOCK.COM/EVGENYMIROSHNICHENKO

nual coal production, which implies a coal production CAGR of around 4-5 per cent. Currently, bulk of the coal requirements for the power sector is met by Coal India Limited (CIL). Though CIL has seen an increase in output, its output growth has not been in line with targets, and growth rates yearly have seen wide variations.

Given this, it was imperative that the government open up the sector for private participation and brought in competition. The methodology for as-

cending forward auction, whereby the bid parameter will be the price offer in rupees/tonne payable to the State Government on the actual production of coal, is fair and transparent. If the size of the coal blocks under auction is large, it would also see strong participation from even international players.

For one, CIL monopoly is likely to be broken and dependence on one entity for meeting 80 per cent of domestic coal requirements has its own perils. Moreover, CIL, in the past, has

faced challenges with labour, weather, among others. Sectors where private participation has been allowed have seen improvements in operational efficiencies and competitive price discovery with the notable one being the distribution segment and renewable space.

As new bigger better players enter the sector, the reliability and quality of coal production could increase. Besides, as the usage of imported coal declines, the overall cost of power production will see a decline. Though the developers will be free to price the coal produced, it is an absolute certainty that it would be priced at a healthy discount to international prices after gross calorific value adjustment and, hence, a further substitution or blending of domestic coal will result in overall cost savings.

Power plants which have hitherto been stranded for want of domestic coal and demand for electricity could see a pick-up. If the coal is made available by the new developers, these stranded capacities could see revival. Before the opening of the sector, a mine allocated could only be used for captive use for a specific

purpose; now, it can be used for any purpose. Thus, it is likely to support emergence of vertically integrated players with presence across the value chain from mining to generation to transmission to distribution.

Risks

However there are certain risks. For instance, the coal pricing from these blocks would depend upon the bidding done by the developers and, in case the developers bid aggressively, coal prices from these blocks are expected to remain high. Consequently, the offtake might be restrained from these blocks leading to compression on return on investments.

The other risk is the competition from the imported coal prices. In case the global demand for coal keeps declining in view of the growing share of renewable energy globally, the imported coal prices may decline, providing competition to the private mine developers.

The writers are Associate Director - Corporates and Analyst - Corporates respectively, India Ratings & Research



Privatisation pays

- Reduces dependence on Coal India
- Reliability and quality of coal production will increase
- Power plants with stranded capacities will revive

Coal will stay

Coal-based power will still continue to contribute more than 70 per cent of the overall generation in FY22.

More power to commercial coal mining

This will result in real productivity gains which can then be passed on to electricity consumers

KAMESWARA RAO

For a policy that is a game-changer, commercial coal mining has had the most unassuming debut. Although the press release on the Cabinet decision positions it as "the most ambitious coal sector reform since the nationalisation of the sector", follow-up messages have been subdued.

The move from "an era of monopoly to competition" holds many strategic implications for an entire set of industries and companies. Already, large global and local mining majors have expressed interest in this landmark deregulation which, in essence, allow mining and sale of coal without curbs on quantity, end-use or pricing.

The expectation is that the mining majors will set new benchmarks in terms of mechanisation, automation, mining practices, etc, and drive up productivity. So, even when only a handful are auctioned, the comparison will spur improvements across the industry. The productivity of our coal sector has improved over the years, but remains below global standards.

This can be achieved if the assets auctioned are large (say, 35 MTPA),

accessible, and ready for development.

Inefficient, so far

The Government's move to commercial coal mining is tacit recognition that developing coal blocks on end-use basis is inefficient. The output of Schedule II mines is barely half of the pre-auction levels (only 15 of 35 mines produce currently), and none of the Schedule I and III mines (total 49) are operational. There are challenges in design and handover but, mainly, the end-user industries lacked the expertise, scale and incentive to do anything more than source their own needs.

This changes entirely with commercial mining where real productivity gains can be achieved and passed on to consumers. The immediate beneficiaries are power generators who can improve utilisation and margins by sourcing commercial coal selectively. Power generators are assured of only 75 per cent of their annual contracted quantity under the Fuel Supply Agreements. These contracts, drafted in a period of scarcity, offer ample room for a competitive coal supply, and one can reasonably expect power generators to make the best use of it.

Distressed assets, in particular,



Better use Means optimum output
MANOJ CHOWDHURY

will use this option to draw up a plan for turnaround after the debt recast. It is estimated that power plants totalling 26-28 GW do not have fuel tie-ups. The recent government scheme (SHAKTI) for such stranded power plants could satisfy only 9 GW (27 MTPA coal), leaving 17-19 GW capacity unmet. This translates to about 52-58 million tonnes per annum of coal demand, which makes a ready case for 3-4 large commercial blocks.

The opportunity gets larger as new commercial miners take full advantage of deregulation. They

can offer short-term contracts for seasonal needs (to serve utility demand or via the merchant market), adopt more flexible pricing, and supply higher quality blends to substitute imports. It should be expected that the current coal producers too will respond with innovation and customer orientation.

There will be competition

The downstream power utilities will gain from this, but are simultaneously faced with a major competitive threat. As the output from commercial coal mines comes on line, it will have a sustained, moderating influence on energy prices. This means the manufacturing sector which is already diversifying its power procurement by buying from third-party sources and on the power exchange, will have access to lower cost electricity with limited price volatility. Similarly, as commercial miners target large energy users with captive power plants, discoms will lose the advantage of cross-subsidy.

Electricity regulators, for this reason, have to implement tariff reforms and rationalise cross-subsidy to levels at which discoms can still hold on to large energy users. This may not impact the smaller and

lifeline consumers as the State governments will channel the premium earned from auction of commercial coal to extend direct subsidy. These actions are in line with the power ministry's proposed changes to the tariff policy, namely, as rationalisation of cross-subsidies and direct transfer of subsidy benefit.

Private investment in commercial coal mining, in many ways, will thus transform the structure of the electricity industry. It makes it possible for new vertically integrated companies to own coal mining to power generation to distribution and retail supply. Customer choice can be truly offered now, as all segments of the value chain are competitive with multiple suppliers.

The success of this new policy will depend on incorporating lessons from the previous auctions, and deregulating it fully to allow efficiency and competition in the primary energy sector. If the Government gets the design right, there is good reason to expect these commercial coal auctions to become a mega hit and the poster boy for sector reforms.

The writer is Partner and Leader, Energy, Utilities and Mining, PwC India

India to Check If US' Move to Hike Duties on Steel, Aluminium Follow Global Trade Norms

Kirtika.Suneja@timesgroup.com

New Delhi: India has begun to legally examine the US' move to impose higher duties on steel and aluminium imports to check if countries are free to use domestic laws to raise taxes to secure their local industry.

The US' threat of trade wars with countries to reduce its trade deficit has cautioned India as it anticipates a similar raise in duties on products it exports to Washington. "When a country (US) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win," US President Donald Trump tweeted last week.

India will study if such a step is in accordance with norms of the World Trade Organization (WTO), a government official told ET. "We are examining from a legal perspective if countries are free to use domestic laws to raise taxes to secure their local industry

Trade Barrier

India examining US' likely move to hike import duties on steel and aluminium



Looks to check if such a step would be in accordance with WTO norms

US' applied tariffs on stainless steel rods & billets: 0%

Applied tariffs on aluminium rods: 2.6%



We're examining from a legal perspective if countries are free to use domestic laws to raise taxes to secure local industry

Govt official

India's aluminium and steel articles exports to US in FY17: \$350.15

ry and whether this is WTO compatible," he added.

The US' move comes days after the Department of Commerce's 'Section 232' national security reviews of steel and aluminium,

where it has recommended a tariff of at least 53% on all steel imports from 12 countries — Brazil, China, Costa Rica, Egypt, India, Malaysia, Russia, South Korea, South Africa, Thailand, Turkey and Vietnam. The countries identified are projected to account for less than 4% of US steel exports in 2017, the report said.

The US is targeting imports of solar panels, washing machines and steel, which, as per an official, will not adversely impact India as the country doesn't export huge volumes of these products.

"Though we will not be impacted much, similar types of taxes may come for us tomorrow," the official aware of the details said.

"We must protect our country and our workers. Our steel industry is in bad shape," Trump said in a separate tweet.

In 2016-17, India exported articles of iron and steel worth \$1.26 billion to the US and \$960.58 million in the April-October period of 2017-18. In the same time span, iron and steel exports were \$330.17 million and

\$207.89 million, respectively. The US' applied tariffs on stainless steel rods and billets is 0% while on aluminium rods is 2.6%. Applied rates are those that governments actually charge on imports, which can be lower and have a direct impact on trade.

The duties are low and could allow elbow room to the US to raise tariffs, an industry expert said.

India's export of aluminium and articles thereof to the US in FY17 were \$350.15 million and \$285.46 million in the first seven months of FY18. "There'll not be much impact on us. If there is an impact on China and Canada, it might actually benefit us but the move can be infectious. If it escalates and other countries start doing the same then world trade will get hit and that always impacts us," said Ajay Sahai, director general, Federation of Indian Export Organisations. A Delhi-based trade expert said if the US market closes then Asian producers, seeing demand here, may dump their products here or create import surges.

Out of box thinking key to expand mining industry, says WCL chief

Viraj Deshpande | TNN

Nagpur: Conservation and exploration of coal in a judicious manner and taking pragmatic measures will help expand the mining sector without damaging natural resources, said Rajiv Mishra, chairman of Western Coalfields Limited (WCL).

Speaking at the 71st foundation day of Indian Bureau of Mines (IBM) that was celebrated on Thursday, Mishra insisted on making optimum use of technology and thinking out of the box as not much has changed in the mining sector over a period of time. IBM has made rapid strides and has the potential to do wonders, he added.

Mishra said the companies engaged in mining should come together and work collectively on projects as this can prove beneficial. Nagpur has IBM, WCL, Manganese Ore (India) Limited and Mineral



Dignitaries releasing the souvenir to mark 71st foundation day of Indian Bureau of Mines, on Thursday

Exploration Corporation Limited. If all these companies come together, then the mining sector would undergo a sea change, he said.

"According to Niti Aayog's estimates, India will require large number of natural resources till 2030. For that, we should immediately start exploration. Instead of imports, we should systematically explore and also conserve natural resources," he added.

MOIL CMD MP Chaudhari said, "IBM has brought transparency

to the mining sector as there had been some negative feeling about the sector from many sections of the society."

Controller general of IBM Rangan Sahai said the mining industry is going through a bad phase as 88 mines have been closed down in Goa. Every authority thinks that regulators of mining sector are hand-in-glove with the owners. But this image has to be changed by using technology, may it be IT or surveillance through satellites. In the coming years, mining will be one of the most successful industries in the country, he added.

Several programmes were organized as part of celebrations.

Around 45 employees of IBM were presented with certificates for donating blood in a camp.

S Tiwari, CCOM of IBM, was present at the programme, besides current and former employees of the organization.

'Goa may lose ₹3,500 crore due to apex court ruling on mining leases'

PRESS TRUST OF INDIA

Panaji, March 4

Goa is staring at a revenue loss of ₹3,500 crore annually and downscaling of nearly two lakh jobs following a Supreme Court order over non-renewal of iron ore mining leases in the State, a minister has said.

The State government wants the Centre to help in dealing with this impending crisis.

The SC had last month quashed the second renewal of iron ore mining leases given to 88 companies in Goa in 2015.

Time till March 15

The Apex Court said it was giving time till March 15 to mining lease holders, who have been granted a second renewal in violation of its previous directions, to manage their affairs.

They are directed to stop all mining operations with effect from March 16, until fresh mining leases (not fresh renewals or other renewals) are granted and fresh environ-

mental clearances are granted, the court said.

Goa Transport Minister, Sudin Dhavalikar, said there is a concern about the loss of revenue and jobs because of the court order.

"The estimate is that we will lose ₹3,500 crore annually and also around two lakh people will be rendered jobless, if the mining industry stops forever," he said to PTL.

'Uncertain future'

"The Centre has to provide us a way out of this situation and we have faith," said Dhavalikar, whose Maharashtra Gomantak Party (MGP) is an ally of the BJP in Goa.

While the Goa government is busy charting its strategy to minimise the impact of the Apex Court's verdict on the State's economy and the people, the mining industry stakeholders are also concerned about the uncertainty hovering over their means of livelihood.

The stakeholders include



the truck owners, who transport the ore from mining sites to jetties located along the river side.

Nilkant Gawas, the president of All Goa Truck Owners' Association, said there should be a clarity on whether mining will be allowed or it will be shut down completely.

"We can't live in this kind of an uncertain situation for long," he said.

Since 2012, he said, the mining industry has been severely affected and the people depending on it are facing an uncertain future.

"Let the people know once and for all whether mining will stop or will be allowed to continue without any hiccups," Gawas said.

Earlier, the Supreme Court had banned mining in Goa in 2012 after the allegations of illegal mining surfaced.

The industry had resumed in 2014, but failed to take off due to various regulations pertaining to the iron ore extraction and its export.

Gawas alleged that the greed of mine owners and politicians in power pushed the mining industry to the brink of a crisis.

Pressing solution

North Goa Truck Owners' Association secretary Suresh Desai said the solution has to be worked out before March 15 or else, he feared, there would be a major economic disaster for the people dependent on the industry.

"We want the mining industry to continue and it is for the government and experts to find a solution," he said.

The barge operators, who ferry the ore from jetties to the trans-shippers, (take carry the consignment abroad), are equally worried.

