



खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-6

(As appeared in National/Local Newspapers Received in Central Library, IBM, Nagpur)

The Central Library, IBM, Nagpur provided the Classified Mineral News Service since many years on monthly basis in the print form. To expand this service to the IBM Offices all over India i.e. H.Q., Zonal & Regional Offices and to take a call of time, the Controller General, IBM desired to make this service online on fortnightly basis. The library staff made efforts to make it successful. This is the 6th issue of volume -2 for this service named **Khanij Samachar** for the period from **16th – 31st March, 2018**. The previous issues of Khanij Samachar upto Vol. 2, No-5, 1st – 15th March, 2018 were already uploaded on IBM Website www.ibm.gov.in .

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.

It will be highly appreciated if the valuable feedback is reciprocated.

Mrs. D. H. Vairagare
Asstt. Library & Information Officer



खनिज समाचार

KHANIJ SAMACHAR



A FORTNIGHTLY NEWS CLIPPING SERVICE
FROM

CENTRAL LIBRARY

INDIAN BUREAU OF MINES

VOL. 2, NO-6, 16th –31st MARCH, 2018

THE BUSINESS LINE
DATE: 19/3/2018 P.N.8

Metals (\$/tonne)						
Aluminium	2064	-1.7	-6.9	9.4	2270	1855
Copper	6864	-1.1	-4.5	16.5	7216	5462
Iron Ore	68	-4.9	-9.0	-23.5	89	54
Lead	2384	0.4	-8.9	6.8	2683	2030
Zinc	3264	-0.4	-9.3	16.1	3619	2434
Tin	21079	-1.9	-3.6	4.3	22104	18867
Nickel	13569	-1.8	-2.2	33.5	14150	8710

THE BUSINESS LINE
DATE: 26/3/2018 P.N.8

Metals (\$/tonne)						
Aluminium	2027	-1.8	-6.6	5.4	2270	1855
Copper	6618	-3.6	-6.3	14.1	7216	5462
Iron Ore	64	-5.0	-12.8	-24.3	84	54
Lead	2340	-1.9	-7.8	-1.0	2683	2030
Zinc	3215	-1.5	-9.5	15.0	3619	2434
Tin	20845	-1.1	-4.3	2.7	22104	18867
Nickel	12902	-4.9	-6.0	29.4	14150	8710

Buy gold if it dips to \$1,305/ounce

GNANASEKAART

Comex gold futures steadied on Thursday near the one-week high hit the previous session, supported by the tension between Britain and Russia, while a modest bounce in the dollar capped gains.

Comex gold futures are moving perfectly in line with our expectations. As mentioned in the previous update, prices could bounce back from the \$1,300-\$1,305 an ounce levels. As expected prices are finding support and consolidating in a range between \$1,300/10 and \$1,335/45. In the near-term, upticks could be capped in the \$1,340-45 zone and a close above here could trigger sharper upmove towards \$1,374 or even higher subsequently. But, failure to hold around \$1,300-05 could take it down to \$1,278-80 from where a stronger recovery is expected.

A positive trigger for a sustaining up trend is likely to be above a close of \$1,375. In the coming week, we expect \$1,305-10 to hold for a push



higher towards \$1,345 or even higher to \$1,374 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 or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near \$1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. But, failure to follow-

through above \$1,355 has dashed any hopes of any impulsive-up move. As prices have broken certain important supports and shows weakness targeting \$1,100. But, a sustained move above \$1,200 has once again revived bullish hopes and will make the necessary adjustments to the wave counts, as the prices break key resistance above.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD have gone below the zero line of the indicator again, indicating a bearish reversal, but we will still await a proper confirmation to get bearish. Only a cross over again above the zero line could hint at a bullish reversal in trend.

Therefore, buy Comex gold on dips around \$1,305-10 with the stop-loss at \$1,297 targeting \$1,345 followed by \$1,374.

Supports are at \$1,310, 1,295 and 1,278. Resistances are at \$1,345, 1,374 and 1,395.

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

Mining activities stop in Goa as SC order of ban comes into effect

PANAJI, Mar 15 (PTI)

THE five-decade-old mining industry in Goa is staring at another bout of uncertainty as the Supreme Court order of ban on iron ore extraction in the State comes into effect on Thursday night.

The Mines and Geology Department has asked all operational mining lease holders to stop extracting fresh ore by evening, while transportation of ore was also stopped. Mining equipment were moved out of the facilities.

Goa Agriculture Minister Vijai Sardesai had on Wednesday said the State would face the 'biggest' crisis when the ban comes into force.

Another senior Goa Minister Sudin Dhavalikar said on



Thursday that Union Minister Nitin Gadkari would visit Goa on March 20 and hold discussions with stakeholders in the industry in an attempt to find a solution to the crisis.

The mining and tourism industries are the key revenue earners for the coastal State.

A cabinet committee had on Wednesday decided to urge Chief

Minister Manohar Parrikar, currently in the US for medical treatment, to file a review petition in the apex court as a last-ditch effort to save the industry.

The State Government fears that the sudden stoppage of extraction of fresh ore would result in two lakh people working at mining sites losing jobs.

The Supreme Court had last

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

The apex court said it was giving time till March 15 to mining lease holders, who were granted second renewal in violation of its previous directions, to manage their affairs.

They were 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 environmental clearances given. People dependent on the industry have planned public meetings to register their protest tomorrow and the day after.

This is the second big blow to the industry, which had faced closure in 2012 too, following the SC directives.

India to approach USTR against steel, aluminium tariffs

AMITI SEN

New Delhi, March 15

Spelling out reasons why India doesn't fit into the category of 'security threat', the Commerce Ministry will send a communication to the US Trade Representative's (USTR) office, insisting that it remove India's name from the list of countries penalised with higher import tariffs on steel and aluminium.

"The fact that India has been a long-standing security and economic partner to the US, that US exports to India increased \$4 billion last year, and that Indian export of steel and aluminium to the US is much lower than some of the exempted countries, show that India can't pose a security threat," Commerce Secretary Rita Teatota told *BusinessLine*.

India will flag its concerns



Commerce Secretary
Rita Teatota (file photo)

in the form of a formal communication to the USTR office and see how it responds to that, she added.

Last week, US President Donald Trump signed two proclamations that levied a 25 per cent tariff on steel and a 10 per cent tariff on aluminium imported from its trading partners. But it decided to exempt Canada, the largest exporter of steel to the US, and Mexico, for the present. The

US is hoping to renegotiate with these two nations as part of NAFTA trade concessions.

Following a telephonic conversation with Australian Prime Minister Malcolm Turnbull, Trump said the two countries are working on a speedy security agreement so that tariffs do not need to be imposed on steel and aluminium from Australia.

"It is very clear that the imposition of higher tariffs by the US has been quite arbitrary and it is open to giving country-specific exemptions. The only way to deal with it at the moment is to have bilateral talks," said another government official.

But if talks fail and India does not get the expected response from the US, it may approach the WTO against the tariff hike on the grounds that these are discriminatory.

Centre to roll out new gold policy by early next month

Work on to set up Gold Board, spot exchange to transform the country's bullion trade

OUR BUREAU

Mumbai, March 15

The Centre is set to announce a new gold policy by end of this month or first half of April to institutionalise and bring in more transparency in the trade.

It also is in the process of setting up policy frame work for launching spot gold exchange and a Gold Board that would eventually be considered to regulate the spot exchange.

Speaking at the fifth India International Bullion Summit here on Thursday, Manoj Dwivedi, Joint Secretary, Ministry of Commerce and Industry, said the process of collecting suggestions from the industry players is almost done and NITI-Aayog is in the process of releasing a the gold policy by March-end or early April.

Following this, he said a task force would be formed to identify measures that can be implemented in a time bound



The Gold Board will have representatives from the RBI, SEBI, Ministry of Finance, Ministry of Commerce, Directorate General of Foreign Trade and members from the industry.

manner. The government is also in the process of forming a Gold Board with representation of all the interested parties including RBI, SEBI, Ministry of Finance, Ministry of Commerce, Directorate General of Foreign Trade and members from the industry to draft the policy framework for launching spot gold exchange.

One of the major hurdles for launch of spot gold exchange is finding the appropriate regulator as it currently falls in the ambit of both RBI and the SEBI.

BSE futures trading

Ashish Chauhan, Managing Dir-

ector, Bombay Stock Exchange, said the industry will benefit immensely from the reforms initiated by the government to bring in transparency.

Chauhan said the estimated wealth of India is pegged at \$11 trillion and of this BSE alone holds 30 per cent or \$3.3 trillion. This is the kind of growth the bullion industry can expect once more transparency in trade kicks in with the government reforms, he said.

He also hinted that the country's oldest exchange would launch futures trading in gold on October 1.

Mining activity in Goa will halt from today following the Supreme Court order on closure of iron ore extraction. The mining ban is likely to affect the State revenue and around 2 lakh miners would lose their jobs. Renewal of mining leases were quashed by SC last month.

Goa mining industry in the pits as ban takes effect

Will result in 10-12% hit on the State GDP, say stakeholders

THOMAS ABRAHAM
Bengaluru, March 16

The ban on mining activity in Goa imposed by the Supreme Court came into effect on Friday.

All stakeholders in the industry are worried, and the government is faced with a tricky situation with a three-member committee of ministers looking after the affairs of the State in the absence of Chief Minister Manohar Parrikar, who is in the US for medical treatment.

Miners' plea

Identical representations to the Centre and the State government by industry bodies (a copy of which is with *BusinessLine*), point out that the sizeable population in Goa involved in mining activity generates an income of over ₹1,000 crore a year for the Centre and the State.

So, when the industry closes down operations, it will result in a 10-12 per cent hit on the State's GDP, and 1.5-2 lakh people will lose jobs (direct and indirect). While the financial condition of the people involved in mining will be hit badly, banks too will see a piling up of non-performing assets, it said.

Curchorem MLA Niles Cabral (BJP) was very forthright in his remarks. "It is not the government that will suffer from this ban, it will be the people at the grassroots. Goa is different from other places in the country with regard to mining. There have been various judgements of the Supreme Court in this regard. Parliament passed the

Goa Daman and Diu Mining Concession (Abolition and Declaration as Mining Leases) Act in 1987. It is important to understand this." But Cabral said he is not against auctions. "If the court says there has to be auctions, I am okay with it. But work should go on; that is important. Otherwise, where will



Upwards of 12,000 trucks have been affected by the mining ban, besides 150 barges and ancillary units ATISH POMBURFEKAR

these workers go?" Speaking to *BusinessLine* over the phone, Ambar Timblo, President of the Goa Mineral Ore Exporters' Association, said: "This ban was not expected, not even remotely, by any of us."

Truckers in a bind
Truck owners, vital partners

to the mining industry, have been rendered jobless overnight. Vinayak Gauns, Deputy Sarpanch of Dharbandora taluka and president of Dharbandora Taluka Truck Owners Association, said: "We, the truck-owners, are not at fault. The Supreme Court has taken a one-sided decision in this matter. The Goa government did not defend us properly in the Supreme Court. Around 3,000-4,000 trucks work in the mines in and around Dharbandora. With this ban, 3,000-4,000 families will have no source of income."

Upwards of 12,000 trucks have been affected by the ban, besides 150 barges and ancillary units.

Gauns too said he is not against auctions. "Conduct the auctions; we are not against it. But let the work continue. People like us, who depend on the income from

trucking activity in these mines, should not be punished for no fault of ours."

He sees the ban having political ramifications.

On the way forward, Timblo said: "We are evaluating the options, keeping in mind the various statutes and judgements of the Supreme Court."

Shamba Gauns, Deputy Sarpanch of Pale Cotombi, shared his anguish: "Since 1976, our family has been in this business of working on tippers. Earlier, we were farmers. In total, our family has 35 tippers, of which I have 15."

"This ban has brought everything to a grinding halt. I took loans to buy these tippers, and pay EMIs amounting to ₹2.75 lakh. Now, how will I pay it back? We are honest workers. I am not Nirav Modi; I can't run away from India. But the banks will catch us now for bounced cheques."

THE HINDU DATE: 17/3/2018 P.N.4

Leases of 477 mines cancelled in State

New mining policy incorporating best practices in country soon, says K.T. Rama Rao

SPECIAL CORRESPONDENT
HYDERABAD

Industry Minister K.T. Rama Rao has directed the officials to register criminal cases against those indulging in illegal mining.

The Minister, who held a review meeting with Mining Department officials here on Friday, gave a series of instructions to them and said illegal mining activities should not be tolerated ho-

wever influential a person might be. The officers informed the Minister that 354 inspections were carried out in the jurisdiction of Warangal, Hyderabad, Nizamabad regional offices and 79 violations were identified and action was being initiated against the offenders. The department also cancelled the 477 mining leases where no activity was taken up so far. Mr. Rao said that the De-

partment of Mines should extensively use technical know-how in supervision and monitoring of mines such as geo-fencing, geo-tagging, satellite pictures, drones etc. The government would soon bring out a new mining policy incorporating the best practices in the country and a legislation would be passed.

He also made it clear that mines and sand reaches

should be given on lease through e-auction alone and in future mining leases would be awarded through international auction instead of national auction. The department should actively promote use of rock sand to ensure ecological balance and a meeting should be convened with engineering heads of Irrigation and R&B departments to promote use of rock sand in the construc-

tions taken up by them.

The Telangana State Mineral Development Corporation should also consider setting up a rock sand crusher. The sand tax policy that was implemented on an experimental basis in various districts should be implemented across the State and there should be a transparent system in place to let one know the price of sand, he said.

The department earned

₹3,500 crore as against the target of ₹3,166 crore. Of this, revenue from sand was ₹538 crore against the target of ₹388 crore. The Minister disclosed that he would soon meet Union Ministers for Mines and Steel on the proposal to set up steel plant at Bayyaram. Mines Department Director Susheel Kumar, TSMDC MD Malsoor and other officials attended the meeting.

Hindustan Zinc okays dividend of ₹6 a share

Centre's stake to yield ₹1,686 crore

SPECIAL CORRESPONDENT
CHENNAI

Hindustan Zinc Ltd., a unit of Vedanta Ltd., on Friday declared a second interim dividend of ₹6 per share.

The firm has fixed March 26 as the record date.

"The board of directors has approved second interim dividend of 300% i.e. ₹6 per share, entailing an outflow of ₹3,051 crore," the company said in a filing with the BSE. The firm had earlier declared a first interim dividend of ₹2 per share.

Dividend payout so far for the financial year will result in an outgo of ₹4,068 crore, including dividend distribution tax. The Government of India will get ₹1,686 crore from it, by virtue of its stake in the firm.

Recently, Vedanta declared a record interim dividend of ₹21.20 per share, resulting in payout of ₹8,091 crore to both its equity and preference shareholders.

Dividends from sector

The firms in the metal and mining sector have been declaring robust dividend.

Coal India had declared an interim dividend of ₹16.50 per share. Udaipur-headquartered Hindustan Zinc is the one of the largest integrated producers of zinc-lead with a capacity of 1.0 million metric tonnes per annum and a leading producer of silver. It has zinc-lead mines at Rampura Agucha, Sindesar Khurd, Rajpura Dariba, Zawar and Kayad.