SCCL seeks green nod for new mines

Company plans expansion to produce 85 million tonnes annually in the next five years

B. CHANDRASHEKHAR
HYDERABAD

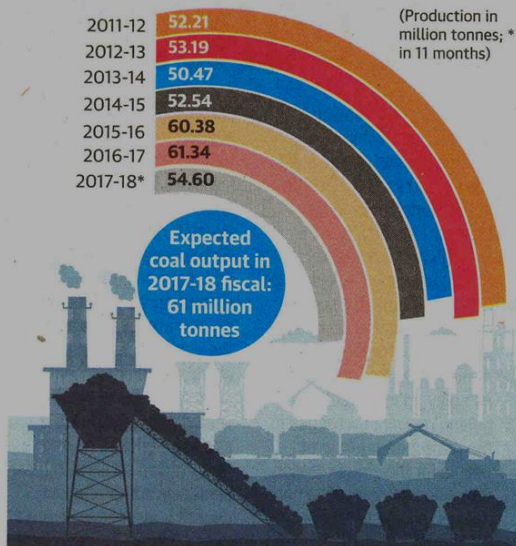
As part of its plans to scale up coal production to 85 million tonnes per annum in the next five years from the current 61 million tonnes, Singareni Collieries Company Limited (SCCL) proposes to go both for expansion of the existing mines and taking up new ones.

The plan includes recruitment of miners needed to match the production targets.

According to officials, the company has chalked out plan to open 13 new open-cast and underground mines in a phased manner to reach the targeted production by the end of 2022-23.

In addition to Chief Minister K. Chandrasekhar Rao opening six new/expansion mines recently, the company has approached the Ministry of Environment and Forests (MoEF) seeking clearance for

Coal production of Singareni Collieries



expansion of two existing mines and taking up one new mine. The expansion of

two existing mines - Bellampally open cast-II and Kakatiya Khani-5 (KTK-5) incline

underground mine - and taking up one new mine - Kakatiya Khani open cast-II phase-I - is expected to add to the company's production capacity by about 4 million tonnes per annum (MTPA), when they become operational.

The SCCL officials said the production capacity of Bellampally open cast-II mine is 0.4 MTPA now and with its expansion in 192 hectares near Abbapur village of Tandur mandal in Kumram Bheem district and in neighbouring Mancherial district, it would increase its production by 0.6 MTPA taking the total to 1 MTPA.

Similarly, KTK-5 would be expanded in about 200 hectares near Bhupalapally in Jayashankar-Bhupalapally district to increase its production by 0.84 MTPA, from the existing 0.6 MTPA to 1.44 MTPA.

The new mine planned at

Baswarajupalli in Ghanpur mandal of Jayashankar-Bhupalapally district in an extent of over 1,555 ha would have a coal production capacity of 2.5 MTPA (normative) and 3.00 MTPA (peak).

Change of plan

Initially, the mine was planned to be an underground mine but on the request of the Singareni management the expert appraisal committee had allowed its conversion from underground to open-cast in August last year.

While issuing terms of reference as part of the process for environmental clearance for the three mines recently, the expert appraisal committee of the MoEF has exempted the project proponent, Singareni Collieries, from conducting the public hearing in case of the Bellampally Open Cast-II mine.

No Steel Break for Mexico, Canada Without Fair Nafta, Says Trump

Canada must treat American farmers 'much better', and Mexico must stop drugs from 'pouring into the US', says US President

Washington: President Donald Trump said the US won't lower tariffs on steel and aluminum from Mexico and Canada unless the two countries agree to a revamped Nafta that's fair to the US.

"Nafta, which is under renegotiation right now, has been a bad deal for U.S.A. Massive relocation of companies & jobs," the president said in a tweet on Monday. "Tariffs on Steel and Aluminium will only come off if new & fair Nafta agreement is signed."

Canada must treat American farmers "much better," and Mexico must stop drugs from "pouring into the US," he added.

It's the latest sign that Trump's plan to impose stiff tariffs on steel and aluminum is overshadowing talks to overhaul the North American Free Trade Agreement. The president's intervention may complicate a process that had already been yielding little progress on the most contentious issues.

Until recently, the US probe into the national-security risks of steel and aluminum has been considered separate from the Nafta discussions. Over the weekend, Trump advisers gave no indication that any countries would be excluded from the tariffs.

The seventh round of negotiations wrap up Monday in Mexico City, with US Trade Representative Robert Lighthizer due to meet with Mexican Economy Minister Ildefonso Guajardo and Canadian Foreign Minister Chrystia Freeland, just hours after Trump's



Trump's announcement that he plans to impose tariffs of 25% on imported steel and 10% on aluminum landed like a bombshell during the 7th round of Nafta talks

tweet. The three will address the media in the afternoon.

Trump's decision on tariffs came on Thursday in the middle of talks, catching negotiators off guard. On Sunday, Trump's senior trade advisers said the president doesn't want any nation excluded from the tariffs,

set to be imposed as early as this week. Canada, the biggest supplier of steel and aluminum to the U.S., and Mexico, the No. 4 source of steel, have asked to be excluded, and both indicated they will strike back if Trump includes them in the stiff duties.

At the Nafta talks in Mexico City, negotiators agreed on two more topic areas and discussed details of Canada's idea to redraw the way regional content for cars is measured. Yet work on the autos issue, which may hold the key to the entire deal, has been slow. It now looks impossible for negotiators to meet their goal of getting an agreement by the end of this month, especially amid the prospect of escalating trade tensions from the steel dispute. **Bloomberg**

US Metal Tariffs: Brokerages see Limited Impact on Indian Cos

Our Bureau

Mumbai: The BSE Metal index was the worst performer among BSE sector indices on Monday as sentiment turned weak on US President Donald Trump's announcement last week that he would impose tariffs on imports of steel and aluminium products. The BSE Metal index ended down 3.3% at 14534.31 on Monday—the lowest closing level since December 22 last year. However, brokerages see limited impact on the Indian steel sector as India's steel exports to the US are miniscule.

EDELWEISS SECURITIES

Edelweiss said that the popular perception is that China will be the worst affected by the proposed tariffs on steel and aluminium and there will be a cascading effect across all countries including India. The brokerage said it differs in its view as bulk of the US pri-

mary aluminium and steel imports are from Canada, and exports from China and India are focused on Asia. There could be near-term stress on domestic stocks due to global pricing pressure and trade flow shifts, but the long-term impact is expected to be marginal, said Edelweiss.

KOTAK INSTITUTIONAL EQUITIES

The institutional brokerage firm said that the US trade protection measures will lead to temporary disruption in few regional markets as new trade channels that will open to cater to supplies left behind from being exported to US. However, it believes the extent of steel-mill or aluminium smelter re-starts in the US will not be meaningful to disrupt the outlook on global aluminium and steel over the medium to longer term. The brokerage has maintained 'buy' rating on Vedanta and Hindalco Industries, and reiterated 'add' rating on JSW Steel.

ICICI BANK

The bank said that even as a trade war is unlikely to be the outcome of the move by the US, global supply chains will go through sharp changes. The tariff hike by US is unlikely to have a major immediate impact on Indian exports as the country's steel exports to the US are miniscule, said ICICI Bank. Around 1-2% of US steel imports by volume are accounted for by India, while on a value basis, it is marginally better at 2-3% as of 2017, it said. The impact on India may be minimum, but possible retaliatory stances by other countries will vitiate the trade atmosphere, said ICICI Bank.

MORGAN STANLEY

The direct impact of potential restrictions by the US on Indian imports is likely to be limited as Indian steel exports to the US represent less than 1% of India's production and 4% of India's steel exports, said Morgan Stanley.

भारत-अमेरिका में ट्रेड वार

स्टील और एल्युमिनियम पर बढ़ाई इयूटी

एजेंसियां

दिल्ली. अमेरिका ने हाल में स्टील और एल्युमिनियम के इंपोर्ट पर इयूटी बढ़ाई है. भारत अब यह कानूनी जांच कर रहा है कि देशों को इयूटी बढ़ाकर अपनी लोकल इंडस्ट्री को सुरक्षित करने के लिए अपने कानूनों के इस्तेमाल की छूट है या नहीं. अमेरिका अपने ट्रेड डेफिसिट को कम करने के लिए इस तरह के कदम उठा रहा है. इससे भारत की मुश्किलें बढ़ सकती हैं क्योंकि ऐसी आशंका है कि भारत से इंपोर्ट होने वाले प्रॉडक्ट्स पर अमेरिका इयूटी में बढ़ोतरी कर सकता है.



53%

टेरीफ
लगाने की
सिफारिश

अगर ए स्टेप कानूनन हैं तो भारत को भी ऐसी स्टेप लेना पड़ेगा. पिछले सप्ताह अमेरिकी राष्ट्रपति डॉनल्ड ट्रंप ने एक ट्वीट कर कहा था जब कोई देश (अमेरिका) प्रत्येक देश के साथ अपने व्यापार में अरबों डॉलर का नुकसान उठा रहा है तो ट्रेड वॉर अच्छी चीज है. एक सरकारी अधिकारी ने बताया कि भारत यह देखेगा कि इस तरह का कदम वर्ल्ड ट्रेड ऑर्गनाइजेशन के नॉर्म्स के अनुसार है या नहीं. उन्होंने कहा हम कानूनी नजरिए से यह जांच कर रहे हैं कि क्या देशों को अपनी लोकल इंडस्ट्री को सुरक्षित करने के लिए अपने कानूनों का इस्तेमाल करने की छूट है और यह WTO के नॉर्म्स के अनुसार है या नहीं. अमेरिका के कॉमर्स डिपार्टमेंट ने 12 देशों से स्टील के इंपोर्ट पर कम से कम 53 प्रश का टैरिफ लगाने की सिफारिश की थी. इसके बाद यह कदम उठाया गया है.

ये देश ब्राजील, चीन, कोस्टारिका, मिक्स, भारत, मलेशिया, रूस, दक्षिण कोरिया, दक्षिण अफ्रीका, थाईलैंड, तुर्की और वियतनाम हैं. एक रिपोर्ट के अनुसार 2017 में अमेरिका के स्टील एक्सपोर्ट में इन देशों की हिस्सेदारी 4 प्रश से कम की थी. अमेरिका अब सोलर पैनल, वॉशिंग मशीन जैसे प्रॉडक्ट्स के इंपोर्ट को निशाना बनाने पर विचार कर रहा है. हालांकि, इसका भारत पर अधिक असर नहीं पड़ेगा क्योंकि इन प्रॉडक्ट्स का देश से बड़ी मात्रा में एक्सपोर्ट नहीं किया जाता. हालांकि, भारत को आशंका है कि आने वाले समय में अमेरिका ऐसे प्रॉडक्ट्स पर टैरिफ बढ़ा सकता है जो भारत से उसे बड़ी मात्रा में एक्सपोर्ट किए जाते हैं. ट्रंप ने एक अलग ट्वीट में कहा था हमें अपने देश और अपने वर्कर्स को सुरक्षित करना चाहिए. हमारी स्टील इंडस्ट्री की स्थिति खराब है.

सबसे बड़ा स्टील इंपोर्टर

2016-17 में भारत ने अमेरिका को 1.26 अरब डॉलर के आयरन और स्टील प्रॉडक्ट्स का एक्सपोर्ट किया था. 2017-18 की अप्रैल-अक्टूबर की अवधि के दौरान अमेरिका को यह एक्सपोर्ट 96.05 करोड़ डॉलर का था. 3.5 करोड़ टन के साथ अमेरिका दुनिया का सबसे बड़ा स्टील इंपोर्टर है. फेडरेशन ऑफ इंडियन एक्सपोर्ट ऑर्गनाइजेशन के डायरेक्टर जनरल अजय सहाय के अनुसार, 'इसका भारत पर बड़ा असर नहीं पड़ेगा. अगर चीन और कनाडा पर असर पड़ता है तो इससे वास्तव में हमें फायदा हो सकता है, लेकिन इस तरह का रवैया अन्य देश भी अपना सकते हैं.

What was the 20:80 gold import scheme?

TCA SHARAD RAGHAVAN
NEW DELHI

The Centre on Monday announced its intention to probe the circumstances behind the extension of the 20:80 gold import scheme, previously restricted to banks and PSUs, to private parties in the final days of the previous government's term in 2014.



What prompted the scheme?

■ In response to a stressed current account deficit in 2012-13 due to a surge in gold imports, the government at the time introduced an import scheme in 2013, which mandated that 20% of all gold imports would have to be exported.

"The scheme was designed to restrict the import of gold, conserve foreign exchange by imposing export obligations, and ensure that the premium from purchase and sale of gold resided in the hands of public agencies," according to the Commerce Ministry.

Who could import gold under the scheme?

■ At the time of its implementation, the 20:80 scheme was open only to banks and to public sector companies such as the Metals and Minerals Trading Corporation and the State Trading Corporation of India. In May 2014, the RBI in consultation with the government widened the scheme to also allow Premium Trading Houses (PTH) and Star Trading Houses (STH), both private sector entities, to import gold.

How did the scheme fare?

■ According to the Commerce Ministry, a review of the scheme found that since liberalisation in May 2014,

gold imports had increased substantially, averaging about 140-150 tonnes a month. Within this, the government found that gold imported by STHs and PTHs increased 320% following the May 2014 decision compared with the earlier period.

The share of these entities in the total gold imported into the country also increased from 20% before May to 60% after, according to the government.

The government on November 28, 2014 scrapped the 20:80 scheme and removed all restrictions on gold imports.

What was the impact of the abolition?

■ The Centre, citing the Comptroller and Auditor General of India, said that the average monthly import of gold fell to 71.5 million tonnes in the months following the abolition of the 20:80 scheme [December 2014 to March 2015] from the monthly average of 92.16 million tonnes in the period following the widening of the policy [June 2014 to November 2014].

Gold imports averaged 33.6 million tonnes per month before STHs and PTHs were allowed to import under the 20:80 scheme [from August 2013 to May 2014], according to the government.