Asia Gold: India prices discounted as festival fails to lure buyers

Indian discounts unchanged at \$3/ounce;
Spot gold range-bound at \$1,313.56

REUTERS

Mumbai/Bengaluru, March 16

Weaker demand in India prompted gold dealers to offer discounts for a second week straight, as a drop in local prices to 2-week lows and a festival failed to lure buyers.

Dealers in India were offering a discount of up to \$3 an ounce over official domestic prices, unchanged from last week. The domestic price includes a 10 per cent import tax.

"Since retail demand is

weak, jewellers have also cut down purchases. They are maintaining lower-than-normal inventory," said a Mumbai-based dealer with a private bank.

Domestic gold prices hovered around ₹30,329 per 10 grams on Friday, after falling to ₹30,210 earlier in the session, its lowest since March 1.

On Sunday, Indians will celebrate the Gudi Padwa festival, when buying gold is con-

sidered auspicious. "Every year ahead of Gudi Padwa customers make bookings and take deliveries on the festival day. This year, bookings are just 30 per cent of the normal (level)," said Mangesh Devi, a jeweller in Maharashtra.

Physical gold demand remained subdued in other Asian hubs as well, as investors remained cautious of an expected hike in US interest rates for the first time this year.

Premiums in China were at about \$8 an ounce, little changed from the \$6-8 an ounce range last week.

"Gold has been trading

around \$1,320 an ounce (for) a lot this week. Volatility is very low and nobody seems to be interested in buying or selling gold," said Ronald Leung, chief dealer at Lee Cheong Gold Dealers in Hong Kong. "(Prices) are low, but not low enough."

Benchmark spot gold prices were down 0.4 per cent for the week so far and ranged between \$1,313.56 and \$1,330.02 an ounce this week.

In Hong Kong, premiums ranged between 60 cents and \$1.20 an ounce, compared with 70 cents to \$1.20 previously.

Premiums in Singapore were at 60-80 cents an ounce over benchmark rates versus the 80 cents level last week.

"There is some buying, but not in excessive amounts as prices didn't really move much this week," said Brian Lan, Managing Director at dealer GoldSilver Central in Singapore.

Meanwhile, demand in Japan was helped by a weaker US dollar, which made bullion cheaper in the local currency, prompting a premium of 50-75 cents an ounce, as against 50 cents last week, a Tokyo-based trader said.

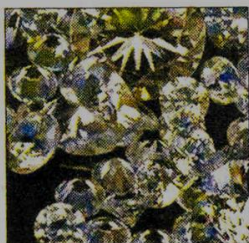
Diamond sector down in the dumps post Nirav Modi scam: Survey

MUMBAI, Mar 16 (PTI)

THE market confidence of the diamond industry has taken a hit after the alleged scam by Nirav Modi as buyers are concerned about the purity of jewellery, which has led to decline in business, according to a survey.

While the well-known branded jewellery makers issue certificates of purity, bulk of the trade is still concentrated in the unorganised market, which is based on faith between consumers and jewellers, a survey by the industry body Assocham said.

"This has been shaken and the consumers are not willing to take chances following massive adverse publicity about the sector. Besides, the branded showrooms issuing certificates of purity are largely restricted to big cities, even as there are enough purchasing power in the smaller cities," it added. The survey was conducted among 350 jewellers



based in Delhi-NCR, Mumbai, Ahmedabad, Chennai, Kolkata, Hyderabad, Chennai, Bangalore, Chandigarh and Dehradun. Assocham also interacted with about 500 working and non-working women in Ahmedabad, Bengaluru, Chennai, Delhi-NCR and Mumbai.

The survey was done in major cities, where 65 per cent of jewellers are unorganised, and are shifting to traditional pure play gold and silver ornaments over diamond jewellery as consumers are losing confidence in the purity of the precious stone.

Most jewellers also said there is an increase in the number of enquiries from customers for getting their pre-purchased diamond jewellery re-checked for quality and authenticity.

The demand for diamond jewellery seems to have decreased by 10-15 per cent within two months, the survey added.

'Aluminium recycling units hit by high GST'

No provision for refunds, says industry

PRESS TRUST OF INDIA
AHMEDABAD

A high rate of Goods and Services Tax (GST), with no provision for its refund, threatens to kill the aluminium recycling industry, a majority of which are MSMEs, said industry representatives.

"The aluminium recycling industry, which is represented by around 5,000 Micro Small and Medium Enterprises, is severely affected by the accumulation of GST due to over-valuation of imports of aluminium scrap by the customs," said Mahendra Shah, president of the All India Non Ferrous Metal Exim Association.

Imported scrap

The All India Non Ferrous Metal Exim Association represents the aluminium recycling industry and largely depends on imported metal scrap. Gujarat accounts for about 40% of the industry, the association members said.

GST on metal scrap at



GST on metal scrap at 18% is compounding the problem for the industry. ■ REUTERS

18% is compounding the problem of the industry, he said, adding that the industry had demanded that this be reduced to 5% on a par with GST on other kinds of scrap.

"Reduction of GST on metal scrap to 5% will lead to no accumulation and, at the same time, the government will not incur any revenue loss as it will not affect tax collection. The government would get GST on finished products. Reduction of GST on scrap will help the industry survive," Shah added.

High GST threatening aluminium recycling units: Industry



■ Business Bureau

A HIGH rate of Goods and Services Tax (GST), with no provision for its refund, threatens to kill the aluminium recycling industry, a

majority of which are MSMEs, its representatives said.

"The aluminium recycling industry, which is represented by around 5,000 Micro Small and Medium Enterprises, is severely

affected by the accumulation of GST due to over-valuation of imports of aluminium scrap by the Customs," said Mahendra Shah, President of the All India Non Ferrous Metal Exim Association.

The All India Non Ferrous Metal Exim Association represents the aluminium recycling industry and largely depends on imported metal scrap. Gujarat accounts for around 40 per cent of the industry, association members said.

GST on metal scrap at 18 per cent is compounding the problem of the industry, he said, adding that the industry has demanded that it be reduced to 5 per cent at par with GST on other kinds of scrap.

"Reduction of GST on metal scrap to 5 per cent will lead to no accumulation and, at the same time, the Government will not incur any revenue loss as it will not affect tax collection. The Government would get GST on finished products. Reduction of GST on scrap will help the industry survive," Shah added.

Kishore Rajpurohit, the Past President of the Association, said that 20-40 per cent extra duty was

being paid on the import of aluminium scrap due to the Customs assessment being done on the basis of an alert published by the Directorate General of Valuation.

"The custom duty should instead be assessed at transaction value as per section 14 of the Customs Act, 1962. GST on ocean freight on imports and on intermediary services are acting as double taxation and this is greatly hurting the industry," Rajpurohit said.

Further, with value addition on metal scrap being less at around 12 per cent, effective value addition under the GST regime remains only at around 8-12 per cent, leading to accumulation of balance GST, he explained.

"While the Government refuses to hear our appeal, a majority of MSMEs which are into aluminium recycling business are getting economically and operationally weak. If the situation persists, many units will turn into NPAs as bank loans will get accumulated along with GST," Rajpurohit said.

He said that industry employed around 1.5 lakh people, 30 per cent of these being women.

Steel prices may firm up by 6-10%, bridge the discount

Companies plan to hike prices on revival in demand across sectors

SURESH P IVENGAR
Mumbai, March 18

Steel prices are expected to firm up by 6-10 per cent this month wiping out the current domestic discount to the landed cost of imports.

Steel companies are planning to increase prices on the back of rise in raw material cost and revival in demand across sectors, including infrastructure, construction, capital goods and automobile sectors.

Steel prices in the US have increased to \$900 a tonne after levy of anti-dumping duty, while that of China, Korea and Japan are hovering at about \$700 a tonne. However, it is trading at a discount of 9 per cent to landed cost at \$640 a tonne.

Jayant Acharya, Director (Commercial & Marketing), JSW Steel, told *BusinessLine* that steel prices across the world are going up with the economic growth catching pace and China cutting down on its production by 75 million tonnes last year, besides with the current rate of production this year it should trim output by 50 mt.

This apart, the demand in China itself is looking up which gives great comfort to large steel consuming countries like India, he added.

Private sector investment

As the government is investing big time in infrastructure, there are already signs of revival in private sector investment boost-



Steel prices in the US have increased to \$900 a tonne after levy of anti-dumping duty, while that of China, Korea and Japan are hovering at about \$700 a tonne. BLOOMBERG

ing steel demand which should bridge the current discount, said Acharya.

With a cumulative steel pro-

duction capacity of 130 mt, Indian companies may end up this fiscal with production of 106 mt at 82 per cent capacity utilisation.

tion. There has been no fresh capacity addition happening except for a few brownfield projects undertaken by JSW Steel and Tata Steel.

Coal mining

On the opening up of commercial coal mining by private sector, Acharya said that JSW Steel would consider if the government opens bidding for the world's largest coking coal mine at Jharia in Jharkhand, while the Group company JSW Energy would look into opportunities in the current auction.

After the sharp increase, JSW Steel expects raw material prices to remain at current level.

Coking coal prices ex-Australia had increased from \$145 a tonne to \$230 a tonne in the last one year and is trading at \$215-\$225 a tonne currently, while iron ore jumped from \$37 a tonne to \$80 a

tonne and are hovering at \$75 a tonne now.

The recent run-up in ferro alloy and scrap prices are the new cause for concern.

Zinc, which was trading at \$2,700 a tonne last January, has gone up to \$3,500 a tonne in February, while ferro silicon prices were up 50 per cent in the last one year. Scrap prices increased 35 per cent to \$380-\$400 a tonne raising cause for concern, he said.

JSW Steel, which targets to produce 4.7 mt of iron ore this fiscal, has already started production in one of its mines in Karnataka and expects another mine to start soon.

The country's steel demand should increase by 5.5 to 6 per cent with an upward bias next fiscal from expected demand growth of 5.5 per cent this fiscal ending, said Acharya.

Near-term outlook negative for gold

But crucial support at \$1,300 can limit the downside

GURUMURTHY K

Gold prices, which started the week on a positive note, failed to sustain the up move. The yellow metal made a high of \$1,330 per ounce on Tuesday and subsequently reversed lower. Gold touched a low of \$1,309.7 before closing the week 0.7 per cent lower at \$1,314 per ounce. Silver, after hovering around \$16.5 per ounce in the initial part of the week, fell sharply to a low of \$16.22. It bounced back and has closed at \$16.34 per ounce, down 1.5 per cent for the week.

On the domestic front, both the gold and silver futures contract on the Multi Commodity Exchange (MCX) moved in tandem with global prices. MCX-gold was down 0.5 per cent for the week and closed at ₹30,224 per 10 kg.

The fall in the MCX-Silver futures contract was sharper. MCX-Silver closed at ₹38,358 per kg, down 1.5 per cent for the week.

Fed meeting awaited

The dollar index remained stable last week. However, expectation of a rate hike by the

US Federal Reserve this week has kept bullion prices under pressure. The upcoming Fed meet is an important event eagerly awaited by the global markets as this is going to be the first for the new Chairman, Jerome Powell.

The press conference after the policy announcement will be interesting to watch and may lead to wild swings in the global markets.

Bullish signs for dollar

The dollar index (90.23) remained steady in the past week. However, the price action on the chart leaves the bias bullish for the index to breach the resistance at 90.55 and rally towards 91 in the coming days.

A further break above 91 will then increase the likelihood of the index targeting 91.7 and 92 thereafter. Such a rally in the dollar index could keep gold prices under pressure in the short term.

Immediate support is at 89.70. The near-term view will turn negative if the dollar index declines below 89.7. The next targets are 89.5 and 89.

Gold outlook

The near-term view is negative for gold. The global spot gold (\$1,313 per ounce) is likely to fall and test the crucial

\$1,305-\$1,300 support zone. A further fall below \$1,300 is less likely. But if it does, gold can extend its downward move toward \$1,290 in the short term.

An upward reversal from \$1,300 will ease the downside pressure. In such a scenario, prices can rise towards \$1,325 and \$1,330 again. It will also keep the broader \$1,300-\$1,370 sideways range intact. Gold has been stuck in this range since the beginning of this year.

For the MCX-Gold (₹30,224 per 10 gm) futures contract, the 21-day moving average resistance at ₹30,444 is capping the upside. A dip to test the crucial support levels of ₹30,100 and ₹30,000 looks likely in the near term.

A strong break below ₹30,000 will increase the downside pressure and drag the contract lower to ₹29,650 or even ₹29,475 on the back of profit booking.

But the price action on the chart suggests that the possibility is high of the contract reversing higher from the

₹30,100-₹30,000 support zone. Such a reversal will keep the uptrend that has been in place since December intact and will take the contract higher to ₹30,900 in the coming weeks.

Traders with a high risk appetite and a medium-term perspective can go long on dips at ₹30,120 and accumulate at ₹30,050. Stop-loss can be placed at ₹29,750 for the target of ₹30,900. Revise the stop-loss higher to

₹30,250 as soon as the contract moves up to ₹30,600.

Silver outlook

Global spot silver (\$16.24 per ounce) has an immediate support at \$16.10. A strong break below it will increase the

selling pressure. Such a break will then increase the likelihood of silver prices tumbling below \$16, targeting \$15.55 in the short term.

The MCX-Silver (₹38,358 per kg) futures contract is also looking weak. The contract is reversing lower after failing in its various attempts to breach ₹39,000 over the last two weeks. The contract can break below the support at ₹38,000 and fall to ₹37,700 and ₹37,500 in the coming days. The level of ₹37,500 is a crucial support for MCX-Silver. If the contract manages to bounce from this support, an upmove to ₹38,500 and ₹39,000 can be seen again.

But a strong break below ₹37,500 will bring renewed downside pressure and will increase the possibility of the contract tumbling towards ₹36,500 over the medium term.



MCX Gold

Supports
₹30,000, ₹29,650
Resistances
₹30,444, ₹30,900

MCX Silver

Supports
₹38,000 / ₹37,500
Resistances
₹39,000 / ₹39,500



ISTOCK.COM/FATIDIO

It's all gloom and doom in ore-rich Goa villages

Worried faces are now seen discussing the fate of the mining industry

PRESS TRUST OF INDIA

Panaji, March 18

An eerie silence has descended on the villages in the iron ore-rich belt in Goa with the implementation of the Supreme Court order on closure of mines, which were abuzz with activities till three days back.

The mining trucks, which used to criss-cross the region kicking up dust as they moved, are now parked along the roads, while the machinery is lying untouched near the entrance of the mining grounds. The picture is now more or less same in every mining village.

At a standstill

In the main market areas in these villages and towns, worried faces are now seen discussing the fate of the mining industry.

The five-decade-old mining industry in the State came to a grinding halt on Friday with the

Supreme Court order of a ban on iron ore extraction.

The apex court had last month quashed the second renewal of iron ore mining leases given to 88 companies in Goa in 2015. It had set March 15 deadline for the miners to manage their affairs.

"This is going to be a major economic disaster as it will impact the lives of around three lakh people in North Goa alone. It is a question of life and death for those dependent on the industry," Vishnu Rama Naik, former MLA of Sankhalim, said.