Essar Steel lenders put off meeting even as VTB, ArcelorMittal cross swords

SURESH P. IYENGAR

Mumbai, March 5

The committee of creditors has deferred the meeting to consider the bids placed by Numetal Mauritius and ArcelorMittal for debt-laden Essar Steel to Wednesday as the resolution professional sought more time to look into the response given by both the companies to his queries.

Earlier, the creditors were to meet in Mumbai on Monday.

In an interview to *Business Line* published on Monday, Makram Abboud, Vice-Chairman International, VTB Capital, said: "We have a person (Lakshmi Mittal, promoter of ArcelorMittal) who is bidding knowing that he is not eligible even before his bid is prepared. That is what I call a spoiler. The law is clear in keeping away promoters of defaulting company. He is a promoter of a company (Utam Galva Steel) which has defaulted. Selling the stake a day before does not absolve him from what he did before. I did not make the law. We are against this provision. But we have put in a consortium that meets the law whereas he has not. Any price he puts in now is irrelevant."

Retorting to VTB statement, a source close to ArcelorMittal, the world's largest steel-maker, said: "since when did it come to VTB to decide who is eligible and who is not eligible. Just like VTB, we have also taken our own legal opinion to say it's eligible to bid".

The Essar Group company, owned by the Ruia family, had defaulted on over \$47,000 crore in debt, and was referred to the National Company Law Tribunal by the Reserve Bank of India.

The auction is at an important juncture, with both bids being evaluated by consultancy firm Grant Thornton and law firm Cyril Amarchand Mangaldas. Questions are also being raised over the presence of Rewant Ruia, the son of Essar Steel promoter Ravi Ruia, as shareholder of Numetal.

However, the company has inserted a clause in its bid that he will be eased out of the consortium if need be.

MCX Aluminium stuck in a broad sideways range

GURUMURTHY K

BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange (MCX) fell initially in the past week from ₹142 per kg to make a low of ₹138.4 on Thursday last week.

The contract has been broadly range-bound between ₹136 and ₹144 for more than two months. Within this range, it is currently poised around the mid-point of this range at ₹140 per kg. The contract has been oscillating around ₹140 over the last few days.

Immediate support is at ₹138 – the 100-day moving average. If the contract sustains above this support and manages to breach ₹141, a rise to ₹143 or ₹144 is possible in the coming days.

A strong break and a decisive close above ₹144 will mark the end of the prolonged sideways consolidation. Such a break will boost

the bullish momentum and will trigger an up move targeting ₹150 in the coming weeks.

On the other hand, if the contract breaks below the immediate support at ₹138, it can fall to ₹136 – the lower end of the range.

A bounce from ₹136 will keep the sideways range in-

tact and take the contract higher to ₹140 or even higher levels thereafter. But if the contract breaks below ₹136 decisively, it can

come under fresh pressure. Such a break will drag the contract lower to ₹132 on the back of profit booking.

This down move could be swift as the contract has been stuck in a broad sideways range for a prolonged period of time.

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



Gold slides on lacklustre demand

NEW DELHI, Mar 5 (PTI)

GOLD prices drifted lower by Rs 50 to Rs 31,450 per 10 grams at the bullion market on Monday owing to slackened demand from local jewellers despite a firm trend in the overseas markets.

However, silver advanced by Rs 70 to Rs 39,600 per kg due to increased offtake by industrial units and coin makers.

Globally, gold rose by 0.28 per cent to USD 1,326.30 an ounce and silver by 0.18 per cent to USD 16.54 an ounce in Singapore.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity weakened by Rs 50 each to Rs 31,450 and Rs 31,300 per 10 grams, respectively.

The precious metal had gained Rs 140 on Saturday's trade. Sovereign, however, remained flat at Rs 24,800 per piece of eight grams.

On the other hand, silver ready strengthened by Rs 70 to Rs 39,600 per kg and weekly-based delivery by Rs 180 to Rs 38,515 per kg.

36 mineral blocks on auction mo

New Delhi, March 5

A total of 36 mineral blocks are at various stages of auction process, said Minister of State for Mines and Coal Haribhai Parthibhai Chaudhary in a written reply to the Rajya Sabha. That apart, from 2015-16 till date, 34 mineral blocks have already gone under the hammer. Of these, 13 were auctioned in the ongoing fiscal till date, 15 mines were bid out in the last fiscal and six blocks in 2015-16, the Minister said. The mineral auction rules have been amended by the Mines Ministry to make the auction process simpler and to help the States auction mineral blocks quickly. PTI

Rare mineral in plants discovered

London, March 6

In a first, researchers have discovered on alpine plants a rare mineral that holds potential as a new material for industrial and medical applications. The mineral vaterite, a form of calcium carbonate, is a dominant component of the protective silvery-white crust that forms on the leaves of a number of alpine plants, according to the study published in the journal *Flora*. Naturally occurring vaterite is rarely found on Earth. Small amounts of vaterite crystals have been found in some sea and freshwater crustaceans. IANS

THE HITAVADA (CITYLINE) DATE: 8/3/2018 P.N.8

Steel pierces Rs 50,000-mark per tonne

■ Business Bureau

STEEL prices for the first time in the history have crossed the Rs 50,000-mark per tonne of major producers like Tata and SAIL whereas the re-rolling TMT steel prices for 8mm, 10mm to 12mm and 16mm to 32mm are ranging from about Rs 46,000 per tonne to Rs 47,000 per tonne including Goods and Services Tax. Steel prices had skyrocketed due to limited supply of steel in the international market and a sharp increase in the domestic consumption from January to March, said sources in the industry.

Sources said that the steel prices had shot up due to several factors. First, China, one of the major steel producers in the world, had restricted exports and supply of steel products due to ongoing New Year celebrations which started from December 2017 and continued till February

STEEL PRICES OF TATA, SAIL	
TMT Bar	Including GST
8 mm	Rs 55,000
10 mm, 12 mm	Rs 53,700
16 mm, 32 mm	Rs 53,000 to Rs 53,500

RE-ROLLING STEEL PRICES	
TMT Bar	Including GST
8 mm	Rs 47,000
10 mm, 12 mm	Rs 46,000
16 mm, 32 mm	Rs 45,500

2018. Also, most of the ports happened to freeze during this period. It used to happen every year in China due to which there was a shortage of steel products in the international market.

Secondly, the Indian

Government slapped a fine of Rs 22,000 crore on all major iron ore mines in the country. This move of the Government badly affected the iron ore producers and they had to stop their mining activities. This caused shortage



of raw materials required by the steel industry resulting in the upward march of prices.

Thirdly, the demand of steel products was witnessing a pick-up due to huge Government spending on various infrastructure projects underway in the country.

Furthermore, because of the record-high steel prices in the country, exports had stopped.

Earlier, the country exported about 60,000 to 70,000 tonnes of TMT steel and billets (raw material) per month, sources said.

Sources said that the TMT steel prices of major producers like Tata and SAIL were being quoted in the wholesale market as follows: TMT 8mm Rs 55,000 per tonne including 18 per cent GST; TMT 10mm at Rs 53,700 per tonne including GST; 12mm to 32mm

Rs 53,000 to Rs 53,500 per tonne including 18 per cent GST. The MS plates and sheets and angles were being quoted approximately on an average at Rs 50,000 per tonne including 18 per cent GST.

Rajesh Lakhota, President of the Steel and Hardware Chamber of Vidarbha said that the re-rolling steel products were being quoted less by Rs 5,000 per tonne on the basic price as against Tata and SAIL steel products. The re-rolling steel products in the wholesale market were being quoted as follows: TMT 8mm at about Rs 47,000 per tonne including 18 per cent GST; 10mm to 12mm at Rs 46,000 per tonne and 16mm to 32mm at Rs 45,500 per tonne.

Sources said that the prices in November 2017 for re-rolling TMT steel 8mm to 25mm were quoted between Rs 30,500 and Rs 32,000 per tonne (excluding Goods and Services Tax).

Demand from Indian jewellers pushes cadmium to 7-year high

REUTERS

Bengaluru, March 7

Rising demand for cadmium from the country's unregulated jewellery makers is driving up prices of the metal banned by the Bureau of Indian Standards (BIS) due to its ill effects on health.

Spot cadmium in Europe is trading at a near seven-year high of \$1.38/lb and has nearly doubled since the start of 2017. High grade cadmium is at \$1.40 — a level not seen since June 2011.

"Strong demand for cadmium in India, mostly for jewellery alloys, was a major driver for cadmium prices in most of 2017," according to a US Geological Survey report.

Indian imports of cadmium, used for soldering and as an alloy in gold and silver jewellery, rose to 4,489.4 tonnes between January and November last year, a 25 per cent rise from the same period in 2016, government data shows.

The Bureau of Industrial Standards (BIS), the Indian regulator that approves hallmark licences, has banned the use of cadmium and will not stamp any jewellery that contains the metal, which can damage lungs and kidneys.

However, a BIS official said the hallmarking process is voluntary and regulating the use of cadmium would be difficult.

"The jewellery manufacturing

industry is highly fragmented and is a challenge to regulate," said Sudheesh Nambiath, a senior analyst with GFMS. Nambiath said well-known jewellery making firms do not use cadmium because of the reputational risks, but that cadmium was used by "pigeon hole set-ups and independent artisans."

Nilesh Gupta, President of the Indian Bullion Jewellers association agreed: "A significant amount of cadmium metal is still used in the manufacturing of jewellery."

Industry sources say gold jewellery with a purity stamp or hall-marking, that does not contain cadmium, represent about 40-50 per cent of the industry.

"We have been educating jewellers not to use cadmium as it affects their health," said Harshad Ajmera, president of the Indian Association of Hallmarking Centres. "In the next 8-10 months, the Indian government will come out with mandatory hallmarking for all jewellery and it will completely bring down the usage of cadmium."

Trading sources say that would mean a price reversal for cadmium, mainly used to make nickel cadmium batteries and pigments in plastic products.

Cadmium can be substituted with zinc, but that requires expensive and time-consuming solders and electroplating equipment.

CREDITORS PUSH BACK DECISION ON BIDS

Essar Steel Sale Process Delayed



Essar Steel's sale is facing a fresh delay, after creditors of the insolvent company pushed back a decision on bids from ArcelorMittal and a consortium backed by VTB reports Bloomberg. A committee of creditors, originally slated to convene earlier this week, has postponed a meeting to discuss the offers. ▶▶ 6

Essar Steel Sale Faces Delay Over Bidders' Eligibility Issues

Bloomberg

Mumbai: Essar Steel India's sale is facing a fresh delay, after creditors of the insolvent firm pushed back a decision on bids from ArcelorMittal and a consortium backed by VTB Group, people with knowledge of the matter said.

A committee of Essar Steel creditors, originally slated to convene earlier this week, has postponed a meeting to discuss the offers, according to the people. The interim resolution professional overseeing the sale has asked Essar Steel lenders to provide further clarity on issues relating to the bidders' eligibility, the people said, asking not to be identified because the information is private.

Information being sought includes details of any past defaults by the bidders and their associates, one of the people said. ArcelorMittal and a separate investor group backed by Russia's state-controlled VTB were the only bidders for Essar Steel, which could fetch a valuation of at least \$6 billion in a sale, people with knowledge of the matter said in February.

Advisers evaluating the offers had recommended all the bids be disqualified, Bloomberg News reported last month. They expressed concerns about ArcelorMittal's eligibility because it had held a stake in Uttam Galva Steels, which is classified as a delinquent borrower. The VTB investor group was also considered ineligible because its backers include the son of a billionaire Essar Steel founder, according to the people.

A representative for State Bank of India, which is among the biggest Essar Steel creditors, didn't immediately respond to an email and phone call seeking comment. A representative for the resolution professional, Alvarez & Marsal India, didn't immediately respond to an email seeking comment.

Dalmia Consortium Cements Position to Acquire Binani

Lenders overrule objections of UltraTech Cement in favour of highest bidder

Sangita.Mehta
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Mumbai: Lenders to bankrupt Binani Cement decided that the bid of a Dalmia Bharat-led consortium for the company, judged the highest offer, will be allowed, overruling the objections of UltraTech Cement, said people with knowledge of the matter.

The Dalmia-led bid fulfilled all conditions and hence there was no reason to block it, they said. The consortium had also obtained clearance from the Competition Commission of India (CCI) for the purchase, they added.

"We are going with the Dalmia bid," one of them said. "There is no need for us to relook at the process."

A consortium of Dalmia Bharat and the Bain Piramal Resurgence Fund emerged as the top bidder for Binani Cement, beating out Aditya Birla Group's UltraTech Cement, with a Rs 6,700-crore offer, ET was the first to report on February 28. UltraTech then challenged the Dalmia-led bid at the Kolkata bench of the National Company Law Tribunal (NCLT) on Tuesday seeking more transparency on the evaluation of bids. Both bids were close to each other in value, said the people cited above.

At a closed-door meeting held Wednesday in Mumbai, the lenders involved decided to seek the approval of their respective boards on the Dalmia-Bain bid, said the people cited above. During the meeting, lenders were also informed that Dalmia had received CCI approval for the plan.

The core committee of lenders had declared the consortium led by Dalmia Bharat as the highest bidder. UltraTech, the lenders said, lost points on past penalties levied by CCI.

Liberty House Set to Own Amtek



UK-based Liberty House is set to acquire Amtek Auto after the

resolution professional confirmed it as the preferred bidder for the auto components maker.

This is likely to be the first debt resolution at the bankruptcy court in which lenders will not have to take any haircut on loans outstanding. Bank of Baroda referred Binani Cement to the bankruptcy court after it failed to repay Rs 410 crore. Haircut refers to the amount lenders have to sacrifice to settle a loan.

The Rs 6,700-crore offer includes Rs 6,313 crore in dues to lenders and another Rs 400 crore of capital infusion for running the company. Others in the fray included billionaire Rakesh Jhunjhunwala in partnership with D-Mart promoter Radhakishan Damani; Heidelberg; the JSW Group; and Ramco Cements.