Truckers in doldrums

Shivdas Madkar, a truck owner who is among the several hundred people in this belt who are solely dependent on the industry for livelihood, said, "This is more serious than last time (2012).

"People had a hope that mining has resumed and hence they got their trucks repaired with the money taken on loan from

the banks. Now the problems have grown." Madkar was referring to the court ban on mining activities across 90 mines in Goa from October 2012, which was lifted in April 2014. However, the mining operations could only resume in August 2015.

The areas of Velguem, Pali, Sonshi, Honda up to Pissurlem in Bicholim and Sattari talukas were once farmlands, where paddy cultivation was the main activity.

Threat to livelihood

"There was little mining happening around here since the 1960s. But the China boom fuelled the demand for ore and the situation changed. Now, every alternate house is dependent on mining activity," said Suryakant Gawas, a school teacher.

Gawas feels that his decision to choose teaching despite getting a lucrative job offer from a mining company, turned out to be wise.

"I was offered a handsome salary by a mining firm, which took over our fields. They wanted

to compensate me with a well-paying job. But I decided to teach and I am happy that I didn't fall for the offer from the mining company," he said.

Sandip Pawaskar, sarpanch of Sanvordem village, which represents the mining hotbed, feels the closure of the mining activity would adversely impact the economic condition of the people in the State.

"People will now live on a shoe-string budget. Overall, it will dent the state's economy," he said.

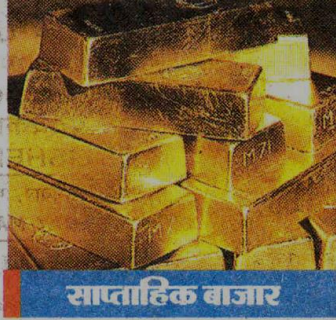
Desperation all around

BJP MLA Nilesh Cabral, who represents Curchorem constituency, which also has a heavy concentration of the mining leases, said the people are in a pitiable condition.

"Whether auctioning (of mining leases) or formation of a corporation or any other mode, mining activities should resume immediately. The current ban will have a far-reaching impact on the people, who are dependent on this activity," he said.

सोना 160 रुपए लुढ़का चांदी 550 रुपए फिसली

एजेंसी | नई दिल्ली



अंतरराष्ट्रीय बाजार में दोनों कीमती धातुओं में रही गिरावट के बीच स्थानीय स्तर पर जेवराती मांग सुस्त रहने से बीते सप्ताह दिल्ली सराफा बाजार में सोना 160 रुपए फिसलकर 31,290 रुपए प्रति दस ग्राम पर आ गया। औद्योगिक मांग कमजोर पड़ने और सिक्का निर्माताओं के उठवि में आयी कमी से चांदी भी 550 रुपए की भारी साप्ताहिक गिरावट के साथ 39,100 रुपए प्रति किलोग्राम पर आ गई। समीक्षाधीन सप्ताह के दौरान दुनिया की अन्य प्रमुख मुद्राओं की तुलना में डॉलर के मजबूत होने से वैश्विक स्तर पर दोनों कीमती धातुओं में गिरावट रही। विश्लेषकों के मुताबिक वैश्विक दबाव और घरेलू स्तर पर पंजाब नेशनल बैंक के घोटाले के कारण सराफा कारोबार पर खरीदारों के घटे भरोसे के कारण जेवराती मांग कमजोर पड़ गयी है। पीएनबी धोखधड़ी मामले में सेलिब्रेटी ज्वेलरी डिजाइनर नीरव मोदी और गीतांजलि समूह के मेहुल चोकसी की संलिप्तता ने जेवरातों की शुद्धता पर सवालिया निशान लगा दिया है।

लंदन एवं न्यूयॉर्क से मिली जानकारी के अनुसार, गत सप्ताह लंदन का सोना हाजिर 8.90 डॉलर लुढ़ककर सप्ताहांत पर 1,314.25 डॉलर प्रति औंस पर आ गया। अमेरिकी सोना वायदा भी 10.10 डॉलर की साप्ताहिक गिरावट के साथ 1,313.090 डॉलर प्रति औंस पर आ गया। अंतरराष्ट्रीय बाजार में चांदी हाजिर

में भी 0.24 डॉलर की गिरावट रही और यह 16.32 डॉलर प्रति औंस पर आ गई। स्थानीय बाजार में गत सप्ताह पांच दिन कारोबार हुआ। इनमें से चार दिन सोने की कीमतों में गिरावट और एक दिन टिकाव रहा। वैश्विक गिरावट और जेवराती मांग घटने से सप्ताह के दौरान सोना स्टैंडर्ड 160 रुपए सस्ता होकर शनिवार को कारोबार की समाप्ति पर 31,290 रुपए प्रति दस ग्राम पर रहा। सोना बिटुर भी इतनी ही गिरावट के साथ 31,140 रुपए प्रति दस ग्राम पर आ गया। आठ ग्राम वाली गिन्नी हालांकि 24,800 रुपए पर टिकी रही। चांदी हाजिर 550 रुपए की साप्ताहिक गिरावट में 39,100 रुपए प्रति किलोग्राम पर बंद हुई। चांदी वायदा भी 575 रुपए की भारी साप्ताहिक गिरावट के साथ 38,370 रुपए प्रति किलोग्राम पर आ गयी। सिक्का लिवाली और बिकवाली सप्ताह के दौरान 1,000-1,000 रुपए लुढ़ककर क्रमशः 73 हजार और 74 हजार रुपए प्रति सैकड़ा पर रहे।

UltraTech offers ₹7,266 cr to buy Binani Cement

ENSECONOMIC BUREAU
MUMBAI, MARCH 19

IN A new turn of events in the auction process of Binani Cement Ltd (BCL), UltraTech Cement, India's largest cement company, has struck a Rs 7,266 crore (\$1.11 billion) deal to buy BCL, which is facing insolvency proceedings in the bankruptcy court and takeover bid from another group — a consortium of Dalmia Bharat and Bain Piramal Resurgence Fund.

Dalmia Cement had earlier said its Rs 6,350 crore bid to buy Binani Cements Ltd (BCL) has been accepted by the lenders. Besides offering Rs 6,350 crore, Dalmia had also offered 20 per cent equity in Binani to the lenders. The latest offer from UltraTech will give it 98.43 per cent of Binani Cement, the firm said, adding a deal will only be concluded at the end of bankruptcy proceedings against Binani.

Binani Industries said that its board has decided to apply to the National Company Law Tribunal (NCLT) to terminate the insolvency proceedings commenced against its subsidiary BCL. "In consideration thereof, upon the termination of the insolvency proceedings of Binani Cements, the company has agreed and concluded in-principal commercial understanding to sell its entire 98.43 per cent shareholding interest in BCL to UltraTech Cements Ltd," BIL said in a regulatory filing.

The development came after the company received the backing from UltraTech Cement to support it and BCL with funds required to pay off dues of the

**Dalmia Cement
had earlier said its
Rs 6,350-crore
bid to buy Binani
Cements Ltd (BCL)
has been accepted by
the lenders**

lenders.

UltraTech also said it had issued a letter of comfort to Binani confirming that it would provide funds for paying financial creditors, for the settlement or payment to trade creditors, and for payment of the corporate insolvency resolution process.

UltraTech said in a statement that BIL — the promoter firm of BCL — had approached it for arranging funds to pay-off the lenders. The company's board agreed to issue 'comfort letter' to provide Rs 7,266 crore in return for 98.43 per cent stake in Binani Cement. "The board of directors at its meeting held today after considering the request made by BIL has agreed to issue the comfort letter confirming that the company will provide funds amounting Rs 7,266 crore being the amount it had offered to the CoC in terms of the resolution plans submitted by it for acquiring BCL," said UltraTech Cement.

However, this would be "subject to termination of IBC proceedings, entering into definitive agreement and other customary and regulatory approvals", it said. BIL has requested the company to issue a comfort letter which will be used as a support in its application seeking termination of the IBC proceeding.

UltraTech Googly Puts Dalmia, Binani Lenders on Backfoot

AV Birla firm proposes to buy promoters' stake in cement co for ₹7,266 cr through bilateral deal

Our Bureau

Mumbai: AV Birla Group firm UltraTech stumped rival bidder Dalmia and lenders to the bankrupt Binani Cement by proposing to buy the promoters' entire stake in Binani through a bilateral deal outside the formal bankruptcy process. UltraTech told stock exchanges on Monday that it will issue a comfort letter to provide Rs 7,266 crore to Binani Industries to end the insolvency proceedings against Binani Cement.

The move appeared to catch Binani Cement's lenders and Dalmia off guard especially after the vote last week by lenders in favour of

Dalmia over UltraTech as part of the formal bankruptcy process. The AV Birla firm had bitterly opposed the selection of Dalmia by the lenders and is contesting the decision in the National Company Law Tribunal (NCLT) in Kolkata.

"Since Binani Industries is a listed company, its obligation is to get better realisation of value and give it to the shareholders," said KK Maheshwari, managing director, UltraTech. "As a director, Binani is duty bound to take care of all stakeholders that are getting affected by the bid." He said his company will ensure full repayment of debt to unsecured creditors also.

The move is likely to trigger a bitter battle as Dalmia may fight for control of the company which it believes it won in a fair contest at

the NCLT. Dalmia spokesperson was unavailable for comment. Bankers at the committee of creditors which oversees the process also could not be contacted. Indian bankruptcy laws provide for a process under which a prospective bidder can acquire the assets of a bankrupt firm. They don't provide for a settlement like the one agreed upon by UltraTech and Binani Industries, the promoter of Binani Cement.

Binani Industries said the decision to sell stake to Ultratech was to maximise the value of the asset. "Section 60, clause 5 of the IBC gives power to NCLT to get a stressed

asset out of the resolution process... they could also consider the provisions in the Companies Act," said Sameer Kaji, senior advisor for corporate strategy, Binani Industries. "However, it is still to see how they exercise their power."

Legal experts were divided over whether UltraTech's move was valid under law. "The commercial agreement between Binani Industries and UltraTech is invalid as the powers of the directors of the company is suspended during the period when the company is under the bankruptcy proceedings," says Shavez Mukri, a senior lawyer at Indialaw LLP, a legal firm.

Govt Invites Eols for Scooters India Sale



The government has invited expression of interest to sell its entire stake in loss-making listed firm Scooters India. ►► 9

Lenders Bullish on Essar Re-bidding



Lenders are optimistic that the re-bidding for Essar Steel could dramatically reduce their potential losses, reports Sangita Mehta.

Mining bar protest hits Goa

Panaji: Thousands of mining workers and those employed in allied industries tried to march into the Goa capital on Monday in protest against the closure of the state's iron ore extraction industry, triggering chaos and heavy traffic snarls in the city.

A minor skirmish broke out between the protesters and policemen near the Kadamba bus stand when district collector Nila Mohanan stopped the agitators from entering the city.

The protesters later blocked the main entry roads to the city, including the two bridges on the Mandovi river, leading to heavy traffic congestion.

"We are trying to ensure



Police lathicharge mining industry workers protesting in Panaji on Monday. (PTI)

that there is no law and order problem. Police forces from outside Goa have also been called in and deployed along with the state police," director-general of police Muktesh Chandar told reporters.

The five-decade-old mining industry in the state came to a halt from Friday, with a Supreme Court order banning iron ore extraction.

The mining and tourism industries are the key revenue

earners for the coastal state.

The court had last month quashed the second renewal of iron ore mining leases given to 88 companies in Goa in 2015. It had set March 15 as the deadline for the miners to manage their affairs.

On Monday, members of various truckers' associations and those from the shipping and mining machinery sectors participated in the protest.

Industry stakeholders, including truck owners and ship operators, are trying to persuade the state and the Centre for resuming mining activities. Union minister Gadkari was scheduled to visit Goa later in the day to hold talks with the state government and the industry stakeholders. PTI

Govt draws up framework to regulate sand mining

Will help States frame policies to check illegal mining

OUR BUREAU
New Delhi, March 20

In a move that is expected to curb illegal sand mining, the Ministry of Mines on Tuesday launched the 'Sand Mining Framework' for the States to regulate the activity.

Addressing the third National Conclave on Mines & Minerals, Minister for Mines Narendra Singh Tomar said the framework had been prepared by his Ministry on the basis of studies conducted in various States and after consultations with the National Council for Cement and Building Mater-

ials, and the Cement Manufacturers' Association.

"The suggestions in the framework will provide a roadmap for the States, and help them frame policies to check illegal mining," he stated.

A government official said, "A committee under the Secretary for the Ministry of Mines was formed last year to recommend these rules. The committee has studied the existing models of sand mining and regulations in 14 States."

"Identification of sand reaches, assessment of the quality of District Survey Reports prepared by States, method of allotment of boulder quarries, quality checking norms for imported sand,

Illegal mining for major minerals

State	Cases in 2016-17	Cases in 2017-18 (till Sep 2017)	Fine collected from 2013-14 to Sept 2017 (in ₹ lakh)
Madhya Pradesh	13,880	7,854	1,13,206.21
Maharashtra	31,173	10,797	28,178.52
Andhra Pradesh	9,703	4,063	14,323.28
Tamil Nadu	56	Not reported	12,285.82

Source: Ministry of Mines

sourcing of sand by major consumers and government agencies and legal aspects of semi mechanised and mechanised mining were also considered," he added.

Tomar said the government had amended the Mineral Auction Rules 2015 in November last year to make the auction process less cumbersome and to help States

auction mineral blocks quickly. "A record number of 41 mineral blocks have been put on auction within 3 months of the amendment, whereas 27 blocks were put up earlier in eight months from April to November 2017. Total estimated revenue to the State government over the lease period from the blocks already auctioned is ₹1,43,893 crore," he said.

An official statement said that a web portal to monitor the Pradhan Mantri Khanij Kshetra Kalyan Yojna (PMKKKY) was launched during the conclave. The PMKKKY is implemented from funds collected under the District Mineral Foundations, to be utilised for the development of mining-affected areas.

Coal unions to protest commercial mining by pvt cos

■ Business Bureau

THE Cabinet Committee on Economic Affairs (CCEA) headed by Prime Minister Narendra Modi has allowed commercial mining by private companies using powers acquired under Coal Mines (Special Provisions) Act, 2015. This decision will reverse and nullify the provisions of Nationalisation of Coal Mines Act, 1972-73 by former Prime Minister late Indira Gandhi. Ultimately the CIL and SCCL will die its death after coal by private companies is made available in market through unsafe/ slaughter mining by deploying contract/ outsourced/ agency workers with meagre wages and no job protection, social and welfare measures.

The 4 CTUs, i.e. BMS, AITUC, HMS and CITU, without getting the matter discussed with INMF (INTUC) took decision on March



Coal union leaders discussing about the agitational programme.

3, 2018 to go for one day strike on April 16, 2018. The three CTUs i.e. CITU, AITUC and BMS had earlier signed the worst ever 10th National Coal Wage Revision Agreement for CIL and SCCL on

October 10, 2017 at New Delhi without taking INMF (INTUC) into confidence which was not represented in JBCCI-X due to interim stay dated September 30, 2016 granted by High Court, New

Delhi restraining INTUC nominee in JBCCI-X.

On March 19, 2018, a meeting of Steering Committee of INMF under leadership of Rajendra Prasad Singh was held with

National INTUC President Dr G Sanjeeva Reddy at its headquarters New Delhi to decide future course of action against commercial mining. After long deliberations, Dr G Sanjeeva Reddy stressed to launch united fight against Government's decision allowing commercial mining by private companies.

Dr Sanjeeva Reddy after discussing the matter with other Central CTU colleagues will convene urgent meeting of INMF Steering Committee to decide joint agitation programme by CTUs to protect the existence of CIL and SCCL and its 4 lakh employees.

From INMF (INTUC), besides its President Rajendra Prasad Singh and Steering Committee members (as per list) senior leaders like O P Lal, Mannan Mallick, Brajender Singh and Lallan Choubey were present in the meeting.

INSOLVENCY RESOLUTION

Tata, Vedanta Unlikely to Join Fresh Round of Bidding for Essar Steel

Bankers were hopeful that re-opening the bidding process could drum up the value of the stressed asset

Rakhi.Mazumdar@timesgroup.com

Kolkata: Essar Steel's insolvency resolution process is poised at a crucial juncture with fresh bids likely to be invited for the steel company but the Tata and Vedanta groups are unlikely to join the bidding fray.

ET had reported that the resolution professional had told Essar Steel's lenders that both the bids - Numetal led by VTB, Russia's leading investment bank and ArcelorMittal were found to be not eligible, thus effectively re-opening the bid process and the bankers had hoped that their entry would drum up the value of the stressed asset.

While lenders have expressed hope that this will throw the bidding process wide open with more aspirants joining the fray, it remains to be seen if the likes of Tata Steel and Vedanta are keen to bid.

Analysts pointed out Tata Steel may already have a lot on its plate with successful bids for Bhushan Steel and Bhushan Power. If Tatas finally bag the two companies it is likely to cost them upwards of Rs 59,000 crore. Coming on top of its own expansion in Kalinganagar, it would take Tata Steel to the top league in terms of domestic production capacity with nearly 25-26 million tonne. Analysts are worried it could stretch its total debt to Rs 1.3 lakh crore in the next one-two years from Rs 76,000 crore currently.

"It is premature to comment," T V Narendran, Tata Steel's global CEO & managing director told ET on Tuesday from London when asked about a possible Tata bid for Essar Steel, as bankers hoped.

However, a Tata Sons source who did not want to be named said it is highly unlikely for the group to look at this asset. "We have our hands full," he said. An email to Tata Steel did not elicit any reply. Tata Sons spokesperson declined to comment.

While the Tatas would gain from a presence in the west with Essar, it is an older plant and there are a few group units already catering to demand in the west. Bhushan Steel's captive mines and its relatively newer plant may have been a bigger draw, a source close to the developments said.

Tatas have bid for Bhushan Power with a resolution plan worth Rs 24,500 crore. It



has also emerged as the top bidder for Bhushan Steel with an offer of nearly Rs 35,000 crore. Tata Steel is also raising Rs 12,800 crore through a rights issue to reduce debt and fund its acquisition of stressed assets. Tata Steel's current capacity in the domestic market is 13 million tonnes. With the two Bhushan bids, it would add another 7-8 mt taking its capacity to 21 mt. With Kalinganagar expansion on stream, it is tipped to add another 5 mt capacity to go up to 26 mt in 4-5 years' time.

Analysts tracking the stock said that the company's strategy does appear a bit aggressive. Jayanta Roy, senior VP of the rating agency, ICRA told ET. "If Tata Steel manages to win both Bhushan Steel and Bhushan Power and Steel, its capacity in India will almost double in next 4-5 years after taking into consideration the second phase of the company's Kalinganagar project."

For Tata Steel, the availability of stressed assets is happening close to each other, the analyst said. "Apart from the financial part, if successful, the new acquisitions would involve different locations, different product segments and a substantial capacity hike. Tatas would perhaps stretch themselves too thin. Add to this expansion in Kalinganagar where Tata Steel has already built common facilities to support a larger production capacity. It would have been easier to manage had it been spread over 5-6 years," a metals analyst who tracks Tata Steel but did not wish to be named said.

The Vedanta group is not keen either to acquire Essar Steel if the auction process goes for rebidding. While it had picked up the bid document earlier, Vedanta did not submit a bid. A senior source close to the deal at Vedanta said Essar will be an expensive bid at around Rs 45,000-50,000 crore and the group may not be keen to do so. "If you ask me, we will not look at it," a senior official said.

35 mineral blocks to be auctioned in April, May

PRESS TRUST OF INDIA

New Delhi, March 20

A total of 35 mines will be auctioned in the next two months out of 112 mineral blocks that are slated to go under the hammer in 2018-19 financial year, Ministry of Mines said today.

It said 35 mineral blocks including that of iron ore, bauxite and limestone, among others have been auctioned as on March 12, 2018 and another 35 are at various stages of bidding.

"NIT (notice inviting tender) is going on for 35 blocks. While 30 blocks will be auctioned in April, five will go under the hammer in May, 2018," it said in a report.

While in Jharkhand, NIT is going on for one iron ore and one graphite mine, in Karnataka, the process is on for eight iron ore blocks.

35 खदानों की नीलामी

एजेंसियां

दिल्ली. देश भर में कुल 35 खानों की नीलामी को अगले दो महीनों में अंजाम दिया जाएगा. यह नीलामी चालू वित्त वर्ष के दौरान प्रस्तावित 112 खनिज ब्लॉकों की नीलामी योजना का हिस्सा है. खनिज मंत्रालय ने कहा कि 12 मार्च को लौह अयस्क, बॉक्साइट और चूना पत्थर की 35 खानों की नीलामी की गयी थी. अन्य 35 खानों की नीलामी को अगले 2 महीनों में विभिन्न चरणों में पूरा किया जाएगा. इसमें 30 खानों की नीलामी 5 अप्रैल और बची 5 को मई में नीलाम करने की योजना है.

Goa mine owners to file review plea

Panaji, March 20

The Goa Mineral Ore Exporters Association (GMOEA), a body representing mine owners, on Tuesday said it was contemplating filing a review petition in the Supreme Court against its judgment quashing mining leases in the State. The Supreme Court had quashed 88 mining leases and stopped the extraction of fresh iron ore in the State from March 16. GMOEA President Ambar Timblo said everyone was looking at how best mining could resume in Goa "within legal parameters". PTI

Steel needs to change focus from bulk marketing to small purchases

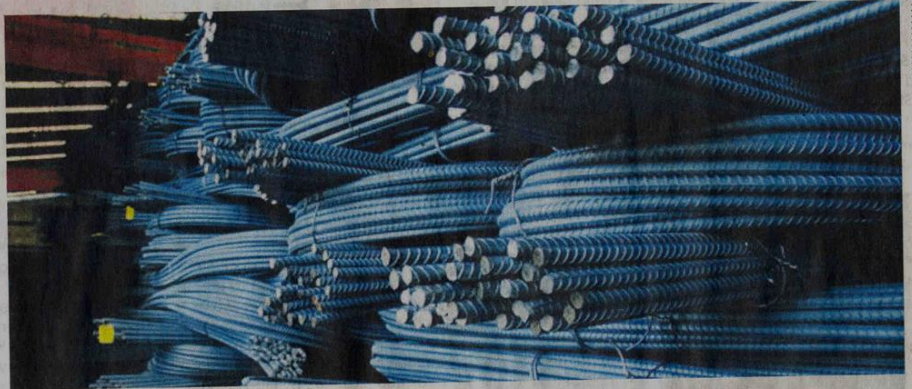
SUSHIM BANERJEE

As has been happening with a number of industrial products for the last two decades, the retail market for steel has also been developing at a faster pace. This has been synonymous with the growing urbanisation that necessitated creation of a large number of tier II and tier III cities for the migrated households with a higher aspiration to own the basic necessities of life. Steel being the basic input for construction of houses, small industrial structures, schools, colleges, hospitals, healthcare centres, including roads, the demand for the product kept on rising.

The retail demand for steel was primarily catered to by the SME sector with their own marketing networks at the initial stages. However, sensing the huge potential of the emerging market in the retail sector that also included the increasing awareness of steel consumption in the rural areas, the major steel producers, ie, SAIL, RINL, Tata Steel, JSW and Essar Steel worked out innovative strategies to penetrate the retail and rural markets.

A rough analysis of the pattern of retail and rural demand establishes that TMT bars and light structurals in the long product category as well as galvanised/coated products and pipes in the flat product category are required for construction of residential and industrial houses, for irrigation purposes, agricultural implements, etc. Although the knowledge of benefits of use of steel in construction of houses (upto G+3) is limited, huge potential exists in developing designs to include use of hollow sections, pre-engineered steel frames and other light gauge, lightweight steel structurals.

Each major producer has made significant endeavour to penetrate the retail sector. For instance, SAIL had initially engaged more than 2,500 rural dealers for meeting the household demand of construction, household equipment, etc. SAIL now has 2,100 retail dealers with 630 of them manning rural outlets. Tata Steel was the pioneer in maximising organised retail sales. Currently, around 45 percent of the total sales turnover in Tata Steel is accounted for by retail sales with more than 1,000 retail dealers in both flat



and long products. The uniqueness of Tata Steel's penetration in the rural sector is reflected in their setting up NESTIN outlets with a total housing solution for the small household. These outlets not only store materials like steel doors (brand PRAVESH) but also offer design facilities to the small households and undertake the responsibility of construction and erection of the house as well.

Amongst the other producers, JSW Steel has set up around 400 units of JSW Shoppies, mostly on franchisee basis. A similar model has been followed by Essar Steel in setting up Essar Hypermarkets in various parts of the country on the franchisee model. RINL has also engaged a large number of rural outlets to market its TMT, wire rods and light structurals for use in the retail/rural markets.

The patterns of retail demand for steel is fast changing. There is a penchant for lighter weight structures, thinner dia TMT bars, piece by piece availability of coated/galvanised sheets/corrugated sheets for small individual households. The marketing strategies for major steel producers needed a distinct shift in focus from bulk marketing to small purchases. It also needed smaller capacity means of mecha-

nised transport suitable for moving on narrower roads.

As masons/small contractors are the primary source of material information, it is necessary that these influencers are disseminated knowledge of the benefits of use of steel in construction. The best practices in construction, namely, binding of TMT, choice of best quality TMT (earthquake-resistant), safety practices in binding, storage, erection etc need to be communicated to this group. Thanks to the efforts by the major steel producers like SAIL, Tata Steel, RINL, JSW and Essar Steel, the Institute for Steel Development & Growth (INSDAG) has been conducting a Mason Training Programme and till date around 2,650 of such masons have been trained in the basic use of steel in construction.

As India is embarking on a massive push for steel consumption in the country from the current 87-90 million tons (mt) to 300 mt by 2030-31, the retail market component is projected to take up 25-30 percent of the total steel consumption in the next 5-7 years.

The author is Director General, Institute for Steel Development & Growth (INSDAG)

JSPL creating a niche market for products in Eastern India

Jindal Steel and Power Limited (JSPL) is one of India's major steel producers with a significant presence in sectors like Steel, Power Generation and Infrastructure.

JSPL operates Ultra modern, state of the art, integrated steel plants in Raigarh (Chhattisgarh), Angul (Odisha) & Patratu (Jharkhand) within India.

With an annual turnover of over US\$ 4 billion, JSPL is a part of the US\$18 billion diversified O. P. Jindal Group and is consistently tapping new opportunities by increasing production capacity in steel.

With a total production capacity of 8.6 Million Tons Per Annum (MnTPA) within India and from the widest flat products to a whole range of long products, JSPL today sports a product portfolio that caters to varied needs in the steel market. The products of JSPL are of premium quality in terms of dimensional adherence and internal soundness owing to its clean raw material, sound steel refining facilities and an efficient rolling mill.

JSPL is operating 3.6 MnTPA capacity integrated steel plant at Raigarh, Chhattisgarh. This plant holds the distinction of having world's largest coal based sponge iron plant. At Angul, JSPL has a BOF & EAF of 2.5 MnTPA capacity each totalling its steel making capacity to 5 MnTPA. Further JSPL's state-of-the art rolling facilities located at Raigarh (Chhattisgarh), Patratu (Jharkhand) and Angul (Odisha) is capable of producing wide

range of products comprising of

- Raigarh (Chhattisgarh): Structural Sections (Beam, Column, Angle, Channel), Track Rails, Crane Rails, Hot rolled Coils & plates, Sheet Piles, Fabricated Sections (Bridge Girders, Heavy Structures etc), Speed floor.
- Patratu (Jharkhand): Wire rods (5.2mm, 5.5mm-22mm), TMT Bars

producing value added products, which give advantages to end users in terms of cost and steel savings.

JSPL is the 1st Indian company to produce "Head Hardened rails" in the country which is a niche product for the upcoming metro projects.

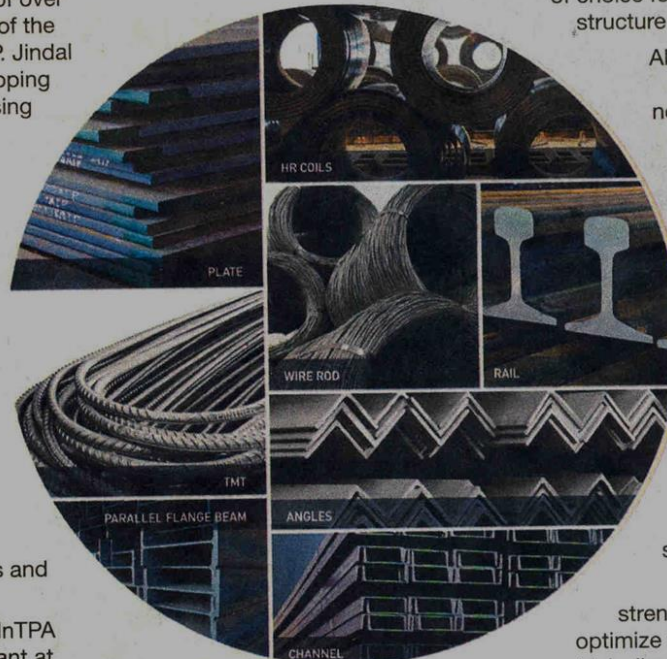
JSPL is 1st in the country to manufacture "Parallel Flange Beams", which have now become the material of choice for mega projects in infrastructure sector.

Also, with its advanced manufacturing technologies, JSPL is able to produce structural as well as reinforcement steel in high strength grades which not only results in steel saving for the consumer but it also saves raw material of the nation.

For example, for the production of every 1 metric ton of steel (liquid steel) approx. 2.7 metric tons of raw material is required (Iron ore/Pellets/Coal/Lime stone/Coke/Dolomite).

By producing high strength material, we are able to optimize the consumption of steel which directly results in savings. Due to its wide product portfolio, customer centric approach, world class quality, JSPL has become one of the leading choice of brand in the field of Infrastructure development, Oil & Gas, Ship building etc.

JSPL has created a niche market for its products in Eastern India with a large customer base.