Edelweiss ARC has the largest exposure with Rs 2,673 crore followed by Bank of Baroda with Rs 410 crore, State Bank of India (Rs 323 crore) and Canara Bank (Rs 320 crore). Among unsecured lenders, IDBI Bank has an exposure of Rs 1,567 crore followed by Exim Bank (Rs 617 crore) and Bank of Baroda's London branch (Rs 175 crore).

Bank of Baroda referred Binani Cement to the bankruptcy court after it failed to repay its loan.

If the deal goes through, it will be the third such acquisition for Dalmia Bharat, following that of bankrupt Murlidhar Cement and Kalyanpur Cement.

Tata Steel to acquire Bhushan Steel

Pledges ₹45,400 cr, outbids JSW Living

OUR BUREAU

Mumbai, March 7

Tata Steel has committed ₹45,400 crore for Bhushan Steel, far outbidding JSW Living's offer of ₹28,000 crore for the stressed asset.

This is the first instance of the resolution of a stressed asset under the Insolvency and Bankruptcy Code (IBC), 2016.

Tata Steel has offered to pay Bhushan Steel's financial creditor ₹35,200 crore, while operational creditors would get ₹1,200 crore.

Tata Steel will invest ₹9,000 crore towards working capital requirements, sources close to the

company said.

In a statement issued on Wednesday, Tata Steel said it had received a formal communication from the Resolution Professional of Bhushan Steel Limited that it had identified the "highest evaluated compliant resolution applicant to acquire controlling stake of Bhushan Steel".

The next step in the resolution process will be as per stipulations under the IBC's Corporate Insolvency Resolution Process.

The announcement will come as a major confidence builder for public sector banks, which are struggling to recover loans extended to the highly-leveraged steel sector. Tata Steel's hefty bid of ₹45,400 crore will imply minimal haircut for Bhushan Steel lenders

who had put the company on the block to recover ₹56,000 crore.

For Tata Steel, this could mean that its overall debt could increase further. The company itself has gross debt of ₹88,000 crore as of December quarter and it could cross ₹1 lakh crore in next two-three years. In 2008, Tata Steel had bid for Anglo-Dutch company Corus.

JSW Living is a joint venture between JSW and Piramal Enterprises.

Bhushan Steel, which makes auto-grade steel, has an annual production capacity of 5.6 million tonnes. The company reported a net loss of ₹1,607 crore in the December quarter against net loss of ₹743 crore in the year-ago period.

Sharma is new Director (Finance) in Mineral Exploration Corporation Ltd

Ghanshyam Sharma has taken over as Director (Finance) in Mineral Exploration Corporation Ltd. Prior to this, he was Director in Hindustan Newsprint Limited (HNL).

Sharma is a CA, having experience of more than 29 years in Audit and working of various PSUs engaged in the field of Finance, Engineering, Telecommunication, Power, Consultancy, Construction and Paper etc. in Telecom Consultants India Limited (TCIL), Nuclear Power Corporation Limited (NPCIL) and Hindustan Newsprint Limited (HNL). He has vast experience in the Project Management of Power and Telecom Projects. Besides, he had got exposure in the field of financing of projects from banks and Suppliers' Credit etc. He is widely travelled and served in India and abroad like Kingdom of Saudi Arabia, Qatar and Afghanistan, beside special assignment with United Nation.



GSI को मिले तांबे, सोने व बाक्ससाइट के भंडार

व्यापार प्रतिनिधि

नागपुर. जियालाजिकल सर्वे आफ इंडिया का क्षेत्रीय कार्यालय चंद्रपुर के पास, मिझारी में 1.31 मिलियन टन तांबे के भंडार का पता लगाने में सफल हुआ है. इस उपलब्धि के लिए कार्यालय को जिओ साइंस अवार्ड भी मिला. क्षेत्रीय कार्यालय के तहत महाराष्ट्र, छत्तीसगढ़ और मध्यप्रदेश का हिस्सा आता है. विभाग की ओर से पिछले साल विभिन्न राज्य सरकारों की खनिजों की उपलब्धता से संबंधित 10 रिपोर्ट सौंपी गईं, जिनमें मैंगनीज, गोल्ड, चूना पत्थर, बाक्ससाइट और बेस मेटल से संबंधित भी थीं. बीते कुछ वर्षों के दौरान जांच में कुछ स्थानों पर गोल्ड भी पाया गया, लेकिन इनका भंडार इतना अधिक नहीं था कि इसका व्यावसायिक रूप से दोहन किया जा सके. तांबे के अलावा बैतूल में ग्रेफाइट का 10.92 मिलियन टन डिपॉजिट का पता लगाने में विभाग को सफलता मिली. जीएसआई मध्य क्षेत्र के अपर महानिदेशक एस. नटेशन ने बताया कि अगले साल मध्यप्रदेश और छत्तीसगढ़ में हीरे की खदानों की खोज पर हमारा फोकस रहेगा. पिछले कुछ वर्षों में किए गए सर्वे में हीरे के भी डिपॉजिट्स मिले. उन्होंने बताया कि पिछले साल हमने सर्वे से संबंधित 173 कार्यक्रम लिए. अगले वर्ष 210 कार्यक्रम लेने की हमारी योजना है.

शुरू किया हवाई सर्वे

जीएसआई की ओर से पिछले साल देश के चुनिंदा क्षेत्रों में मिनरल्स की जांच के लिए पहली बार हवाई सर्वे की शुरुआत की गई. यह 100 करोड़ रु. का प्रोजेक्ट है. भू-वैज्ञानिकों के लिए जंगल और दूरदराज के दुर्गम इलाकों में जाकर सर्वे करना संभव नहीं हो पाता. इसे मल्टी सेंसर एयरोजिओ फिजिकल सर्वे कहा जाता है. कनाडा और आस्ट्रेलिया की कम्पनी की मदद से इस प्रोजेक्ट की शुरुआत की गई है. मध्यक्षेत्र में भंडारा और छत्तीसगढ़ का 48052 वर्ग किमी का एरिया इसकी मदद से कवर किया जाएगा. इस इलाके में खनिजों का बड़ा भंडार दबे होने की संभावना है, लेकिन जंगली और दुर्गम इलाका होने की वजह से मानवीय सर्वे संभव नहीं हो पा रहा. 80 मीटर की मामूली ऊंचाई पर उड़कर विमान द्वारा नमूने लिए जा रहे हैं. इससे प्राप्त डाटा का एनालिसिस कर आगे के शोध किए जाएंगे.



एस. नटेशन

अपर महानिदेशक, जीएसआई मध्य क्षेत्र

चूना पत्थर, मैंगनीज, ग्रेफाइट की भी खोज अगले साल हीरे की खोज पर रहेगा फोकस

05 लाख साल पुरानी मानव खोपड़ी

64 एलीमेंट्स से एक चट्टान की जांच

100 करोड़ का हवाई सर्वे प्रोजेक्ट

80 मीटर ऊंचाई से भरता है उड़ान

नवभारत
PERSON
OF THE WEEK

सबसे पुराना सरकारी विभाग

जीएसआई देश के सबसे पुराने सरकारी विभागों में से एक है. 4 मार्च 1851 को अंग्रेजों ने खनिजों के महत्व को समझते हुए इसकी शुरुआत की थी. सर थॉमस ओल्डहम पहले अधिकारी बने. उस दौर में टेक्नालाजी इतनी विकसित नहीं थी. हाथी और घोड़ों पर जाकर वैज्ञानिक नक्शे बनाया करते थे. पी.एन. बोस पहले भारतीय वैज्ञानिक बने. तब से भू-सर्वेक्षण के क्षेत्र में काफी विकास हुआ. 2009 में बनी हाई पावर कमेटी के बाद विभाग मिशन मोड में आया. अलग-अलग मिशन के तहत कार्यों का बंटवारा किया गया. इसमें सतह की मैपिंग और मानचित्रण कर अन्वेषण करना, जो खनिज मिले उनका अध्ययन करना शामिल था. जीएसआई का इंजीनियरिंग विभाग बांधकाम वाले क्षेत्र में आवश्यक दिशानिर्देश देता है. रोड, सुरंग, बांध आदि बनाने के लिए विभाग की विशेषज्ञता से भी जानकारी जुटाई जाती है. भूकम्प विभाग भी है. नागपुर और जबलपुर में यूनिट लगाई गई है. भूकम्प या कम्पन महसूस हुआ तो हम संबंधित राज्य सरकारों को जानकारी मुहैया कराते हैं. पत्थरों के बारे में विभाग के वैज्ञानिकों को ज्यादा जानकारी होती है. कई बार लोग विदेश से कुछ पत्थर लेकर आते हैं. लाइमस्टोन बताकर मार्बल लाया जाता है. क्वार्ट्ज विभाग को हम जांच कर जानकारी देते हैं.

मिले प्राचीन अवशेष

विभाग को जांच में मनुष्य और प्राणियों के पुरातन अवशेष भी मिले हैं. मध्यप्रदेश के हथनोरा में 5 लाख साल पुराना मानव कंकाल मिला. देश में इस तरह का यह पहला मामला है. इसी तरह डायनासौर के अंडे के पास सांप का कंकाल पाया गया.

अत्याधुनिक उपकरण और लैब

उन्होंने बताया कि जीएसआई के पास जियालाजी का अध्ययन करने के लिए आज अत्याधुनिक उपकरण उपलब्ध है. अत्याधुनिक उपकरण आ जाने से अब बहुत ज्यादा खुदाई करने की जरूरत नहीं पड़ती. छोटी जगह पर डील करने पर नीचे पड़े मिनरल्स के नमूने मिल जाते हैं. एक चट्टान में पाए जाने वाले 64 प्रकार के एलीमेंट्स की हम जांच कर सकते हैं.

भू-रासायनिक मानचित्रण

विभाग द्वारा मेडिकल जियालाजी का भी अध्ययन किया जाता है. किसी खास स्थान पर पाए जाने वाले मिनरल्स की कमी या अधिकता का मानव और प्राणियों पर क्या असर पड़ता इसका भी अध्ययन किया जाता है. मसलन कुछ मिनरल्स के प्रभाव में आकर हड्डियों की बीमारी होने के प्रमाण सामने आए. चंद्रपुर में कुछ स्थानों में पानी में फ्लोराइड पाया गया.

India won't hesitate to approach WTO if US imposes 'selective' steel, aluminium tariffs

Will wait for Trump administration's final decision on the matter, says govt official

AMITI SEN

New Delhi, March 8

India is largely unaffected by the increase in import tariffs on washing machines and solar panels brought about by the US but may raise a dispute at the World Trade Organisation if duties are raised selectively on steel and aluminium and it is among the targeted countries.

"If the US stretches a domestic law to restrict imports of steel and aluminium on the ground that it is impacting national security and apply it selectively on

a handful of countries, we don't think it will stand the scrutiny of the WTO," a government official told *BusinessLine*.

New Delhi is adopting the strategy of 'wait and watch' as the Trump administration is yet to implement its proposal of imposing tariffs of 25 per cent on steel and 10 per cent on aluminium despite the US President threatening to do so early this month.

"We believe the US government has not yet decided whether to impose the higher

tariffs on select countries or all trade partners. We will have to see what the final decision is before we decide on how to react," the official said.

However, if there is selective imposition of tariff, New Delhi will not hesitate to take up the matter at the WTO, he added.

Donald Trump's intention of imposing increased import tariffs on steel and aluminium follows a US Commerce Department investigation which indicated that imported metal threatened national security by degrading the American industrial base.

It suggested that an import tariff of 24 per cent be imposed

on all trade partners or a higher tariff be imposed on 12 identified countries which include China, Canada, Brazil and India.

"How can the US get away with the argument that steel imports from India, Canada or China threatens its national security while imports from Peru or Panama doesn't?" the official argued.

South Korea has already approached the WTO against the US decision to impose "safeguard tariffs" of up to 30 per cent on solar cells and 50 per cent on large washing machines. It has sought consultations with the US and if the issue is not resolved it will lead to a full-fledged dispute.

THE BUSINESS LINE DATE: 9/3/2018 P.N.9

SATYA SONTANAM

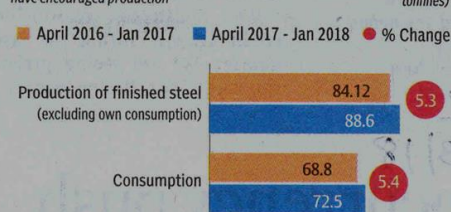
STATISTALK

2017-18: A good year for steel

The Indian steel industry fared well in the 10-month period April-January FY 2017-18 helped by various government measures, including higher import tariffs. There is also an increase in demand

Both production and consumption have improved

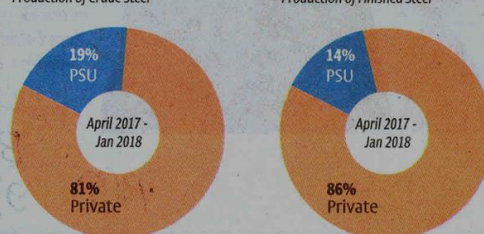
Imposition of minimum import price and safeguard duties have encouraged production



Private players still hold the lion's share

Production of Crude Steel

Production of Finished Steel



Prices have risen too

Many Indian producers saw profitability improve this year, thanks to higher prices



Source: JPC, ICRA, company presentations

Exports jump...