(6mm to 50mm), Cut & Bend Bars, Wire Mesh, Angle (50mm-90mm)

- Angul (Odisha): Steel Plates (Size: 900mm- 5000mm width, 5mm-150mm thickness), TMT Bars (8mm to 40mm)

JSPL with its innovative approach has focussed on developing and pro-

Shyam Steel vision straddles minerals to finished steel



Established in 1953, Shyam Steel Industries is one of the leading primary steel producers in India, manufacturing

TMT rebars and structural steel.

The company has a fully integrated steel plant in West Bengal and marketing offices at various locations across the country, with a highly efficient and dynamic logistics support system.

"Operating for over 6 decades, Shyam Steel has emerged as a large, growing, competitive and multi-product steel organisation by delivering quality material through innovation, excellence and dedication. Guided by a philosophy to produce safe and sustainable steel, it is a pioneer in quality steel products, operating with cutting-edge technology to meet the stringent requirements of its reputed customers, both in India and abroad," Purushottam Beriwal, Director, Shyam Steel, said.

With its corporate office in Kolkata, the company is involved in a large number of valued projects across India. "Its enhanced technology, increased market access, availability across all strategic and far-off locations makes Shyam Steel closer to its consumer," Mr. Beriwal said.

"For years, Shyam Steel's TMT rebars have been successfully serving core industry sectors, including national highways, nuclear, thermal and hydel power, railway, Metro Rail, Defence, sea ports, airports, bridges, dams etc. With its rich industrial knowledge of decades, the company



delivers real results, ensuring a level of certainty that no other group can match. Some of the major projects to which Shyam Steel has supplied its products are Nibedita Bridge (West Bengal); Reliance KG Basin; Panipath Elevated Expressway; Rajiv Gandhi International Airport, Hyderabad; REL's Yamuna Nagar Power Plant; Guwahati Games Village; Ranchi Sports Complex; Vidyasagar Bridge (West Bengal); and Kochi Refinery, to name a few," added Mr. Beriwal.



Shyam Steel Industries has been assessed and certified as meeting the requirements of ISO: ISO 9001:2008 & ISO 14001:2004. The company is OHSAS: 18001 certified and follows principles of safety and environment prevention policy in full spirit.

Understanding of the product category and an endeavour to add value to lives has earned the Group many prestigious accolades like the Udyog Ratna and Rashtriya Udyog Ratna awards etc.

"Having ace cricketer and Team

India Captain Virat Kohli as its brand ambassador says a lot about the company's aggressive marketing strategy. A recent advertising campaign focuses on strength with flexibility, which are the core values of the brand. Having a face which has global following makes our brand reach a larger audience," Mr. Beriwal said.

Shyam Steel believes corporate social responsibility is a critical mission that is at the heart of everything it does. "With proper integration of environmental, social and ethical principles, we look forward to be relevant in the local, national and global contexts. "Shyam Steel has contributed substantially towards society by assisting many educational and healthcare facilities, charitable trusts etc," said Mr. Beriwal.

"Shyam Steel's forward-looking vision is to be at both ends of the value chain, from minerals to finished steel. It aims to establish itself as a supplier of choice by delivering quality through innovation and new technology and, while doing so, maintaining the highest standards of ethics and social responsibilities to reach the pinnacle of success," Mr. Beriwal concluded.

'Dividend time' for steel in retail

TAMAJIT PAIN

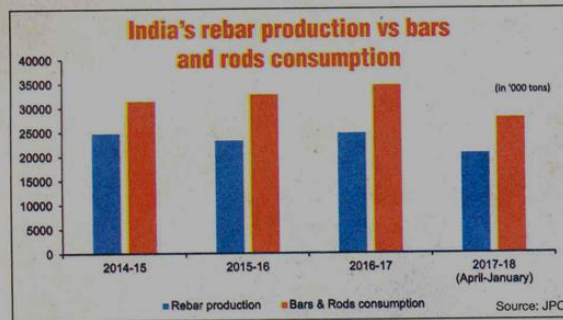
It's finally dividend time for India's steel makers, who started directly selling to customers through dedicated retail stores. Customers are turning increasingly brand-conscious and retail sales have come to occupy a larger share of revenues of steel mills in India.

Demand in the smaller markets in the country, driven by demand from construction in these areas, is doing better than that for larger cities. Demand for branded steel is seeing improvement as more customers are now looking for quality.

Retail steel—mainly construction products like corrugated roofs and bars and rods—are slowly forming a major chunk of total sales of a steel mill and roughly around 25 percent of the big steel companies' production goes to the retail sector.

India's steel consumption has improved by 5.2 percent year-on-year to 72.51 million tons (mt) in the April-January period of FY2017-18. Sustained buoyancy in the auto sector, recovery in construction and capital goods have led to the pick-up in domestic steel demand. It is expected that domestic consumption growth will remain favourable on the back of Government's thrust on infrastructure, in particular affordable housing, power transmission and Railways, in the Union Budget 2018-19.

Currently, share of long products in finished steel production is 43 percent. Out of the total production 44 mt of long products in 2016-17, the share of the integrated steel players was 32 percent and the balance 68 percent was from other players in the small and



medium enterprises (SME) sector.

National Steel Policy, 2017 has indicated a capacity target of 300 mt of crude steel by India by 2030-31. The finished steel demand by FY31 has been estimated to be at 230 mt, where long products' share has been projected at around 55 percent.

Since the maximum components of long products (reinforcement bars, wire rods, structurals, and railway products) are used in the construction and infrastructure sectors, the health and development of this segment would be the primary growth driver. The construction segment comprises of real estate (residential construction), industrial complexes, urban area development (flyovers, bridges, water and sewerage transportation, etc),

smart city construction etc.

As the share of the small and medium enterprises (SMEs) are predominant in long products, it is expected that they will be able to enhance their capacity utilization. Supplies from Bhilai Steel Plant, IISCO Steel Plant, RINL, Tata Steel, JSW Steel and JSPL would also make available additional tonnage of long products to cater to the emerging demand, according to estimates by India Steel Market Watch (ISMW). By FY31, the estimated demand for long products will go up to around 125 mt which would be mostly catered to by the domestic players, ISMW estimates show.

In wire rods, there will be increasing demand for the high carbon variety. The demand for electrode quality, tyre bead quality and

cold heading quality would also be substantial. It is also seen that stainless steel rebars are making some inroads into the pattern of demand by the construction agencies undertaking infrastructure projects particularly in the coastal areas as stainless steel has got excellent corrosion-resistant property.

The scenario for long products would, therefore, be influenced by the trend towards special grade wire rods for industrial use, rebars with higher Fe content (Fe 600 / Fe 700), structurals with light gauge high performance properties and rails with head hardening properties and stainless steel rebars.

Earlier, steel was always bought, never aggressively sold. Now companies are trying to reach out to consumers and educate them on possible applications.

Analysts feel retail steel would not increase sales in a big way immediately, but the segment offers longer term benefit.

Analysts were baffled when steel mills initiated the retail push, since they traditionally focused on bigger buyers. Now, retail success has vindicated the paradigm shift of the strategic focus.

Shyam Metalics to outshine from ORE - METAL



B. Bhushan Agarwal
Vice Chairman cum
Managing Director

Having ventured into industrial activity hardly three decades ago, Shyam Group has established itself in the fore-

front of iron and steel sector in India.

The company, one of the largest Ferro Alloys manufacturers in the country, have a chain of value-added products like pellets, sponge iron, billets, reinforcement steel TMT bars, structural steel, wire rods, stainless steel and manufacturing steel from iron ore with (renewable & non-renewable) captive power generation through waste heat and thermal route. The company is equipped with captive railway sidings, nearest to the port, which makes the logistics most competitive. The company is also into cement making, real estate development, warehouses and residential complexes and engaged in social commitments like running hospitals, schools and other charitable services in states.

Shyam Group, with a turnover exceeding Rs. 80 billion, provides direct and indirect employment to more than 14,000 individuals.

Headquartered in Kolkata, Shyam Group has manufacturing facilities

across West Bengal, Odisha, Andhra Pradesh and Meghalaya.

Shyam Metalics, part of globally diversified Shyam Group, exports steel based products and various ferroalloys to diverse Western, European and Asian countries.

Shyam Metalics feels its future is bright with the GDP of India growing at 7.2 percent surpassing China's growth of 6.8 percent for all last three quarters.

The company is contributing in full throttle in the development of the country.



Development of the strategic sector of infrastructure is universally accepted prerequisite for industrial growth.

Shyam Metalics specializes

in manufacturing key components of infrastructure and ensures benchmarked quality in every aspect of development providing world class products.

Shyam Metalics feels the future belongs to a vibrant India throb-

bing with actions and acclaims. The company dedicates its future to the progress of the Nation and people associated with it.

Shyam Metalics vision is to create a bet in everyday life for the many people associated with the company. The company aspires to be a global performer and leader with sustainable growth in the chosen field and optimized return to all the stakeholders-customers, suppliers, employees, investors and the society at large, and create the work environment where people are inspired to be the best.

The company's mission is to provide products and services that bring joy to the customer and elevate desire for more. The Group is expanding with deep collaboration and cross-pollination amongst the members, allowing the company to innovate in products and services that others cannot.

The company has established an identity with integrity, both in domestic and international markets, being true to its commitments to customers and business partners.

Shyam Metalics creates an atmosphere for all its employees to thrive to innovate and continually improve its processes, products and services. The company is alive to its moral responsibility of enriching the communities around and safe-guarding the environment.

mjunction helps boost retail buying of steel

In a freewheeling interview, mjunction CEO Mr Vinaya Varma talks about mjunction's contribution in promoting retail steel consumption, and his outlook on India buying steel online.



How is mjunction helping retail buyers to buy steel?

For the last 17 years, mjunction has been running an e-marketplace for steel, providing a platform for connecting the buyer directly with the producer of steel. The platform acts as an enabler for both selling and buying of prime steel products as well as steel scrap such as defectives and seconds, in an efficient and transparent manner.

mjunction makes it convenient for all buyers visiting its platform to buy steel by ensuring that the complete buying experience from checking availability and price, to placing the final order and making online payments, is seamless and hassle-free. This is done through user friendly intuitive web and app interfaces. There is a 24 x 7 Helpdesk to assist in case of any issues during the purchase process. Delivery is made at the doorstep and every stage of the fulfilment process is communicated to the buyer, in order to rule out any waiting or apprehension about the delivery.

Do you think Indian retail buyers will prefer to buy steel online?

I think they will. Look at what happened in China. In 2017, nearly 220 million tonnes of steel was sold online. Major e-marketplaces such as Ouyeel, Zhaogang and Bank Steel have helped to connect the entire

ecosystem of steel industry digitally – steel producers, steel service centres, distributors, logistics and warehousing service providers and financiers. This has transformed an erstwhile complicated supply chain, with low efficiency and high cost and brought about efficiency in the way steel is bought and sold.

I believe Indian retail buyers will also wake up soon to this convenient and efficient way of buying steel.

It is in the interest of all steel producers to increase their retail reach by leveraging the power of the steel e-marketplace

How can steel companies use mjunction to reach out to retail buyers?

mjunction's platform is used extensively by integrated steel plants, secondary steel producers, auto component manufacturers, projects and infrastructure companies and steel processors, amongst others.

mjunction's long experience in selling different types of steel as well as its deep knowledge of various steel product categories, results in more than 4000 small and medium buyers across different geographies participating and transacting in e-auctions

every month. mjunction has sold more than 15 million tonnes of steel on its platform ever since it commenced operations in 2001, and has people at more than 40 locations working on the ground, reaching out directly to buyers.

The biggest advantage of the online platform is of course disintermediation, which helps steel companies to connect directly with the buyers without traders or middlemen.

mjunction also provides customised loyalty programme solutions to the steel industry, which enriches its customer retention programmes, reaches out to the customers and influences their behaviour anywhere and at any time, using the most innovative technology platform. It is in the interest of all steel producers to increase retail reach by forging deeper relationships with channel partners through relationship building loyalty interventions, which mjunction helps them to do.

What are mjunction's future plans in this space?

mjunction is in the process of implementing artificial intelligence and machine learning to connect sellers with the right buyers, effectively and intelligently.

To consolidate its presence in the online steel market, mjunction is developing customised e-marketplace solutions for sale of prime steel both in the domestic and overseas markets.

'Securing lithium reserves need of the hour'

Slow progress in securing commodity may pose problem for energy storage in India: Panasonic official

TCA SHARAD RAGHAVAN
NEW DELHI

The Indian government's relatively slow progress in securing lithium reserves could be a big problem for the energy storage industry in the country, according to a senior official at Panasonic India, who said that this would mean the country would have to rely on imports from China.

"China securing its lithium ion reserves and India not doing as much in this area could be a big problem," said Atul Arya, head, Energy Systems at Panasonic India. "There are two ways to do it. We can either do it in the way we are doing solar, where we are importing everything from China. There is no need to worry about anything, somebody else is making it, and we are only consuming."

"But, if Make in India is a



'Dragonian' delay: Sluggishness in securing the reserves will push India to rely on imports from China, says Arya. ■ REUTERS

motto and we are serious about it, then we have to do a lot of things in terms of securing various commodities that go into it," Mr. Arya added.

"And at the same time, we have to look at the other aspects such as the finance required to ramp up manufacturing, which means attracting investors, and up-

grading the skills of the human resources. That is all required."

"It's like running your own kitchen," he added.

"If you are cooking your own food, then you have to obviously worry about your groceries. But if you are happy with somebody delivering food, then you don't need to have a kitchen itself, forget

about groceries."

Mr. Arya explained that India had moved substantially away from the prevalent lead acid batteries towards those based on lithium ion technology, which was far more efficient. He added that creating large scale batteries was not a simple matter of scaling up the batteries found in phones or laptops.

"The wheel was invented thousands of years ago, but we still have new types of wheels rolled out now and then," he said. "They are technologically far superior, even when you look at the wheels on cars. That's how it is with lithium ion technology. It's not just about scaling it up. A cycle tyre and a bus tyre are two very different things. You have to do a lot more research and a lot more design and development work."

Mr. Arya also said the go-

vernment can do a lot on the policy and taxation side to boost the domestic energy storage sector.

"Today, storage is not really classified as a generation technology, but if you put it in a generation plant and you use the stored energy, does it become a generator component," he said.

Tax relief

The Panasonic executive also said that there was scope for tax relief for the sector under the Goods and Services Tax (GST) regime, saying that the current tax rate is leading to higher costs.

"Lithium attracts 28% GST as of today," Mr. Arya said. "This is the highest slab. And so you can understand the impact on costs. There are many areas that are purely in the purview of the government where it can help the sector."

M&A deals in cement expected to help stabilise prices

Industry is trying to overcome excess production capacity

SURESH P. IVENGAR
Mumbai, March 21

The consolidation in the cement sector through a flurry of merger and acquisition deals in the recent past is expected to bring in production discipline leading to price stability in the long run.

The development would be a blessing in disguise for the cement sector which is trying to overcome the excess production capacity built over time in anticipation of sharp pick-up in demand.

Juicy deals

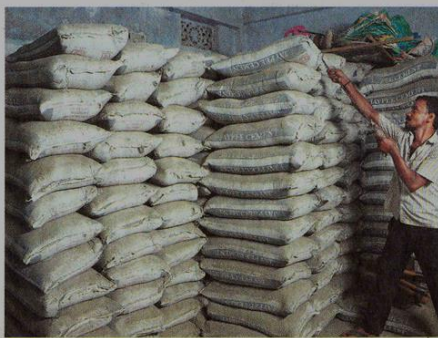
The country's largest cement maker Aditya Birla Group company's UltraTech Cement

was the biggest beneficiary in the consolidation game as it added about 26 million tonnes.