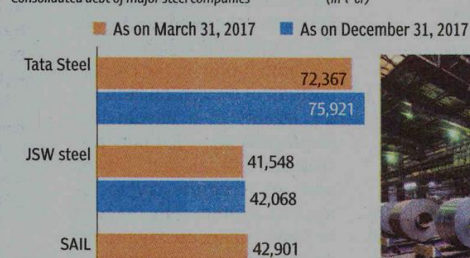
Thanks to increase in demand globally and production cuts in China



...but industry's indebtedness is a concern

Consolidated debt of major steel companies

(in ₹ cr)



Graphic: Visveswaran

Lenders Accept Tata Steel Bid for Bhushan Power



The consortium of banks led by State Bank of India has approved the sale of bankrupt Bhushan Power and Steel to Tata Steel, pending the outcome of a legal challenge by Liberty House whose bid was rejected, reports **Sangita Mehta**. ►► 7

JPMorgan Sees 40% Correction in Equity

Bloomberg

JPMorgan Chase & Co. executive Daniel Pinto warned equity markets could fall as much as 40 percent in the next two to three years.

His comments come as investors worry over the effect of central banks raising interest rates and rising inflation. "It could be a deep correction," said Pinto, the bank's co-president, in an interview with Bloomberg Television on Thursday. "It could be between 20 percent to 40 percent depending on the valuation."

The benchmark S&P 500 Index has gained about 47 percent since February 2016.

"We know there will be a correction at some point," said Pinto, who oversees the trading and investment-banking unit at one of the largest U.S. banks. He said that markets are "nervous," and if President Donald Trump goes beyond what he has already announced on steel tariffs, then investors could react badly.

The prospect of a global trade war has had markets on edge, as Trump's threats of steel and aluminum tariffs were met with talk of retaliation in China and Europe.

Coal cop on agenda

JAYANTA ROY CHOWDHURY

New Delhi: The government is mulling a coal regulator to oversee the sector and possibly indicate pricing norms as well as act as an arbitrator between the coal players and the government.

An earlier Coal Regulatory Authority Bill introduced by the Manmohan Singh government in 2013 was allowed to lapse.

However, a note by the coal ministry, recommending its revival, states "the issue of Coal Regulatory Authority has to be examined keeping in view the legislative developments that took place after the cancellation of the coal blocks allocated through the screening committee route since 1993 by the Hon'ble Supreme Court in 2014".

India has long been debating an independent coal regulator as there are now multiple players in the sector, requiring an entity to oversee affairs.

Besides, the single monopoly producer — Coal India Ltd (CIL) — many other firms have been given captive blocks and some have been allowed to trade surplus production.

There have been complaints of mis-pricing

and the abuse of monopoly power by CIL and countercomplaints of being arm-twisted by the government to favour private buyers.

"The issue which the government needs to thrash out before it decides on the coal regulatory authority is whether the regulator will have the power to fix coal prices or simply act as an arbitrator, leaving pricing to market forces and stepping in only when there are cases of predatory pricing or under-pricing to deprive states of royalty or abuse of monopolistic power," officials said.

The regulator is being thought of as coal mines are now being auctioned in a manner similar to telecom airwaves, and there is a need for an entity who can arbitrate in disputes between the state and miners as well as between rival miners instead of clogging up courts with cases.

The original bill wanted to set up a coal regulator, to be funded through a Coal Regulatory Authority Fund, who would also advise the government on issues such as the auction of coal blocks, though the government will have the right to actually conduct the auctions and take its proceeds.

THE HITAVADA DATE: 9/3/2018 P.N.11

Gold, silver fall on weak global cues, low demand

NEW DELHI, Mar 8 (PTI)

GOLD prices went down by Rs 220 to Rs 31,450 per 10 grams at the bullion market on Thursday backed by a weak trend overseas amid easing demand from local jewellers at prevailing levels.

Silver also dropped by Rs 400 to Rs 39,500 per kg due to reduced offtake by industrial units and coin makers.

Traders said apart from a weak trend overseas, decline in demand from local jewellers and retailers at existing levels in domestic spot market, mainly weighed on the gold and silver

prices. Globally, gold fell 0.70 per cent to USD 1,324.90 an ounce and silver by 0.53 per cent to USD 16.47 an ounce in New York in Wednesday's trade.

In the National Capital, gold of 99.9 per cent and 99.5 per cent purity fell by Rs 220 each to Rs 31,450 and Rs 31,300 per 10 grams, respectively. The precious metals had climbed Rs 220 on Wednesday. Sovereign, however, remained unaltered at Rs 24,800 per piece of eight grams in limited deals. Silver ready moved down by Rs 400 to Rs 39,500 per kg and weekly-based delivery by Rs 470 to Rs 38,770 per kg.

Adani scouts for options to refinance debt for its Australian coal terminal

Exploring new sources of funding from markets such as Japan, Korea and Taiwan

REUTERS

SYDNEY/HONG KONG

Adani Enterprises Ltd. is looking at new options to refinance debt for its coal terminal in Australia after struggling to attract lenders wary of its controversial Carmichael mine project, Thomson Reuters Loan Pricing Corp. reported on Thursday.

Adani Abbot Point Terminal Pty Ltd. (AAPT) launched a loan of up to A\$500 million (\$391 million) last August to partially refinance A\$580 million due in October, according to Thomson Reuters LPC data.

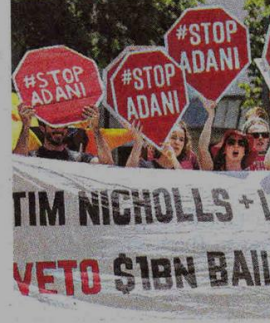
After seven months, IDFC Singapore, the arranger for

the loan, is yet to receive any firm commitments, despite offering a generous 200 basis point margin over the bank bill swap rate and the option to commit in U.S. dollars or yen, two people familiar with the situation said.

'Too much for lenders'

"The Abbot Point terminal is a good asset and has raised debt previously. But the noise around the Carmichael mine was too much for lenders," one of the people said.

Adani is looking at alternate sources of funding from markets such as Japan, South Korea and Taiwan, where coal from the port goes, ac-



REUTERS

cording to a person familiar with the matter, and it is now seeking a smaller A\$300 million loan.

The sources declined to be named due to the sensitive nature of the situation.

"We have successfully refinanced A\$660 million of the A\$976 million Abbot Point Coal Terminal (debt). We are confident of refinancing the balance," said a spokeswoman for Adani Australia.

Adani succeeded in raising \$500 million through a five-year bond last December, which, some believe, should alleviate the refinancing pressure it faces in the coming months.

Adani's proposed Carmichael coal mine has been the target of a campaign by environmental and indigenous groups concerned about climate change and damage to land and water.

ब्राह्मणी मार्ग झाला कोळसा हेराफेरीचे केंद्र

वणी वेंकोलि क्षेत्र : रात्रभर चालतो माती मिश्रणाचा गोरखधंदा

लोकमत न्यूज नेटवर्क

वणी (यवतमाळ) : खाणीतून ट्रकद्वारे आणला जाणारा कोळसा थेट रेल्वे सायडिंगवर न नेता वणी बायपासवर असलेल्या ब्राह्मणी फाट्यावर उतरविल्या जातो. ब्राह्मणी फाटा कोळसा हेराफेरीचे केंद्र झाला आहे. तेथे चांगल्या प्रतीचा कोळसा वेगळा करून उर्वरित कोळशात काळ्या रंगाची माती व दगड मिसळविले जातात. त्यानंतर तेथून तो माती, दगड मिश्रित कोळसा रेल्वेसायडिंगवर पोहचविला जातो, अशी माहिती पुढे आली आहे. दरम्यान, गेल्या दोन दिवसांपासून

'लोकमत'मध्ये वणी वेंकोलि क्षेत्रात सुरु असलेल्या कोळसा चोरीबद्दल वृत्तमालिका प्रकाशित केली जात आहे. त्यामुळे कोळसा तस्करांचे धाबे चांगलेच दणाणले आहे. पोलीस यंत्रणाही या तस्करांवर पाळत ठेऊन आहे. वणी बायपासवरील ब्राह्मणी मार्गाच्या पुढे वेंकोलिच्या अनेक कोळसा खाणी आहेत. या मार्गाने दररोज मोठ्या प्रमाणावर कोळशाची वाहतूक केली जाते.

याच मार्गावर किमान चार ठिकाणी कोळशाची हेराफेरी केली जात असल्याची माहिती एका जाणकाराने 'लोकमत' दिली.



कोळशात मिसळविण्यासाठी काळ्या रंगाचे दगड व माती वापरली जात आहे. ब्राह्मणी मार्गावर अनेक ठिकाणी दगडमातीचे असे ढिगारे दिसतात.



निळापूर-ब्राह्मणी या गावांच्या पुढे कोलारपिपरी, पिंपळगाव, जुनाड, निलजई, नायगाव, उकणी आदी कोळसा खाणी आहेत. त्यामुळे वाहतुकीदरम्यान, कोळशाची हेराफेरी करणे सोईचे जावे, यासाठी रस्त्याच्या अगदी कडेला ट्रकमधील कोळसा डम्प करून नंतर त्यात हेराफेरी केली जाते. गेल्या अनेक दिवसांपासून हा

Buy gold if it touches \$1,310/oz

GNANASEKAAR T

Comex gold futures fell on Thursday, as uncertainty ahead of a European Central Bank policy meeting and further news on US trade tariffs kept the metal in a narrow range, though a stronger dollar pressured prices.

Comex gold futures moved perfectly as per our expectations. As mentioned in the previous update, prices could bounce back from the \$1,300-1,305 an ounce levels.

As expected, prices pulled back higher towards \$1,335-45. Presently, some consolidation is seen. In the near-term, upticks could be capped in the \$1,340-45 and edge lower towards initial support at \$1,315-20. And failure to hold here could take it down to \$1,278-80 from where a stronger recovery is expected. But, this is not our favoured view.

From the bottom at \$1,045 in December 2015, prices have been making higher so far in 2017, a clear sign of a rising trend, which has made us be-



lieve the bigger picture to be supportive despite strong corrective declines from time to time.

A positive trigger for a sustaining up trend is likely to be above a close of \$1,375. In the coming week, we expect \$1,310-15 to hold for a push higher towards \$1,345 or even higher to \$1,374 subsequently.

Wave counts: It is most likely that the fall from 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 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.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD are still above the zero line of the indicator again, indicating bullishness to be intact. 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 \$1,310-15 with the stop-loss at \$1,297 targeting \$1,345 followed by \$1,374.

Supports are at \$1,315, 1,295 and 1,278. Resistances are at \$1,345, 1,365 and 1,374.

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

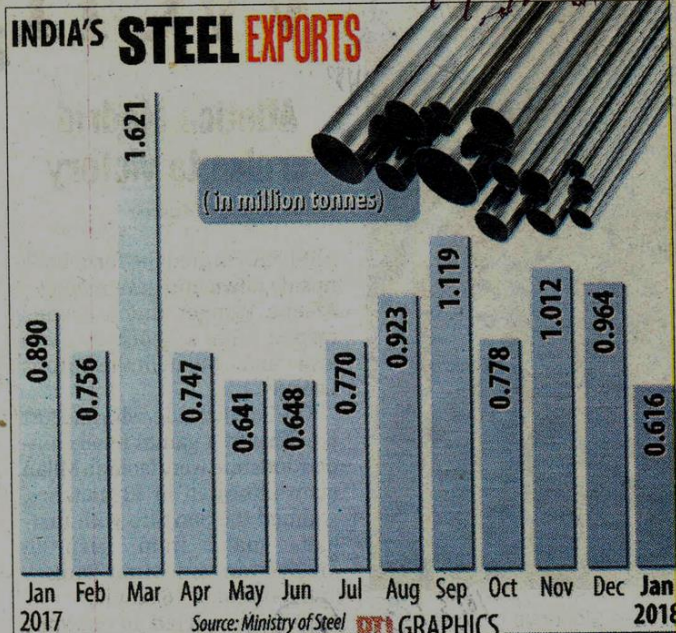
Import tariffs on steel, aluminium get mixed response from stakeholders

WASHINGTON, Mar 9 (PTI)

THE proclamations by US President Donald Trump to impose steep tariffs on imported steel and aluminium received mixed reaction from stakeholders with some seeing it as a step that would revive the manufacturing sector while others warned it would lead to a trade war.

Trump on Friday signed two proclamations that impose 25 per cent tariff on imported steel and 10 per cent on aluminium.

While one section hailed it as a "historic" decision that would bring back jobs to the US and revive manufacturing sector, another warned of an adverse impact on the American economy and cautioned that it would lead to a trade war. Commerce Secretary Wilbur Ross said that Trump is taking action on Friday to protect "both our national security and critical industries" to the economy. "The President's decision are the result of a long and well thought-out process led by the Commerce Department. Once again, President Trump is keeping his promises and stand-



ing up for American families, American businesses, and American workers," Ross said.

Under Trump's leadership, America has a robust trade agenda that supports national security, US Trade Representative Robert E Lighthizer said.

"The President is once again demonstrating he will protect our country, fight for American workers and strictly enforce our trade laws. I will work closely with other Cabinet officials to advise the President on how to implement the programme on steel and alu-

minium that he announced on Friday," he said. Senator John McCain, Chairman of the Senate Armed Services Committee, said Trump's decision to impose steep tariffs on steel and aluminium imports will not protect America.

"Reminiscent of failed protectionist trade policies of the past, this decision will harm the American economy, hurt American workers, and damage relations with America's allies and partners," he said.

McCain said America should confront China's "unfair" trade practices, including its attempts to circumvent existing anti-dumping tariffs and its pilfering of American invention and innovation through coercion and outright theft. "Trump squandered perhaps most important opportunity to do that when he withdrew from the Trans-Pacific Partnership. It is fitting that on the very day Trump finalised these protectionist tariffs, TPP-11 countries signed the trade pact without us. As a result, American businesses and consumers will not benefit from the advantages free trade brings," he said.