It recently completed the industry's largest acquisition of 21 million tonne stressed cement asset of Jaiprakash Associates for ₹16,000 crore. It also bought over two cement assets of 4.8 million tonnes from the same company.

Detergent and soap maker, Nirma made its mark in the most crowded cement sector with the acquisition of 13 million tonnes of Lafarge India asset for ₹9,400 crore.

Birla Corporation acquired Anil Ambani's cement business of 5.5 million tonnes for ₹4,800 crore. Currently, UltraTech Cement and Dalmia Bharat are engaged in a pitched battle to take over 11 million tonnes of Binani Ce-



The cement industry has a production capacity of 425 mt and is operating at 70-75 per cent capacity utilisation for the last four to five years due to reasonable increase in demand.

ment. KK Maheshwari, Managing Director, UltraTech Cement, said it took almost nine

months for the company to integrate production and in less than two months investments

were made to improve the quality of cement produced to that of UltraTech standard.

Low capacity utilisation

The capacity utilisation of the bought over plants have been increased to 75 per cent from 20 per cent, while retaining all the workers and dealers, he added.

The cement industry has a production capacity of 425 million tonnes and is operating at 70-75 per cent capacity utilisation for the last four to five years due to reasonable increase in demand.

Cement prices have gone up by just two per cent CAGR (compounded annual growth) in the last five years, the production cost has been on the rise steadily.

While cement demand is now showing signs of revival,

the government is keeping a close watch to ensure that cement companies does not take advantage of the situation and hike prices.

Binod Modi, Senior Research Analyst, Reliance Securities, said the consolidation in cement sector is inevitable as there are about 20 large cement companies in India compared to four to five in the sector globally.

In the current situation, he added Indian cement companies have lost their pricing power as they increase production on any sign of revival in demand.

The current oversupply situation is making survival difficult for smaller unorganised cement firms. Currently, any cement deal executed in the valuation of \$120-140 a tonne sounds reasonable, he said.

11 mines allotted to Coal India

New Delhi, March 21



Allocation of 11 mines to Coal India (CIL) arms — ECL, WCL and BCCL — will enhance its annual output by 225 million tonnes (mt), Parliament was informed today. CIL has requested the government for allotment of additional coal mines to Eastern Coalfields Ltd (ECL), Bharat Coking Coal Ltd (BCCL) and Western Coalfields Ltd (WCL) to make these subsidiaries 100 mt-plus as these arms do not have adequate coal reserves at present, Coal and Railways Minister Piyush Goyal told Lok Sabha in a written reply. Considering the request of CIL, 11 coal mines have been allocated to CIL under the provisions of the Coal Mines (Special Provisions) Act, 2015, and the MMDR Act, 1957, Goyal said. PTI

Vedanta, NMDC get 5 star rating

Vedanta's A Narrain mine in Chitradurga (Karnataka) has been awarded the 5-star rating by the Union Minister of Mines Narendra Singh Tomar. The mine was conferred the award of being among the top-3 among the 57 five-star rated mines across the country. Five highly mechanised mines of iron ore mining major NMDC have also received 5-star rating. Two mines from Bacheli Complex, two mines from Kirandul Complex (Chhattisgarh) and one mine from Donimalai (Karnataka) received the 5-star rating given by the Indian Bureau of Mines (IBM), Ministry of Mines, Government of India, according to a NMDC statement. OUR BUREAU

Trade unions to protest against commercial mining by pvt operators today

■ Business Bureau

SAMYUKTA Khadan Mazdoor Sangh (SKMS) including all unions affiliated to AITUC will be strongly protesting the decision of the Government for allowing commercial mining to the private operators in the interest of protecting national wealth.

"We are holding gate meeting and demonstrations in the entire WCL and there will be massive demonstration in front of Western Coalfields Limited (WCL), headquarters on March 22," said through a press note issued here by C J Joseph, General Secretary of SKMS (AITUC).

This will be followed by strike in the entire coal industry by the



four central trade unions All India Trade Union Congress (AITUC), Bharatiya Mazdoor Sangh (BMS), Hind Mazdoor Sabha (HMS) and

Centre of Indian Trade Unions (CITU) on April 16.

The SKMS is opposing the Government of India's decision

to allow commercial mining to the private operators. "This decision of the Government will adversely affect the coal indus-

try as a whole and we will be going back to pre-nationalisation period of unscientific mining slaughter mining, and least important to the conservation of minerals. This decision will invite disaster and create more Jharia Coalfields in different parts of the country," Joseph said.

Profit based unscientific coal extraction brought out number of disasters and huge amount of coal was left out. Jharia Coalfields is a glaring example of this, the press release stated.

In the early 70's Government nationalised all the coal mines of the country in two phases i.e. 1971 and 1973 by way of Coal Mines Nationalisation Bill 1973. This step was taken for scientific

development of coal mines and to produce required quantity of coal. In 1975, different public sector coal companies were amalgamated and Coal India Limited was formed with number of subsidiaries. After the formation of Coal India the coal production reached to 550 MT and the production of Singreni Coalfields is around 60 MT. Afterwards the Coal Mines Nationalisation Bill was amended and coal blocks to the private parties were allotted for captive purpose such as steel, cement and power.

One of the biggest scams of the country surfaced the 'Coal Gate' scam due to coal block allocation at a throw away price to private operators, informs a press release

Essar Steel Lenders Reject Numetal, ArcelorMittal Bids

Find cos ineligible under IBC laws, allows second round of bidding by April 2

Press Trust of India

Mumbai: In what could further delay the resolution of Essar Steel that owes over Rs 45,000 crore to lenders, the SBI-led consortium of creditors on Wednesday rejected the bids by Numetal, an SPV floated by Russian lender VTB Bank and Rewant Ruia, and ArcelorMittal, finding them ineligible under the IBC laws that debar related parties from bidding.

The decision to reject both the bids was taken at a meeting of the committee of creditors (CoC) of Essar Steel here on Wednesday, a banking source said, adding that they voted to allow a second round of bidding for the nearly 10-million tonne-asset at Hazira in Gujarat.

"They (Numetal and ArcelorMittal) were found to be ineligible under Section 29 A of the amended IBC. They did not fall under the satisfactory criterion that the

defaulting promoters' link should not be there or connected persons should not be there in the new company that is bidding," a banking source told PTI here.

Numetal and ArcelorMittal were the only two bidders for Essar Steel which owe the banks over Rs 45,000 crore. These companies had put up their bids on February 12 but have since been battling with each other amidst questions about their bid eligibility.

Even though the Luxembourg-based ArcelorMittal has teamed up with Nippon Steel & Sumitomo Metal Corp to bid for Essar Steel, it has been found ineligible for its joint venture with Uttam Galva, which is at the NCLT awaiting resolution now, and Numetal's bid was done in by the fact that one of the promoters of the special purpose vehicle is Rewant Ruia, the son of an Essar Group promoter Ravi Ruia, one of the original promoters of Essar Steel.

Bankers, however, said if these companies delinked their connection from the promoters or standardise their loans, they can bid again in the second round.

The lenders have set an April 2 deadline for the second round of bidding for Essar Steel. But this is unlikely to yield the desired re-

sults as biggies like Tata Steel, Vedanta and JSW Steel have reportedly decided against bidding.

The shareholders of the Mauritius-based Numetal, a special purpose vehicle that focuses on steel and infra space along with manufacturing, are VTB Capital, the PE arm of the Russian state-owned lender VTB Bank and Aurora Trusts in which Rewant Ruia is a beneficiary and owns 25%. The other promoters include the Russian steel and engineering major TyazhPromExports (TPE) and Indo International, a Dubai-based metals trading firm promoted by an NRI. VTB Capital owns majority in Numetal.

Bids of these firms were evaluated by resolution professional Satish Kumar Gupta, along with risk advisory Grant Thornton and law firm Cyril Amarchand Mangaldas.

The rejection comes a day after Numetal moved the Ahmedabad NCLT seeking to declare its eligibility, as it apprehended that all the full facts it submitted to the RP were not assessed properly.

Earlier in the day, Numetal in a statement had said it had filed an application the Ahmedabad bench of NCLT to declare its eligibility as it "apprehends that full facts submitted by it for eligibili-

ty to submit a resolution plan have not been appropriately assessed by the RP." An industry observer said following the rejection of its bid, Numetal may ask Rewant Ruia to exit the firm, something that the company was anyway ready to do.

"If public perception is a challenge because of the presence of Rewant Ruia in Numetal or his minority investment in the company, we are ready to change that," Antoine Chemali, a senior advisor at Numetal Mauritius, had told PTI last week.

"We've already spoken to him (Rewant) and are ready to do whatever it takes us to win the Essar Steel bid. We, the rest of the shareholders, are ready to buy out his minority stake from Numetal," Chemali added.

JSW Steel Keen to Take Part in Rebid



JSW Steel is keen to participate in the bidding process to acquire Essar

Steel in case it goes for a rebid. The RP and Committee of Creditors will, however, decide on whether to allow new bidders to enter fray. ►► 6

JSW Keen on Bid for Essar Steel if it Goes for Rebid

Rakhi Mazumdar
@timesgroup.com

Kolkata: JSW Steel is keen to participate in the bidding pro-

cess to acquire Essar Steel in case it goes for a rebid. The company's move will, however, be closely linked to a critical decision that is to be taken by the company's resolution

professional and its committee of creditors some time later this week on whether to allow new bidders to enter the fray for Essar or to restrict it to the existing ones during the rebid.

US dumping duty on Indian stainless steel

Washington: The US has decided to slap an anti-dumping duty on stainless steel flanges from India and China after it found in its preliminary probe that both the countries provided subsidies to the exporters.

President Donald Trump had earlier this month imposed heavy tariffs on imported steel and aluminium which he said were necessary to boost the US industry suffering from "unfair" business practices, a move that has sparked fears of a global trade war.

The department of commerce has found that exporters from China and India have sold stainless steel flanges in the US at 257.11 per cent and 18.10-145.25 per cent less than fair value, respectively, according to an official statement issued on Tuesday.

Following this decision, the commerce department will instruct the US Customs and Border Protection (USCBP) to collect cash deposits from importers of the stainless steel flanges from China and India, based on these preliminary rates, it said.

LINE OF FIRE

■ US says Indian exporters have been selling stainless steel flanges for up to 145% less than the fair value



■ In 2016, imports of stainless steel flanges from India valued at around \$32 million

■ In 2016, imports of stainless steel flanges from China and India were valued at an estimated \$16.3 million and \$32.1 million, respectively.

The preliminary investigation was launched by the department on a petition by the Coalition of American Flange Producers, including Core Pipe Products Inc (Carol Stream, IL) and Maass Flange Corporation (Houston).

"The United States will not sit back and watch as our domestic businesses are destroyed by unfair foreign government subsidies and dump-

ing," US commerce secretary Wilbur Ross said.

"This administration is taking fair and transparent action on behalf of American industry to defend businesses and workers while we continue reviewing the facts related to this decision," he said.

The enforcement of the US trade law is a prime focus of the Trump administration.

From January 20, 2017, through March 20, 2018, the commerce department has initiated 102 anti-dumping and countervailing duty investigations — a 96 per cent increase from January 20, 2016 through March 20, 2017.

The anti-dumping law provides the US businesses and workers with an internationally accepted mechanism to seek relief from the harmful effects of unfair pricing of imports into the US.

The commerce department maintains 428 anti-dumping and countervailing duty orders which provide relief to American companies and industries impacted by unfair trade, it said. PTI

Banks throw out ArcelorMittal, Numetal bids for Essar Steel

■ Allow second-round bidding till April 2

MUMBAI, Mar 21 (PTI)

INWHAT could further delay the resolution of Essar Steel that owes over Rs 45,000 crore to lenders, the SBI-led consortium of creditors on Wednesday rejected the bids by Numetal, an SPV floated by Russian lender VTB Bank and Rewant Ruia, and ArcelorMittal, finding them ineligible under the IBC laws that debar related parties from bidding.

The decision to reject both the bids was taken at a meeting of the Committee of Creditors (CoC) of Essar Steel here today, a banking source said, adding however, they had voted to allow a second round of bidding for the nearly crippled 10-million tonne-asset at Hazira in Gujarat. "They (Numetal and ArcelorMittal) were found to be ineligible under Section 29A of the amended IBC. They did not fall under the satisfactory criterion that the defaulting promoters' link should not be there or connected persons should not be there in the new company that is bidding," a banking source told PTI here.



Numetal and ArcelorMittal were the only two bidders for Essar Steel. These companies have put up their bids on Feb 12 but have since been battling with each other amidst questions about their very eligibility to bid.

Even though the Luxembourg-based ArcelorMittal has teamed up with Nippon Steel & Sumitomo Metal Corp to bid for Essar Steel, it has been found ineligible for its joint venture with Uttam Galva, which is at the NCLT awaiting resolution now, and Numetal's bid was done in by the fact that one of the promoters of the special purpose vehicle is Rewant

Ruia, the son of an Essar Group promoter Ravi Ruia, one of the original promoters of Essar Steel.

Bankers, however said if these companies delinked their connection from promoters or standardised their loans, they could bid again in the second round of bidding. The lenders have set an April 2 deadline for the second round of bidding for Essar Steel that owes over Rs 45,000 crore to over 30 banks and other creditors. But this is unlikely to yield the desired results as biggies like Tata Steel, Vedanta and JSW Steel have reportedly decided against bidding for Essar Steel.

MOIL को फाइव स्टार रेटिंग अवार्ड



व्यापार प्रतिनिधि
नागपुर. मायल को फाइव स्टार रेटिंग अवार्ड प्राप्त हुआ है। कम्पनी के सीएमडी एम.पी. चौधरी और निदेशक (उत्पादन एवं योजना) दीपांकर शोम ने दिल्ली में आयोजित एक समारोह में केंद्रीय कोयला और खान राज्यमंत्री हरीभाई चौधरी के हाथों पुरस्कार ग्रहण किया। कम्पनी को यह बुरस्कार सस्टेनेबिलिटी डेवलपमेंट फ्रेमवर्क के लिए दिया गया। मायल को यह अवार्ड चिकला और डोंगरीबुर्ज खदान के लिए दिया गया। 5 स्टार रेटिंग किसी भी माइन आपरेटर के लिए प्रतिष्ठित अवार्ड माना जाता है। इसी तरह इससे कम्पनी की स्टेकहोल्डर्स और आम जनता में अलग पहचान भी कायम होती है। चौधरी ने इसका श्रेय कम्पनी के सभी कर्मचारियों को दिया।

Gold weakens on muted demand

NEW DELHI, Mar 21 (PTI)

GOLD prices softened by Rs 40 to Rs 31,350 per 10 grams at the bullion market on Wednesday owing to slackened demand from local jewellers despite a firm trend overseas. Silver also drifted lower by Rs 150 to Rs 39,000 per kg due to reduced offtake by industrial units and coin makers.