Sajjan Jindal urges govt to impose 'US-like' measures to protect steel sector

Safeguarding domestic industry is need of the hour: JSW Steel chief

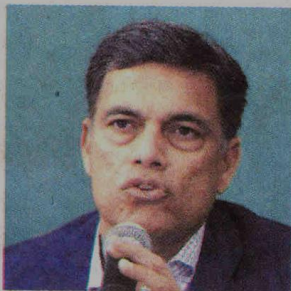
OUR BUREAU

Mumbai, March 9

Sajjan Jindal, Chairman, JSW Group, has called for 'US-like' tough trade barriers to protect not only the steel industry but also the entire manufacturing sector of the country.

"We must take inputs from what (US President) Donald Trump has done in his country. In the Indian scenario, duty on imports will not hamper exports. Manufacturing sector cannot be sacrificed for service sector," said Jindal in a tweet on Friday tagging the Prime Minister's Office, Commerce and Industry Minister Suresh Prabhu and the Steel Ministry.

Referring to the US President's twitter handle, Jindal said 'Potus' (President of the US)-like decisions are required irrespective of what the vote bank demands. The bigger national picture is important, he said.



Sajjan Jindal, Chairman of JSW Steel

"I am saying this not just for the steel industry but for all the sectors. We have to safeguard domestic manufacturers come what may," he emphasised.

In order to protect the steel industry from cheap imports, India has already levied an anti-dumping duty in the form of minimum import price which has become ineffective after steel prices firmed up substantially in recent times.

While domestic steel companies are protected on the lower end of the price curve, imports still take place as Indian companies find it difficult to compete with global players due to high cost of production.

Till late last year steel companies were exporting nearly half of their output to South-East Asian countries and Europe due to weak demand in domestic markets. The steel industry is strategically important for every developed and developing nation. What US President Donald Trump has done in the US is an important and positive step towards safeguarding this industry, he said.

It is important that Indian policy makers understand what countries such as China, Korea and Japan are doing. Japan's steel consumption is about 60 million tonnes per annum (mtpa) and they produce 110-120 mtpa. They export about 50 per cent of their produce but they never buy anything imported, highlighted Jindal.

China has a surplus production of about 15 per cent, which they use to disrupt the steel industry world over by dumping cheap quality steel.

What the US has done needs to be replicated by Indian policy makers. In fact steel should be excluded from all free trade agreements, he said.

Metal scrips bear the brunt

OUR SPECIAL
CORRESPONDENT

Mumbai: Metal stocks came under heavy selling pressure on Friday after the US imposed tariffs on certain steel and aluminium imports, sparking fears of a global trade war. These worries led to key indices giving up their gains and ending in the red.

The BSE Sensex finished 43 points lower at 33307.14, while the broader NSE Nifty shed 16 points to 10226.85. Among sectoral indices, the BSE metal index was the biggest loser during Friday's session as it slid 1.94 per cent after US President Donald Trump signed two proclamations that imposed tariffs on some steel and aluminium imports.

While Tata Steel was the biggest loser in the Sensex pack as it slid 5 per cent to Rs 605.60, others too ended in the negative territory. SAIL cracked 6.40 per cent, Jindal Steel dropped 5.24 per cent, Nalco dipped 2.19 per cent, NMDC 1.85 per cent, Vedanta 1.59 per cent and Hindalco fell by 1.26 per cent. However, the JSW Steel counter bucked the trend by finishing with marginal gains.

The nervousness was seen more in the last hour of trade. The Sensex, which remained in the green for the better part of the session, was seen heading southwards after hitting a day's high of 33519.49.

The late sell-off saw the 30-share gauge ending at 33307.14, down 44.43 points, or 0.13 per cent. Similarly, the NSE Nifty settled 15.80 points, or 0.15 per cent, down at 10226.85.

'Bhushan Steel Resolution Credit Positive for Banks'

PTI

New Delhi: Debt resolution of Bhushan Steel, largest among the steel companies undergoing the process, will be a credit positive for its lenders, Moody's Investor Services said on Friday.

Bhushan Steel is one of the 12 large non-performing assets (NPAs) held by Indian banks that lenders last year took to National Company Law Tribunal (NCLT) for a resolution under the Insolvency and Bankruptcy Code (IBC).

"We expect most rated Indian banks to have some exposure to Bhushan Steel and the resolution will particularly benefit State Bank of India (Baa2/Baa2 stable, ba1), the leader of the consortium of lenders to Bhushan Steel," Moody's said.

About 40% of Indian banks' NPAs are undergoing resolution under the NCLT, which started in July 2017, the agency said.

The steel sector constitutes the largest industry, with a share of about 35% of these NPAs. Within the sector, Bhushan Steel is the largest account representing about 40% share.

The company owes Rs 44,478 crore to its lenders. As per Bhushan Steel's website, it is the third largest secondary steel producer in the co-

 **MOODY'S SAYS**

Bhushan Steel transaction is an important milestone because it is the first and largest of the 12 large NPAs in NCLT resolution process

untry with annual capacity of 5.6 million tonne.

Tata Steel, one of the bidders for Bhushan Steel, has said it has been identified as the highest bidder for acquiring controlling stake in the debt-ridden firm undergoing insolvency proceedings.

Besides Tata Steel, JSW Living (a joint venture between JSW and Piramal Enterprises) and a consortium of the Bhushan Steel's own employees had also submitted bids to take over assets of the bankrupt firm on February 3, 2018.

The agency also said that meaningful resolutions of NPAs would significantly improve banks' asset quality metrics. Beyond asset quality, the effect on profitability and capital will depend on the haircuts that lenders take in the resolution process.

Dutch Tata Steel seeks U.S. tariff exemption

'We don't dump steel in U.S. market'

REUTERS
AMSTERDAM

The Dutch arm of Tata Steel said on Friday the U.S. should exempt it from new import tariffs on steel and aluminium, as its products were vital for the American economy.

"We don't dump our steel on the American market, our products are no threat to American national security and many American companies depend on our products," Tata Steel Netherlands director Theo Henrar said in a statement.

'No domestic supply'

From its factories in IJmuiden, near Amsterdam, Tata supplies high-quality steel

to companies such as machine-builder Caterpillar and battery-maker Duracell.

Tata also caters for car-makers and the packaging and bottling industry in the U.S. with products it says no domestic steel producer makes.

On Thursday, U.S. President Donald Trump pressed ahead with import tariffs on steel and aluminium, but exempted Canada and Mexico and offered the possibility of excluding other allies.

Mr. Henrar also said he would ask the Dutch government and the European Commission to make sure that all European steel products would be exempt from the tariffs.



IBM में 'महिला दिवस'

व्यापार संवाददाता

नागपुर. भारतीय खान ब्यूरो, इंदिरा भवन, सिविल लाइन्स में इस वर्ष भी अंतरराष्ट्रीय महिला दिवस हर्षोल्लास से मनाया गया. मुख्य अतिथि पुलिस उपायुक्त (विशेष शाखा) स्मार्तना पाटिल थीं. विशेष अतिथि एमिनन्स आर्ट्स एंड एजुकेशन प्रा.लि. की प्रबंध निदेशक तथा हेलन ओ ग्रेडी एजुकेशन ड्रामा एकेडमी की इंटरनेशनल ट्रेनर जयश्री छाबरानी व डॉ. प्रतिभा रंजन सहाय थीं. कार्यक्रम की अध्यक्षता भारतीय खान ब्यूरो के महानियंत्रक रंजन सहाय ने की. खनिज प्रसंस्करण प्रभाग की निदेशक इंदिरा रवींद्रन तथा महिला दिवस समारोह समिति की अध्यक्ष डा. संध्या लाल मंच पर उपस्थित थीं. पाटिल ने महिलाओं की सुरक्षा तथा सहायता के लिए बनाए गए विभिन्न सेल की जानकारी दी.

Illegal gold mines: a magnet for adventurers

A set of 'entrepreneurs' finance miners and help them sell the precious metal

ROHAN D. PREMKUMAR
UDHAGAMANDALAM

In the illegal gold mines in the remote Devala-Pandalur region of the Nilgiris, the mining and extraction of the precious metal is fraught with danger, but it goes on nevertheless. Lack of jobs and the rich returns drive locals to risk their lives for a fistful of gold dust.

Amongst the miners, a small group of entrepreneurial pit bosses has emerged. One such is Faisal, who worked for over two decades in West Asia. He now 'owns' five mines, including the one where the much talked about ₹10 crore find was made. "We uncovered a 200 g nugget from within the same mine," Mr. Faisal exclaims proudly.

He now plans to buy a gold-detecting machine on one of his trips abroad.

"Once we get the machine, there won't be any need for guess work," he says with confidence.

Mr. Faisal not only owns the mines, but also provides food and financial help to the miners, along with equipment to help extract the gold. In return, he gets a share from the miners when they uncover substantial deposits.

A ready market

The gold is said to be highly valued by jewellery manufacturers. Most of the miners separate gold from the ground-down sand using the process of sluicing – where the ground-down rock, along with the gold flakes, is washed along a stream bed. Mercury is also used to separate the precious metal.

According to the miners, jewellery manufacturers and



Hidden depths: A miner descends into a newly excavated mine in the Nilgiris. • ROHAN PREMKUMAR

middlemen pay them anywhere between ₹1,000 to ₹1,500 per gram of extracted gold.

"The gold we mine is of extremely good quality," says Prajeeth, stating that bigger jewellery manufacturing companies can expect to double their investment during the final sale of the finished item to the customer.

Selling the gold is quite ea-

sy too, he adds. There are many middlemen in Devala and the surrounding towns who are more than happy to buy it off the miners and sell it to manufacturers both in Tamil Nadu and Kerala.

Mr. Faisal joins the miners in the evening. He has the reputation of being a strongman, having once roughed up Forest Department and police personnel when

caught hunting a monitor lizard, a protected species. The miners openly confess to hunting game, including wild boar, monitor lizards, deer, fruit bats and hares. Snares laid to trap wildlife are a common sight.

Mr. Faisal sees himself as an entrepreneur and job creator. "Because of the mines, hundreds of people have work. The Forest Department and the police cannot stop us from going in because most of Devala town is dependent on the gold," he says.

Local shopkeeper, S. Rathinam, estimates that four out of every 10 families in town are in some way dependent on the mines for a living.

"In Devala, there are no jobs, very few farms and the plantations don't provide enough jobs. We don't attract tourists either. So most people either own shops, or work the mines," he adds.

The lack of employment is one of the reasons why the

mines have become so important to the locals, including a large population of Sri Lankan repatriates.

Lakshmi, 62, who works the mines with her husband and two grown children, says she came to Devala when she was 11. "After struggling to work in the tea estates, we finally started working in the mines, which has allowed me to get my children educated, and my daughters married," she says.

Explaining the economics behind the dangerous work, she says the only form of employment open to casual labourers is in the tea and coffee estates.

"A few months back, we decided to give up mining because it is so dangerous. We then started working in an estate in Kalhatti, where we were asked to pick coffee pods. Every week, I would make maybe ₹1,500 during the picking season, while during the off-season, we would be asked to collect cof-

fee pods from the ground, which would fetch us less than ₹1,000 a week for really hard work," she says. "So the risk of going into the mines is offset against the possible returns," she adds.

Death in the pits

And risky it certainly is. Most miners know of people who died in cave-ins and falls inside the mines.

"Most of the time, the news doesn't really get out, and most people accept that these accidents do occur," says Faisal, who estimates that up to 15 people could have died in the mines over the past five years.

"The miners have a saying here – either you live long enough to die inside the mines, or come out a rich man," says Mr. Prajeeth, concurring that deaths in the mines are often not reported to the authorities.

All names in the report have been changed to protect the identity of the miners.

Prabhu calls US decision to hike steel tariff as 'unfortunate'

ENS ECONOMIC BUREAU
NEW DELHI, MARCH 10

EXHORTING INDIA'S commitment to free trade, Minister of Commerce and Industry and Civil Aviation Suresh Prabhu said on Saturday that the US' decision to increase tariffs on certain steel and aluminium products was an "unfortunate development". Prabhu's comments come at a time when global bodies have admitted to fears of a potential "trade war" between nations that could retaliate with their own tariff impositions.

"We are committed to free trade. We have definitely taken a note of it. It is a very unfortunate development and we will take it up bilaterally with all the countries. In any case we are having a meeting with all the major economies of the world who are coming to India. We will also discuss with them," Prabhu told reporters at the sidelines of the Indo-French Partnership signing ceremony.

The US administration recently announced imposition of tariffs on imported steel and aluminium, citing national security concerns and the need to protect American industries from "un-

fair" business practices, triggering fears of a global trade war. US President Trump signed two proclamations that levied a 25 per cent tariff on steel and a 10 per cent tariff on aluminium imported from all countries except Canada and Mexico.

This move to impose tariff barriers has drawn criticism from various global quarters including the European Union and the International Monetary Fund. Earlier this week, several countries, including India and China raised concerns about the imposition of tariffs on these products at the World Trade Organization in Geneva.

SBI to Tighten Borrowing Norms for Gems & Jewellery Sector

Lender to ask companies to either bring in more collaterals or reduce the size of their borrowings

Atmadip.Ray@timesgroup.com

Kolkata: State Bank of India, India's largest lender, is tightening the noose around borrowers in the gems and jewellery sector by telling them to either bring in more collaterals to back the existing borrowings or reduce the size of it in a time-bound manner.

The decision was driven by the board which directed the management to plug the gaps in risk mitigation system, especially for borrowers in the jewellery sector which has been in the eye of the storm after the Nirav Modi-led ₹12,300 crore fraud was detected in Punjab National Bank.

SBI has reviewed all loans given to jewellers in the wake of the Nirav Modi scam to find out whether adequate safeguards were taken while giving the loan. In case of divergence, the bank has written to its borrowers to raise the collateral level to at least 40-50%



of the loan value or cut the size of the borrowing by half.

Earlier, loans were given on easier terms with 10-15% collateral which is now being corrected.