In the National Capital, gold of 99.9 per cent and 99.5 per cent purity shed Rs 40 each to Rs 31,350 and Rs 31,200 per 10 grams, respectively. The precious metal had gained Rs 210 on Tuesday.

Sovereign was steady at Rs 24,800 per piece of 8 grams.

Silver ready fell by Rs 150 to Rs 39,000 per kg and weekly-based delivery by Rs 215 to Rs 38,235 per kg. Silver coins continued to be traded at previous levels of Rs 73,000 for buying and Rs 74,000 for selling of 100 pieces.

Indian commodity bourses eye trendsetter role

MCX to soon start offering brass contracts; coal, iron ore, petrol and diesel await SEBI approval for trading in exchanges

ASHISH RUKHAIYAR
MUMBAI

'Going where no other exchange has gone before' seems to be the new-found mantra of Indian commodity exchanges as they aggressively vie with each other to introduce trading in commodities that had never been traded anywhere else.

While Indian Commodity Exchange Ltd. (ICEX) set the ball rolling last year by offering futures contract in diamonds, Multi Commodity Exchange of India (MCX), which is the country's largest commodity bourse in terms of market share, will soon start offering brass contracts.

Both these commodities have been brought to the regulated exchange space only in India as there is no other exchange globally that offers derivatives contracts in these

commodities.

If commodity market participants are to be believed then this is just the start as there are at least half a dozen more such commodities in the pipeline that are awaiting regulatory approval before trading can be commenced.

"Commodities like coal, iron ore, petrol and diesel are some that are awaiting approval from the Securities and Exchange Board of India," said a person familiar with the matter.

"While some of these commodities are traded in the OTC or over-the-counter market, there is no formal exchange platform offering such commodities," he added.

Unlike a regulated exchange, an OTC market does not typically offer transparency, trade guarantee, qual-



New territory: No other exchange in the globe offers derivative contracts in brass and diamonds. ■ AP

ity assurance and zero counter-party default risk.

"Launching and designing a delivery-based contract in a completely new commodity is a very difficult task since there is no reference point or benchmark," said Sanjit Prasad, managing director and chief executive officer, ICEX which has, till date, seen

physical delivery of almost 400 carats of the stone valued at approximately ₹15 crore.

"Quality parameters and specifications need to be intertwined with the ecosystem. Then one needs to get genuine hedgers and speculators to gain that volume push," he added.

Meanwhile, trading in brass futures will commence for the first time ever on any exchange from Monday (March 26) when MCX starts offering such contracts with compulsory delivery option. Incidentally, the delivery will be available at Jamnagar where almost 3,000 of a total of 5,000 small and medium units producing brass in India and accounting for 80% of the brass produced in the country, are located.

Unique to India

"Quite a lot of bandwidth is required to engage with industry and the market for a completely new commodity with no trading history anywhere.

"Some commodities are unique to India and hence exchanges are launching such products," said Mru-

gank Paranjape, MD and CEO, MCX.

"In the case of brass, most of the deals are negotiated bilaterally and there is no international or domestic benchmark for brass prices that the industry can use. Which is why we thought that MCX could step in and provide a price discovery platform as well as a hedging tool to the brass industry by launching a futures contract," added Mr Paranjape.

According to Tulsibhai Gajera, president, Jamnagar Factory Owners Association and Jamnagar Chamber of Commerce & Industry, the brass contracts will provide a price discovery platform to the physical market participants and the brass value chain would get a single price to benchmark and hedge their risk exposure.

Buy gold if it dips to \$1,315 an ounce

GNANASEKAART

Comex gold futures rose higher on Thursday on a weaker dollar after the US Federal Reserve disappointed investors, who were expecting more hawkish comments on interest rate rises.

Comex gold futures moved perfectly in line with our expectations. As mentioned in the previous update, prices are finding good support and consolidating in a range between \$1,300/10 and \$1,335/45 zone and the consolidation could last for some more time with more chances of testing the lower side of the zone. Price structures now favour a gradual rise from present levels. Near-term upticks could be capped in the \$1,350-55 per ounce zone and a close above here could trigger sharper up move towards \$1,374 or even higher subsequently. But, failure to cross the resistances is likely to lead to another round of consolidation before the resistances are taken out convincingly. A positive trigger for a sustaining up trend is likely to be above a close of \$1,375. In the



coming week, we expect \$1,315-20 to hold for a push higher towards \$1,355 or even higher to \$1,374 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 or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near \$1,375 or even higher. After that, a wave "C" could begin lower again. Alternatively, we can also expect wave "B" to extend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in

the long-term. But, failure to follow-through above \$1,355 has dashed any hopes of any impulsive up move. As prices have broken certain important supports and shows weakness targeting \$1,100. But a sustained move above \$1,200 has once again revived bullish hopes and will make the necessary adjustments to the wave counts, as the prices break key resistance above.

RSI is in the neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD have gone below the zero line of the indicator again, indicating a bearish reversal, but we will still await a proper confirmation to get bearish. Only a cross over again above the zero line could hint at a bullish reversal in trend.

Therefore, buy Comex gold on dips around \$1,315-20 with the stop-loss at \$1,297 targeting \$1,355 followed by \$1,374.

Supports are at \$1,315, 1,295 and 1,278. Resistances are at \$1,355, 1,374 and 1,395.

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

THE HITAVADA(CITYLINE) DATE: 23/3/2018 P.N.10

MOIL receives 5-Star rating award

■ Business Bureau

MOIL the city-based Schedule 'A' CPSE, has recently bagged 5-Star Rating Award under Sustainability Development Framework (SDF) from Ministry of Mines in the 3rd National Mining Conclave on Mines and Minerals. The event was organized in the country's capital, New Delhi on March 20, 2018.

Earlier MOIL was the only mining company in the country which received 5-Star status for its 4 Manganese Mines of Maharashtra i.e. Gumgaon, Munsar, Kandri and Dongribuzurg. This year too MOIL bagged 2 Five Star awards for its Chikla and Dongribuzurg mines. M P Chaudhari, CMD - MOIL, and Dipankar Shome, Director Production & Planning, received the prestigious awards at the hands of Haribhai Chaudhary, Minister of State for Coal & Mines.



MOIL CMD, M P Chaudhari and Director (Production & Planning), Dipankar Shome receiving the award from Minister of State for Coal and Mines, Haribhai Chaudhary.

The 1st National Mining Conclave on Mines & Minerals was held in Raipur during 4th & 5th July, 2016 where 19 mines had received 5 Star Rating. During the 2nd National Conclave, 32 mines of India have got 5 Star Rating of which 4 mines are of MOIL. During 3rd National Conclave 37 Mines received 5 Star rating. 5 Five Star Rating Status is not

only a prestigious cap for the mine operators but it will also help it in building confidence amongst various stakeholders and increase social acceptance and image building of mining identity amongst the common man.

Chaudhari expressed his gratitude to all MOILians and gave credit to all employees of MOIL for this achievement.

As commodities markets look up, Africa wants bigger slice of the mining pie

BLOOMBERG

March 22

One by one, the biggest names in African mining are getting squeezed. The tactics might be blunt, but the message is clear: The countries where they operate want a bigger share of the proceeds.

The collapse in commodities through 2015 hobbled some of Africa's biggest resource economies, stunting growth and leaving budgets short. Since then a recovery in prices has sent the continent's biggest miners soaring, boosted profits and rewarded shareholders with bumper payouts. But a lack of returns to governments is drawing a backlash from Mali in the Sahara to Tanzania on the Indian Ocean.

Zambia is the latest flash point. Africa's second-biggest copper producer slapped a \$7.9-billion tax assessment on First Quantum Minerals Ltd and said it's planning an audit of other miners in the



Tough terrains A copper mine in Chingola, Zambia (file photo) NYT

country. Companies operating in Zambia include units of Glencore Plc and Vedanta Resources Plc.

Next door, in the Democratic Republic of Congo, Glencore, the world's biggest commodity trader, is dealing with a dispute over a new mining code that dramatically boosts taxes, while major gold producer Mali has reportedly said it might follow Congo's example. Tanzania has all but crippled its biggest

gold miner Acacia Mining Plc, a unit of Barrick Gold Corp, with export bans and a whopping \$190-billion tax bill.

Barrick also has a copper mine in Zambia, though it says it hasn't received any notifications from Zambian authorities about a potential audit or tax reassessment, according to spokesman Andy Lloyd.

"Countries want a larger share of the rent," Hunter Hillcoat, an analyst at Investec

Securities Ltd in London, said by phone. "The mining companies are doing extremely well and governments are taking the opportunity to seize a slice of that."

Wider dissatisfaction

Part of the governments motivation is pecuniary. However, there is a wider dissatisfaction than just money. Many governments feel the companies that operate on their territory haven't delivered on their promises, either through operational setbacks or the use of legal tax planning to transfer profits offshore.

In Tanzania, President John Magufuli accused Acacia of under-declaring export revenue and hit it with a record \$190-billion tax bill.

"The governments don't care if they're discouraging foreign investment in the future," Investec's Hillcoat said. "This is an opportunity right now to boost revenues."

No violation in Rs 7,266 cr bid for Binani Cement under IBC, says UltraTech

NEW DELHI, Mar 22 (PTI)

ADITYA Birla Group firm UltraTech Cement on Thursday said that it has not violated the IBC in offering a Rs 7,266 crore bid to acquire debt ridden Binani Cement (BCL), which was already set to be sold to the Dalmia Bharat group by its creditors. UltraTech has announced to acquire BCL by providing Rs 7,266 crore to its parent company Binani Industries

Ltd (BIL) against bid of Rs 6,350 crore along with 20 per cent equity in BCL by Rajputana Properties, a part of Dalmia Bharat group, approved by the resolution professional (RP).

"We are fully compliant with IBC (Insolvency and Bankruptcy Code). We have submitted our bid. We are allowed to revise our bids. IBC says maximise value and if the banker is getting higher amount of money before they have taken a decision, then they should take a decision with their

eyes open," UltraTech Cement CFO Atul Daga told PTI.

He further added that the company is "committed to honour" the amount which it has offered.

"We have filed it with NCLT, well before the Committee of Creditors (CoC) recommendation was put out, well before CoC

filed their resolution plan bid with NCLT. Where we have gone wrong?," Daga added.

He said UltraTech agreed

to issue 'comfort letter' to provide Rs 7,266 crore in return for 98.43 per cent stake in Binani Cement after an approach from the owners of BCL. "If they can take the company out of insolvency proceedings, we are happy to pay the same amount of money to buy the company and it has to be used to repay the debt. For that purpose they wanted a letter of comfort and we have given them a letter of comfort. I do not think that we have gone against IBC anyway," Daga added.

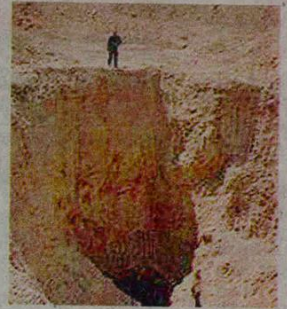
UltraTech
CEMENT
The Engineer's Choice

3 बड़े राज्यों में अवैध खनन

BJP शासित राज्यों पर केंद्र की रिपोर्ट

एजेंसियां

दिल्ली. केन्द्र सरकार के आंकड़ों के मुताबिक मोदी सरकार के कार्यकाल में भारतीय जनता पार्टी द्वारा शासित 3 अहम राज्यों में अवैध खनन की घटनाओं में 100 गुना तक इजाफा दर्ज हुआ है. केन्द्रीय खनन मंत्रालय द्वारा जारी आंकड़ों में मध्यप्रदेश, गुजरात और राजस्थान में गैरकानूनी माइनिंग की घटनाओं में क्रमशः 106, 53 और 34 फीसदी इजाफा दर्ज हुआ है. केन्द्रीय खनन मंत्रालय की इस रिपोर्ट में शामिल प्रमुख माइनिंग वाले राज्यों में इनके अलावा आंध्र प्रदेश, छत्तीसगढ़, गोवा, कर्नाटक, महाराष्ट्र, ओडिशा और तेलंगाना भी शामिल है.



■ इन 4 वर्षों के दौरान तमिलनाडु में अवैध खनन के कुल 10,734 मामलों में एफआईआर दर्ज की गई है. इन मामलों से राज्य को 122.85 करोड़ रुपये की कमाई बतौर जुर्माने के तौर पर हुई है. वहीं मध्यप्रदेश ने इस दौरान दर्ज मामलों में जुर्माने से लगभग 1,132 करोड़ रुपये वसूले हैं. केन्द्र सरकार की रिपोर्ट के मुताबिक बीते 4 साल के दौरान आंध्रप्रदेश, छत्तीसगढ़, गुजरात, कर्नाटक और महाराष्ट्र में जुर्माना लगाया गया है.

लगा जुर्माना (करोड़ में)

आंध्रप्रदेश	143
छत्तीसगढ़	33
गुजरात	157
कर्नाटक	112
महाराष्ट्र	282

Tata Steel wins bid to acquire Bhushan Steel

While Tata Steel's shares fell by 2.40% to ₹566.60, Bhushan surged by 5.44%

ENS ECONOMIC BUREAU
MUMBAI, MARCH 23

TATA STEEL on Friday announced that it has won a bid to acquire bankrupt Bhushan Steel Ltd for an undisclosed — but all-cash deal — making Tata firm India's biggest steel maker. While Tata Steel didn't disclose the acquisition cost, sources said the acquisition of Bhushan Steel, which has an unpaid bank debt of over Rs 48,000 crore, would cost around Rs 35,000 crore.

According to a stock exchange filing, Tata Steel has been selected as a successful resolution applicant by Committee of Creditors for buying Bhushan Steel. However, the decision is subject to required approvals from National Company Law Tribunal (NCLT) and the Competition Commission of India (CCI). The decision was taken by the lenders on Thursday.

While Tata Steel shares fell by 2.40 per cent to Rs 566.60 on the

The acquisition of Bhushan Steel, which has an unpaid bank debt of over Rs 48,000 crore, would cost around Rs 35,000 crore

BSE, Bhushan Steel surged by 5.44 per cent to Rs 41.65.

As part of bankruptcy proceedings, the company was selected as the highest bidder to purchase a controlling stake in Bhushan Steel earlier this month. The two major primary bidders were Tata Steel and JSW Steel. After Tata Steel was picked as the preferred buyer on March 6, Bhushan Steel employees challenged the decision. On March 19, NCLT has asked the CoC to consider the objections raised by Bhushan Steel employees over the bids submitted by Tata Steel. JSW Steel as well as a group of employee in a tie-up with a private

equity firm, had bid for Bhushan Steel in an auction conducted after the firm defaulted in payment of close to Rs 48,100 crore of loans.

"Tata Steel has accepted the Letter of Intent for BSL under the Corporate Insolvency Resolution Process (CIRP) of the Insolvency and Bankruptcy Code 2016 (IBC)," the company said in the statement. In a separate stock exchange filing, BSL said, "as per instructions of the Resolution Professional (RP), we wish to inform you that the Committee of Creditors of Bhushan Steel has approved the resolution plan submitted by Tata Steel by e-voting process conducted for the meeting held on March 20, 2018". BSL was put for auction under the Insolvency and Bankruptcy Code.