"In principle, we review the underwriting system whenever delinquency comes into question," said SBI deputy managing director Sunil Srivastava. "It's a practice to tell borrowers to infuse more equity in the business or increase the collateral to back the loan, whenever there is weakness."

SBI, it is learnt, has also demanded a definite plan from these borrowers on how they are going to implement this.

The move by India's banking bellwether is likely to be followed by other lenders, which in turn, may dry up funds flow to the gems and jewellery industry, which is a large foreign exchange earner and one of the biggest

job creators in Asia's third-largest economy, where unemployment always remains a core issue for the government.

SBI chairman Rajnish Kumar had said in February that the bank has less than ₹13,000 crore exposure to the gems and jewellery sector which is less than 1% of its domestic loan book of ₹16 lakh crore.

"We have not increased our exposure in the sector for the past three years. But being the largest bank, we can't get out of this space which contributes to dollar inflows and job creation," SBI's Srivastava told ET.

India is one of the largest exporters of gems and jewellery. Net exports of gems and jewellery rose to \$35.59 billion in FY17 from \$15.66 billion in FY05, showing a 7% CAGR.

But immediately after the Nirav Modi scam broke out, banks have clamped down on the issue of bank guarantees such as letters of undertakings (LoUs). Overseas branches of Indian lenders have also tightened their purse strings for trade finance against bank guarantees and demanded more documents to know suppliers to their borrowers.

A bunch of employees at PNB were caught issuing fake LoUs in the country's biggest ever corporate fraud involving diamond merchant Nirav Modi, calling the banks' and regulator's supervisory system into question.

Why US steel stocks don't love Trump's tariffs

DAVID FICKLING

If import tariffs are meant to improve prospects for the US steel industry, why aren't local investors celebrating?

Shares in Nucor Corp fell 2.7 per cent as President Donald Trump signed his tariff order on Thursday, while U.S. Steel Corp dropped 2.9 per cent. Steel Dynamics Inc was down 2.8 per cent, and AK Steel Holding Corp lost 4.1 per cent.

Relative to their first shock of excitement on February 16, when Commerce Secretary Wilbur Ross tabled his levy proposals, the four major US producers are all trading lower. Part of the answer is that the proclamation, due to take effect this month, excludes the main sources of US steel imports — Canada and Mexico — and leaves the door open for other allies to get a

pass too. Another part is probably because shareholders have been buying the rumour and selling the fact.

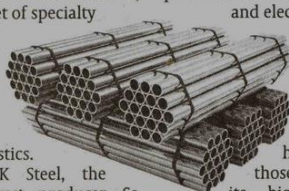
Steel trade dynamics

There's more to it than that, though. The best answer is likely that steel isn't a simple commodity that rises and falls in response to input data like a line on a chart. Instead, it's a basket of specialty products that each have their own unique characteristics.

Take AK Steel, the fourth-largest producer. So far, it's been the major loser from Trump's steel policies, with the stock declining 30 per cent over the past year. That drop sharply outpaces

the 8.6 per cent fall in an index of steel makers on Tokyo's Topix which, by rights, should be the bigger losers from protectionism in Washington.

AK's weakness is telling because it's the US steel maker that's been trying hardest to innovate and go up the value chain in recent years. Thanks to a focus on specialty products for the automotive and electrical power



industries, its average selling price is about a third higher than those claimed by its bigger rivals, which largely sell commodity metal that's cheaper than most imported product.

The problem is that AK's specialist focus means its cost

base is higher, too, at about 91 per cent of net sales. Any increase in domestic output as a result of the tariffs will put upward pressure on scrap prices, the biggest expense for most US steel makers, squeezing producers like AK that are less able to capitalise on replacement demand as imports suffer.

It's a similar situation in aluminium. At the time of their split on the eve of the 2016 election, the old Alcoa Corp's specialised-products business, Arconic Inc, was the one most favoured by investors. Unlike Alcoa's lumbering, costly fleet of aging smelters, Arconic's high-tech products for carmakers and aerospace companies were seen as the future. So much for that. While Arconic still trades on a higher (if narrowing) price-earnings multiple,

its shares have gained only 31 per cent since the break, versus a 106 per cent jump at Alcoa. The underlying problem in all this is that the protectionist strategy being pushed by the White House has a use-by date.

The happy fate of developed countries should be to give up manufacturing low-margin, commodity products and move toward more profitable niches. That's what Japanese steel makers are doing.

The strategy being pursued by some of the large North American steel makers has been to play politics as an alternative to innovation. To the extent they now have their tariffs, that's paid off — but the tepid response of their share prices indicates that investors don't expect the current situation to last. BLOOMBERG

What's the use?

US import tariffs exclude the main sources of steel imports — Canada and Mexico — and leave the door open for other allies to get a pass too

'No direct hit on exports of aluminium'

PRESS TRUST OF INDIA
NEW DELHI

The U.S. decision to impose 10% tariff on imported aluminium may not have significant impact on the Indian aluminium industry but an indirect impact may be due to increased availability of export volume for the rest of the global market, Aluminium Association of India chairman T.K. Chand said.

Vedanta Ltd. said it exports about 5%, or 1,00,000 tonnes of its aluminium volumes, to the U.S. Hence, the duties were not a game changer, said the firm's chief sales officer for aluminium, Jean-Baptiste Lucas. The U.S. has also imposed 25% tariff on imported steel.

Easy coal for SMEs

PINAK GHOSH

Calcutta: E-commerce firm mjunction expects to facilitate the sale of around 0.9 million tonnes of coal to micro, small and medium enterprises through state-nominated agencies in Bengal, Maharashtra and Bihar.

A joint venture firm of SAIL and Tata Steel, mjunction has bagged the electronic coal distribution contract of Bihar State Mining Corporation to set up an efficient and transparent mechanism to distribute coal to the MSMEs in the state.

It has rolled out similar frameworks in Bengal and Maharashtra and has facilitated annual sales of around 0.4 million tonnes of coal to MSMEs through the state nominated agencies — West Bengal Mineral Development and Trading Corporation and Maharashtra State Mining Corporation.

SALES PROP

What's new

■ mjunction has developed an electronic platform to supply coal to SMEs in partnership with state nominated agencies

The benefits

■ Better price, less cumbersome process, zero dependence on agents

The company now hopes more states will follow an electronic distribution process to supply coal to the MSMEs and do away with the dependence on local agents.

Though the annual coal consumption cap of small units has been raised to 10,000 tonnes from 4,200 tonnes by amending the National Coal Distribution Policy, the off-take through this route has

not been encouraging.

In 2016-17, Coal India had earmarked 7.9 million tonnes (mt), while actual allocation to the states was 4.35mt. In 2017-18, Coal India set aside 8.5mt and allocation has been around 4.9mt.

The MSMEs felt that lifting coal from the state agencies were inconvenient and there were difficulties in booking the order, delivery and refunds. There were also concerns over inflated prices while sourcing coal through traders and handling agents.

"It is not that there is a shortage in coal availability. But MSMEs often find it a challenge to procure coal on account of multiple issues. We have developed an electronic distribution algorithm and implemented it in three states by partnering the state nominated agencies," said mjunction CEO Vinaya Varma.

Short-term outlook mixed for gold

The broader bias will remain positive as long as prices hold up above \$1,300

GURUMURTHY K

It was a volatile week for gold. The yellow metal surged to a high of \$1,340 per ounce, but reversed sharply lower, giving back all the gains. Gold made a low of \$1,313 and bounced from there to close the week at \$1,324 per ounce.

Pressure eases

Uncertainty and fear in the market after the US President proposed import tariffs on aluminium and steel drove bullion prices higher in the initial part of the week. But the decision to exempt countries like Canada and Mexico from the tariffs gave a breather to the market in the later part of the week.

This triggered a strong bounce-back in the dollar index which, in turn, pulled gold prices lower from the week's high of \$1,340. The dollar index reversed higher

from its low of around 89.40 and closed the week at 90.10. The index has been getting strong support in the 89.50-89.40 region. Resistance is at 90.55.

A strong break above it will take the index higher to 91.2 initially. A further break above 91.2 will then pave the way for the next targets of 91.8 and 92. Such a rally in the dollar index can keep gold prices under pressure.

The outlook for the dollar index will turn negative only if it declines below 89.40. The index can then fall to 89 or 88.5 thereafter.

Gold outlook

Support in the \$1,310-\$1,300 zone continues to hold well for the yellow metal. Global spot gold (\$1,323 per ounce) bounced on Friday from its low of around \$1,313. This keeps the broader \$1,300-

\$1,370 sideways range intact. As long as it remains above \$1,310, a rise to test the intermediate resistance at \$1,341 is possible in the near term. A strong break above this hurdle will then take the yellow metal further higher towards \$1,360 and \$1,370 — the upper end of the range.

The outlook will turn negative for a fall to \$1,290 or \$1,280 only if gold declines below \$1,300. But such a fall looks less probable at the moment.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) closed on a

mixed note last week at ₹30,401 per 10 gm. The contract is managing to sustain above the key support level of ₹30,000.

A rally to ₹30,900 or even ₹31,200 is possible in the short term as long as the contract remains above ₹30,000. The contract will come under pressure only if it declines below ₹30,000. Such a break can drag it to ₹29,600 or ₹29,300 thereafter.

Silver outlook

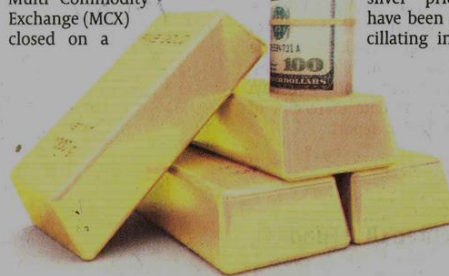
Global spot silver prices have been oscillating in a

narrow range around \$16.5 per ounce for more than a month now. The outlook continues to remain unclear for silver.

A breakout on either side of the support at \$16.25 or the resistance at \$17 will decide the next trend. Until then it can remain volatile in the \$16.25-\$17 sideways range for some more time.

A break below \$16.25 can take silver lower to \$15.75. On the other hand, a strong break above \$17 can take silver prices higher towards \$17.5 and \$17.75.

The outlook for the MCX-Silver futures (₹38,947 per kg) contract is relatively more positive than the global prices. The contract has support at ₹38,470. As long as it sustains above this support, the possibility is high for it to rally beyond ₹39,500, targeting ₹40,000 or even higher levels. The bullish outlook will get negated if the contract declines below ₹38,740. Such a fall can drag it to ₹38,000 or ₹37,500 thereafter.



GETTY IMAGES/ISTOCKPHOTO



MCX Gold

Supports
₹30,000, ₹29,600
Resistances
₹30,900, ₹31,200

MCX Silver

Supports
₹38,470 / ₹38,000
Resistances
₹39,500 / ₹40,000

As imports from China decline, market is hotting up for refractory makers

SHOBHA ROY

New Delhi, March 11

Considered to be a 'dying industry' till recently, domestic refractory makers are suddenly finding their place under the sun, thanks to Chinese imports getting pricier.

Earlier, apart from finished products, nearly 40 per cent of the raw materials for refractory bricks—such as magnesite, graphite, fused and calcined alumina and high grade clays—were imported from China. However, with China clamping down on mining and introducing stringent pollution control norms, the supply of raw materials has been impacted.

This has shifted the focus on to domestic refractory makers, said Parmod Sagar, Chairman, India International Refractor-

ies' Congress (Irefcon). Refractory products are vital in all high-temperature processes in the making of metals, cement, glass and ceramics. The steel industry is one of the biggest consumers of refractory products, accounting for 60-70 per cent of the total production.

"Till about a year back refractory was considered a dying industry, everyone was ignoring it. But this China issue has brought a change in the way refractory is viewed as a product for steel and cement making," Sagar told *Business Line* recently at an Irefcon conference.

Despite refractory being a key component for the steel industry, it has hardly found mention in the government's



The Centre should support the refractory industry with a better mining policy, said Parmod Sagar, Chairman of Irefcon.

steel policy, he said. According to Sagar, while the price of refractory products has increased by 30-50 per cent, that of the raw materials surged by 10-150 per cent across various categories.

The ₹6,500-crore domestic refractory industry, which has not absorbed any 'significant' price hike in the last three to five years, has managed to pass it on to its consumers thus far. However, any further price hike would be difficult to manage, he said.

Funds for R&D

To encourage players to set up plants in India, the Centre should focus on supporting the refractory industry with a better mining policy, and allocate funds for research and development of raw material in India, he said.

There is also a need to bring down import duty on raw material for refractory to zero so as to encourage domestic production, he added.

Comfort cue in economic data

OUR SPECIAL
CORRESPONDENT

New Delhi: Industrial output expanded 7.5 per cent in January 2018 against 3.5 per cent a year ago on the back of robust manufacturing growth coupled with higher off-take of consumer and capital goods — raising industry clamour for a rate cut by the RBI next month to maintain the growth momentum.

Finance ministry officials said the “trend showed that the impact of demonetisation and initial teething problems with the GST are fading out... we expect manufacturing to recover over the next few months”.

However, for the nine-month period of April 2017-January 2018, industrial production grew 4.1 per cent and manufacturing just 4.3 per cent.

The Index of Industrial Production (IIP) had grown at 7.1 per cent in December 2017, according to data released by the Central Statistics Office (CSO) on Monday.

“The IIP data also points towards signs of economic recovery as the negative effect of the disruptive shocks of last

Industry grows 7.5% in January

RISING GRAPH



IIP growth in %			
In January	2017	2018	
Manufacturing	2.5	8.7	
Mining	8.6	0.1	
Capital goods	-0.6	14.6	
Consumer durables	-2.0	8.0	
Non-durables	9.6	10.5	
General	3.5	7.5	

year appear to be on the wane. However, the momentum of the recovery needs to be sustained through effective implementation of structural and infra-related reforms,” said Anis Chakravarty, lead economist, Deloitte India.

“The strengthening of the manufacturing sector for the second month in a row signals that industry is bouncing back from GST-related glitches and

could be on track to reap the benefits of domestic and global growth recovery,” Crisil said.

Manufacturing boost

The IIP growth in January this year was mainly on account of an uptick in the manufacturing sector which constitutes 77.63 per cent of the index. It grew 8.7 per cent during the month compared with 2.5 per cent in January 2017.

Capital goods, a barometer of investments, showed a sharp increase in output by 14.6 per cent in January 2018, against a decline of 0.6 per cent a year ago.

Consumer non-durables, which are mainly fast moving consumer goods, too showed an increase of 10.5 per cent against a growth of 9.6 per cent. Consumer durables recorded a growth of 8 per cent against a contraction of 2 per cent a year ago.

However, the mining sector saw a flat growth of 0.1 per cent compared with 8.6 per cent a year ago.

Use-based categories

According to the use-based classification, the growth rates in January 2018 over January 2017 are 5.8 per cent in primary goods, 4.9 per cent in intermediate goods and 6.8 per cent in infrastructure/construction goods.

In terms of industries, 16 out of 23 industry groups in the manufacturing sector showed positive growth during January 2018. IIP grew at 4.1 per cent in April-January this fiscal compared with 5 per cent in the same period of the previous financial year.

Retail inflation softens

OUR SPECIAL
CORRESPONDENT

New Delhi: Retail inflation eased for the second straight month in February but remained above the 4 per cent medium-term target of the RBI, strengthening views it will hold rates steady at its April meeting rather than raise them.

India's measure of consumer price inflation on an annual basis, the CPI index, eased to 4.44 per cent in February, data released by the ministry of statistics showed on Monday.

January saw consumer inflation of 5.1 per cent, tad lower than the December figure of 5.2 per cent, which was the highest rate in 17 months.

In February 2017, however, it was 3.65 per cent, while in November it was 4.88 per cent.

Consumer food prices rose 3.26 per cent in February, com-

COOLING DOWN

Retail inflation in %		
In 2018	Jan	Feb
Vegetables	26.97	17.5
Fruits	6.24	4.80
Transport	1.97	2.39
Fuel/power	7.73	6.80
Food index	4.70	3.26
General index	5.07	4.44

pared with 4.70 per cent in January, as prices of pulses fell more than 17 per cent from a year earlier.

Fuel and light inflation stood at 6.8 per cent, compared with 7.58 per cent in January, while housing inflation stood at 8.28 per cent, from 8.33 per cent in the previous month.

“The sharp dip in retail inflation in February 2018 has reinforced our expectation that the MPC would keep the repo rate unchanged in the upcoming policy review in April 2018, which may prompt a further easing of bond yields in the immediate term,” Aditi Nayar, principal economist with Ica, said.

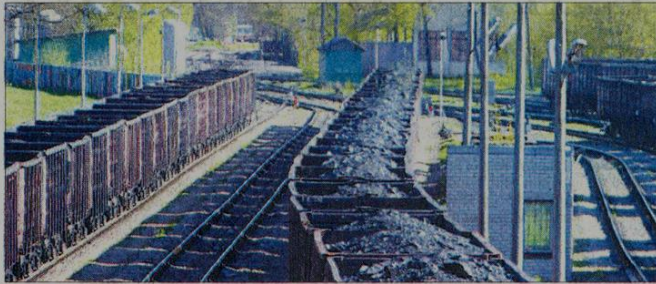
INMF to protest private commercial mining of coal

■ Business Bureau

THE recent decision of the Union Government to open up the coal sector for private entities for commercial mining appears to have been not going down well with the Indian National Mineworkers Federation (INMF) as the Working Committee of the INTUC-affiliated body called an emergency meeting on Monday at Asansol to discuss the issue.

The Working Committee members analysed the situation arising out of Prime Minister Narendra Modi-led Government decision taken on February 20, 2018 through Cabinet Committee of Economic Affairs (CCEA).

The meeting was presided over by Rajendra Prasad Singh, President of INMF (INTUC), other office-bearers, members, per-



manent invitees including Ramen Pandey, President of WBPNTUC.

The four CTUs, i.e. BMS, AITUC, CITU and HMS through their meeting at New Delhi on March 4, 2018 convened without consulting Rajendra Prasad Singh

have issued a joint press statement to go for a one-day strike on April 16, 2018 in coal industry of the country.

Interestingly, the four CTUs have not issued any notice to the Government of India / MOC /

CIL/so far. In the meanwhile, after deliberations, it has been unanimously decided by INMF (INTUC) Working Committee that INMF-INTUC not only condemned the decision but also said that the decision of nation-

alisation of coal mines in 1972-73 by the then Prime Minister Indira Gandhi was being reversed as CIL and SCCL would die in due course if cheap coal is mined by private companies through unsafe/slaughter mining through contractor labour with meagre wages and no social security safety net.

It also said that the affiliates/members of INMF (INTUC) will bear 'Black Badge' on April 16, 2018 as a mark of protest but attend their duties to produce coal to double the coal production. Further the Working Committee decided to constitute a Steering Committee of Federation which will apprise the INTUC leadership including its President Dr G Sanjeeva Reddy as BMS is not part of Joint Action Committee (JAC) of CTUs at

national-level alleging that it always walks out from strike at the last moment.

The Steering Committee also decided to meet and apprise the Congress leadership particularly Sonia Gandhi and newly elected Congress President Rahul Gandhi to muster political support in and outside Parliament, both in Lok Sabha and Rajya Sabha.

After completing the exercises, an urgent meeting of INMF Steering Committee has been convened at INTUC Head Quarter at 4, Bhairu Singh Marg on April 19, 2018 at 11.30 am to discuss and decide future course of action. President Rajendra Prasad Singh, Secretary General, S Q Zama, General Secretary and others were present on the occasion.

ACC, Ambuja Cements to enter into master supply agreement

NEW DELHI, Mar 12 (PTI)

HAVING put their merger on hold, ACC Ltd and Ambuja Cements - the two Indian units of LafargeHolcim - on Monday said they planned to enter into a 'master supply agreement' with each other. Both the companies have sought approval from their shareholders to "enter into, execute and deliver the master supply agreement" with each other, they said in separate regulatory filings. The agreement is for supply of cement, clinker and raw materials such as fuels, fly ash, slag and gypsum. This would also include spare parts.

"Each individual contract/arrangement/transaction shall be carried out by way of purchase order based on the requirement of the company," it added.

According to the pricing formula, for cement they would provide discount of 5 per cent to each other on their average net selling price.

On May 5 last year, ACC and Ambuja Cements had announced to explore merger. However, on February 26, they informed stock exchanges that they were not proceeding with the plan.

"On the basis of a comprehensive evaluation carried out by both the special committee and Board of Directors of the company, the board is of the opinion that there are at present certain constraints in implementing a merger between the company and Ambuja Cements," ACC had said in a filing to BSE. ACC has a cement capacity of 33.5 million tonnes while Ambuja has a capacity of 29.65 million tonnes.

Goa allows iron ore extraction till March 15

PRESS TRUST OF INDIA

Panaji, March 12

Tweaking its previous order, the Goa Mines and Geology department on Tuesday allowed lease owners to continue extracting iron ore from different mining leases till March 15, an official said.

In a notification issued earlier in the wake of a Supreme Court order, the department had sought closure of tapping fresh minerals from March 13 onwards.

In its order dated February 7, the apex court quashed 88 mining leases in Goa and asked them to stop extraction of ore from March 15 onwards.

However, the department today said the lease holders

can continue extraction of ore till 7 pm of March 15.

Director of Mines Prasanna Acharya said leaseholders had met him and requested the extraction of ore be allowed till March 15 according to the Supreme Court order.

"Modifying earlier instructions, the lease holders are now allowed to continue their mining operations of extraction till March 15 under the supervision of Regional Controller of Mines, Indian Bureau of Mines, Margao," according to the latest order.

The State government will allow transportation of ore from the mining leases till 7 pm of March 15, it said.

RBI disallows hedging of price risk in gold, gems and precious stones

OUR BUREAU

Mumbai, March 12

The Reserve Bank of India has revised its directions on 'Hedging of Commodity Price Risk and Freight Risk in Overseas Markets', whereby it has excluded gold, gems and precious stones from the list of commodities whose price risk can be hedged.

This development comes in the backdrop of the ₹12,600-crore letter of undertaking (LoU) scam at Punjab National Bank involving fraudulent issue of LoUs by a couple of officials in one of

its Mumbai branches in favour of companies in the gems and jewellery trade.

Hedging is the activity of undertaking a derivative transaction to reduce an identifiable and measurable risk.

Under the new directions, commodities whose price risk can be hedged in the case of direct exposure include all commodities except gold, gems and precious stones. Commodities whose price risk can be hedged in the case of indirect exposure are: aluminium, copper, lead, zinc, nickel, and tin.

The RBI said the revised directions shall come into force from April 1, 2018.

Unions to protest commercial mining

CIL, SCCL coal workers plan to strike work on April 16; INTUC unit not to join

INDRANI DUTTA
KOLKATA

Four trade unions have announced their decision to observe a day's strike on April 16, 2018 to protest against commercial mining of coal. The notice was served on Tuesday by the Bharatiya Mazdoor Sangh, the All India Trade Union Congress, the Hind Mazdoor Sabha and the Centre of Indian Trade Unions.

The Indian National Trade Union Congress (INTUC) will not be part of the agitation, but would work on doubling production, although they are opposed to commercial mining.

'Notice served'

Ramendra Kumar, general secretary of the AITUC-affiliated Indian Mine Workers Federation said that the



Alarm bells: Coal India and Singareni Collieries will die in due course if coal is mined by private firms, says INMF. ■ REUTERS

strike notice had been served on the Coal Secretary on March 13. "As the government is unwilling to reconsider the decision of commercial coal mining, we have no other option except to go on strike," the unions said in the notice.

Public sector Coal India Ltd. (CIL) and the joint sector Singareni Collieries Company Ltd. (held by the Centre and the Andhra Pradesh government) would come under the strike purview. About 2.9 lakh workers of CIL and 50,000 workers

of SCCL were likely to be covered by the strike, Mr. Kumar said.

The INTUC said it condemned the NDA government's decision to allow commercial mining to private companies using the relevant clauses of the Coal Mines Special Provision Act, 2015. "This meant that the decision of coal nationalisation was being reversed as CIL and SCCL will die in due course if cheap coal is mined by private companies through slaughter-mining," the INTUC-affiliated Indian National Mineworkers Federation said in a press release. R.K. Chib, vice-president of the Indian National Mine Workers Federation said that the INMF would not participate in strike, but its members would wear black badges to work.

THE HITAVADA
DATE: 14/3/2018 P.N.11

Vedanta appoints U K Sinha as independent director

NEW DELHI, Mar 13 (PTI)

METALS and mining giant Vedanta on Tuesday said that it had appointed former SEBI Chairman, U K Sinha as an independent director on the company's Board. "The appointment of U K Sinha as an additional non-executive independent director on the Board for a fixed term from March 13, 2018 till August 10, 2021 (on recommendation of nomination and remuneration committee) to hold office till the ensuing AGM of the company," Vedanta said in a filing to the BSE.

ArcelorMittal mulls a new plant in Paradip if it bags Essar Steel

SURESH P IYENGAR
THOMAS K THOMAS

Mumbai, March 14

ArcelorMittal, the world's largest steel company, is confident of not only turning around the stressed asset of Essar Steel, but will also explore setting up a new steel plant closer to the company's current pellet unit at Paradip in Odisha.

"We can set up a steel manufacturing unit near Essar Steel's pellet plant at Paradip. We have a long-term aspiration to significantly grow the asset and partner the government's vision to grow steel capacity in India to 300 million tonnes," Aditya Mittal, President, ArcelorMittal, told *BusinessLine* over phone from his London office.

Aditya is the son of ArcelorMittal promoter Lakshmi Mittal.

Essar Steel is currently operating at about 5 million tonne,

which can be expanded to 8.5 million tonnes, and efficiency can be improved further before reaching the installed 10 million tonnes, he added.

Added advantage

There is also scope for efficiency improvement in downstream pipe and plate mills.

The pellet plant at Paradip and Visakhapatnam is an added advantage.

When asked as to why ArcelorMittal did not bid for other steel assets such as Bhushan Steel, Mittal said that he personally visited both Bhushan Steel and Essar Steel and the bidders' involvement required to turnaround Essar Steel is more compared to that of the other company.

"But actually that's our strength," he said.

Luxembourg-headquartered ArcelorMittal is engaged in a pitched battle with Russia's VTB



Aditya Mittal, President, ArcelorMittal

Capital to take over Essar Steel even though questions are being raised on the eligibility of both the companies.

ArcelorMittal had to sell-off its stake in bankrupt Uttam Galva Steel to qualify for Essar Steel bidding.

VTB, on the other hand, has inserted an option in its bidding documents to ease out one of its partners Rewant Ruia, son of Essar Steel promoter Ravi Ruia, if need be.

Mittal said: "We are fully eligible for the Essar Steel bidding. We have an investment grade rating that is similar to that of India's sovereign rating. Two months back, we even raised a five-year bond at 0.95 per cent coupon."

Nippon Steel venture

Asked on the need for joint venture with Nippon Steel, Mittal said a partner like Nippon Steel can add value as they can bring additional technology, new products and improved efficiency.

"Moreover, it means that auto companies who have approved ArcelorMittal or Nippon Steel as their preferred supplier globally can start purchasing from Essar Steel India after the restructuring. It will provide a greater number of ready-made customers so it's very much to the benefit of Essar Steel," he said.