"The Resolution Professional of BSL will now file the resolution plan to the National Company Law Tribunal for its requisite approval," it said. Bhushan Steel was on the RBI's first list of 12 companies to be referred to the National

Company Tribunal Law Tribunal. Tata Steel had also participated in the bidding process for Electrosteel Steels. Its bid, however, has been challenged by Abhishek Dalmia-led Renaissance Steel India Pvt Ltd. Tata Steel has also submitted a bid for Bhushan Power and Steel Ltd. If it manages to pull off this as well, Tata Steel will grab half the market share for flat-steel products in the country.

Bhushan Steel, which is the third largest secondary steel producer in the country with annual capacity of 5.6 million tonne, has posted a loss of Rs 3,501 crore and a revenue of Rs 15,027 crore in FY2017. Tata Steel will borrow new debt in 2018 to acquire stressed assets after completing an equity rights issue for repaying some loans, according to S&P Global Ratings. Under the ongoing insolvency process, Bhushan Steel is the most indebted company and second-biggest in terms of capacity with claims of about Rs 56,000 crore.

THE HINDU

DATE: 24/3/2018 P.N.18

Bhushan Steel's lenders pick Tata Steel

MUMBAI

Tata Steel Ltd. has been declared as the successful resolution applicant by the Committee of Creditors (CoC) of Bhushan Steel Ltd. (BSL) on March 22, 2018. The decision is, however, subject to necessary regulatory approvals, including that of the NCLT and the Competition Commission of India. Tata Steel shares declined 2.4% on the BSE to close at ₹566.60 in a weak Mumbai market on Friday.

Domestic steel players hit as ore prices remain firm

PRATIM RANJAN BOSE

Kolkata, March 23

It's about time the government cracked the whip on the speculative forces that are driving up iron ore prices and assure availability of ore to domestic steel companies.

Ore prices rose by around 35 per cent between December and January, due to the Supreme Court ruling which ordered "temporary discontinuation of operations" at six large mines in Odisha — which contributes half of India's ore production — for failure to pay compensation to the State government.

Rating agency ICRA estimated a 5.5-million-tonne production loss if the mines were out of operation for the entire January-March quarter. But the actual production loss was lower as most of the mines paid the compensation

and restarted operations. This softened the ore market but only marginally. NMDC, which increased lump prices from ₹2,400 a tonne to ₹3,100 a tonne, reduced prices by just ₹100 a tonne in March. Its current price of ₹3,000 a tonne is approximately 24 per cent higher than the prices on April 1, 2017.

Sources in the mining sector cite the cancellation of 88 mining leases in Goa in March as the reason for prices firming up. Since almost the entire 20 mt production in Goa was exported, it had little impact on domestic prices.

However, despite the disruptions, India's ore production is expected to record a decent growth over last year's 192 mt.

According to ICRA, considering the prevailing 82 per cent capacity utilisation of



Speculative forces have been driving up ore prices

blast furnaces and 55 per cent capacity utilisation at sponge iron units; the domestic consumption of iron ore is barely 118 mt.

Enough supply

ICRA puts the total requirement of ore including exports (which grew by 22 per cent in April-September 2017 period) at 155 mt. This means even if the Goa output is ignored, the country will still have 20-25 mt additional supplies.

The gap created by cancellation of leases in Goa is un-

likely to be unfilled for long. Odisha mines are likely to step up production to reap the benefit. Also, it is unlikely that the Goa mines will remain in limbo for long. Current ore price movement is not supported by fundamentals and is solely driven by speculation. It may help miners like NMDC to make a windfall profit in the January-March 2018 quarter but that might hurt the steel producers and other of user industries.

From April, the price of hot rolled coil increased by nearly

16 per cent to 44,000 tonne, way above the anti-dumping benchmark.

If the demand pull is good news for the economy, the bad news is it is not seamless and high prices may attract imports which are currently growing by approximately five per cent, in sync with the demand growth.

Meanwhile secondary steel production is down by 6.2 per cent during April-December 2017. Vizag Steel has seen a sudden sluggishness in sales in March, a month when sales are usually robust, say sources.

Vizag Steel produces long varieties, which is used in infrastructure construction. The price of these steel varieties were subdued for last two years till prices moved by approximately 20 per cent in January.

Tatas win bid for Bhushan Steel

NEW DELHI, Mar 23 (PTI)

TATA Steel on Friday said it has won a bid to acquire bankrupt Bhushan Steel Ltd for an undisclosed sum of money. Industry sources put the acquisition price at Rs 35,000 crore. The all-cash deal, when completed, will help Tata Steel become India's biggest steel maker. Bhushan Steel will add 5.6 million tonnes of capacity to Tata Steel's current 13 MTPA production capacity.

In a statement, Tata Steel said it "has been declared as the successful resolution applicant by the Committee of Creditors of Bhushan Steel Ltd (BSL) on March 22, 2018, subject to obtaining necessary regulatory approvals, including approval from the NCLT and the Competition Commission of India".

JSW Steel as well as a group of employee in a tie-up with a private equity firm, had bid for



Bhushan Steel in an auction conducted after the firm defaulted in payment of close to Rs 48,100 crore of loans to banks.

"Tata Steel has accepted the Letter of Intent for BSL under the Corporate Insolvency Resolution Process (CIRP) of the Insolvency and Bankruptcy Code 2016 (IBC)," the company said in the statement. In a separate stock exchange filing, BSL said, "As per instructions of the Resolution Professional (RP), we wish to inform you that the Committee of Creditors of Bhushan Steel Ltd

(BSL) has approved the resolution plan submitted by Tata Steel Ltd, by e-voting process conducted for the meeting held on March 20, 2018".

"The Resolution Professional of BSL will now file the resolution plan to the National Company Law Tribunal (NCLT) for its requisite approval," it said.

Tata Steel plans to double capacity to 26 million tonnes in five years. It recently commissioned a greenfield steel plant at Kalinganagar, Odisha. Bhushan Steel will help Tata Steel overtake JSW Steel to become the country's top steel producer. Bhushan Steel was on the RBI's first list of 12 companies to be referred to the National Company Tribunal Law (NCLT). Tata Steel had also participated in bidding process for Electrosteel Steels Ltd. Its bid, however, has been challenged by Abhishek Dalmia-led Renaissance Steel India Pvt Ltd.



खनिज निधि कार्यों की होगी थर्ड पार्टी जांच

पालकमंत्री ने वीडियोग्राफी करने का दिया निर्देश

निज संवाददाता

नागपुर. विकास कार्यों के लिए जिला खनिज प्रतिष्ठान से मिलने वाली निधि से होने वाले प्रत्येक विकास कार्यों की

116
करोड़
प्राप्त हुए

86
करोड़
का हुआ
नियोजन

विडियोग्राफी करने का निर्देश पालकमंत्री चंद्र शेखर बावनकुले ने दिया है. इसके अलावा उन्होंने सभी कार्यों की

गुणवत्ता जांच आदि के लिए थर्ड पार्टी नियुक्त करने का भी निर्देश दिया. थर्ड पार्टी इंस्पेक्शन के बाद ही भुगतान का निर्देश दिया गया. खनिज निधि के नियोजन के संदर्भ में पालकमंत्री ने जिलाधिकारी कार्यालय सभागृह में समीक्षा बैठक ली. बैठक में महापौर नंदा जिचकार, विधायक सुधाकर देशमुख, समीर मेघे, सुधाकर कोहले, जिलाधिकारी सचिन कुर्वे, जिप सीईओ कादंबरी बलकवडे व अन्य संबंधित विभागों के आलाधिकारी उपस्थित थे.

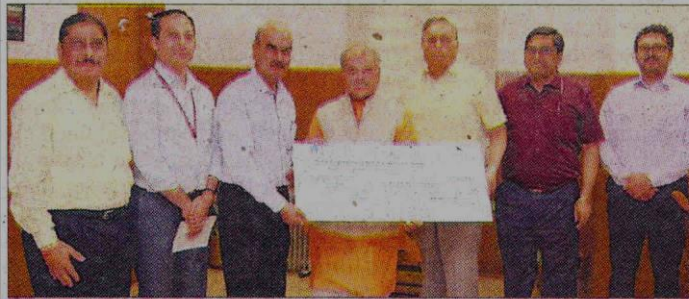
10 फीसदी निधि का वितरण

बैठक में बताया गया कि जिला खनिज निधि से 116 करोड़ रुपये प्राप्त होते हैं जिसमें से 86 करोड़ रुपये के कार्यों का नियोजन किया जा चुका है. पीने के पानी, स्वास्थ्य सुविधाएं, महिला बाल कल्याण, शिक्षा विकास, आदिवासी कल्याण, सार्वजनिक बांधकाम विभाग आदि विभागों को अब तक 10 फीसदी निधि का वितरण भी किया जा चुका है. पालकमंत्री ने कहा कि जिले में स्वास्थ्य सेवा मजबूत करना है. वहीं जिला परिषद की शालाओं को डिजिटल करने का कार्य भी किया जा रहा है. इसके अलावा खदानों से बाधित क्षेत्र में अधिक निधि का वितरण कर विकास किया जाएगा.

506 कार्यों का प्रस्ताव

पालकमंत्री ने कहा कि केन्द्र सरकार ने एक परिपत्रक द्वारा निधि को कौन सी योजना में खर्च किया जाए, इस संदर्भ में मार्गदर्शन किया है. उसके नियमानुसार ही सभी कार्य करने का निर्देश उन्होंने जिला प्रशासन को दिया. बताया गया कि अब तक जिला खनिकर्म विभाग को विविध विभागों से 506 कार्यों के प्रस्ताव प्राप्त हुए हैं. जिला परिषद के माध्यम से जो कार्य होने हैं, सभी कार्यों की उपयोगिता प्रमाणपत्र में सीईओ के हस्ताक्षर अनिवार्य हैं, इसके अलावा निधि नहीं दी जाएगी.

MECL pays interim dividend



■ **Business Bureau**

MINERAL Exploration Corporation Limited (MECL), the city based CPSE has paid first time interim dividend since its transformation into a dividend paying entity from 2012-13.

A cheque of Rs 19.73 crores towards the payment of interim dividend for the year 2017-18 was handed over to Narendra Singh Tomar, Minister of Rural Development, Panchayati Raj and

Mines (GoI), recently at New Delhi by R N Jha, Chairman-cum-Managing Director (I/c), MECL in the presence of Arun Kumar, Secretary (Mines), Dr K Rajeswara Rao, Additional Secretary (Mines), Bipul Pathak, Joint Secretary (Mines) GoI, Dr Navneet Mohan Kothari, PS to Minister and Yogesh Sharma, GM (BD&P/E), MECL.

MECL is engaged in exploration of energy and non-energy minerals on behalf of GoI, State Governments, PSUs etc.

International business head of Gitanjali under the lens

Varma allegedly played a 'crucial role' in executing the fraudulent LoUs

KHUSHBOONARAYAN
MUMBAI, MARCH 25

AGENCIES PROBING the alleged Rs 13,400 crore fraudulent transactions carried out by the firms of diamond jewellers Mehul Choksi and Nirav Modi at Punjab National Bank are looking into the role of Sunil Varma, head of International Business at Gitanjali Gems Ltd as they suspect that he allegedly played a "crucial role" in executing the fraudulent letter of undertakings (LoUs) for allegedly reaping "interest arbitrage", sources told *The Indian Express*.

Interest Arbitrage essentially involves deployment of funds to take advantage of the difference in interest rates between two countries or two systems.

Varma, 50, sources said like Choksi and Modi left India a few days before the scam at PNB broke. According to a source, Varma, the former chief financial

'SUMMONED FOR QUESTIONING'

■ Varma left India a few days before the scam at PNB broke. According to a source, Varma could be in the US. Sources said that the probe agencies have summoned Varma for

questioning in the case

■ According to the 2017 annual report of Gitanjali Gems, Varma is the highest paid executive of the company

officer (CFO) of Gitanjali Gems could be in the US. Sources said that the probe agencies have summoned Varma for questioning in the case.

The Indian Express could not reach Varma for a comment. Choksi's lawyer Sanjay Abbot declined to comment. "I have no knowledge about this and so I cannot comment on the issue," said Abbot.

According to the 2017 annual report of Gitanjali Gems, Varma is the highest paid executive of the company, who's salary is

even higher than that of Choksi, the chairman and managing director of the company. In 2016-17, Varma earned Rs 1.12 crore while Choksi got Rs 1.1 crore. The report shows that Varma was part of the borrowing committee, investment committee, allotment committee and administrative committee of Gitanjali Gems since 2010.

Varma joined Gitanjali in December 2009 as its CFO. In 2012 he became the whole time director of the firm. A year later, Varma went on to head the in-

ternational business of Gitanjali Gems and "took complete charge of overseas business affairs of the company".

Varma, a commerce graduate from Mumbai University, holds a management degree from the University of Chicago. Till November 2013, he was responsible for "overseeing the day-to-day operations" of the Gitanjali Gems with focus on finance, accounts, taxation, legal and other areas, said the annual report of the company. Varma was also responsible for preparing and presenting the strategic annual business plan to the company's board.

The National Company Law Tribunal (NCLT) on February 23, allowed the government to attach 64 properties belonging to individuals as well as companies that are part of groups headed by Modi and Choksi. Varma is one of the individuals whose properties have been ordered to be attached.

Gold gains sheen on Trump's new tariffs

High risk aversion in the market can push the yellow metal prices higher

GURUMURTHY K

A month-long sideways move in gold has come to an end. Global spot gold prices surged, breaking above the key resistance level of \$1,340 per ounce. The yellow metal has closed on a strong note at \$1,347 per ounce, up 2.5 per cent for the week.

Silver, though it bounced from its intra-week low of \$16.12 per ounce, is not looking as strong as gold. Global spot silver has closed the week 1.4 per cent higher at \$16.57 per ounce.

On the domestic front, the gold futures contract on the Multi Commodity Exchange (MCX) was up 2.26 per cent. It has closed the week at ₹30,907 per 10 gm. The MCX-Silver futures contract, on the other hand, was up 1.35 per cent for the week and closed at ₹38,887 per kg.

Trump triggers rally

The US President signed a memorandum last week that could impose tariffs on about \$60 billion worth Chinese imports. The

memorandum has a 30-day consultation period before it gets finalised. China had also retaliated by announcing tariffs on imports worth about \$3 billion from the US. This has triggered a strong sell-off in risky assets, as well as the US dollar, helping gold gain sheen. The high risk aversion in the market can continue to keep gold prices strong in the coming days.

Weak dollar

The dollar index reversed lower after the US Federal Reserve increased the rates by 25 basis points and decided to retain its plan for three rate hikes this year. The index has come off from its high of 90.45 and is currently at 89.43, down 0.9 per cent for the week.

A cluster of moving average resistances around 90 can cap the upside in the near term. The outlook is bearish. There is a strong likelihood of the index falling to 89 or even 88.5 in the



short term. Such a fall in the dollar index can see gold prices increasing further in the coming days.

Gold outlook

The crucial support in the \$1,305-\$1,300 region held well last week. Global spot gold (\$1,347 per ounce) has reversed higher after making a low of \$1,307 per ounce. Immediate resistance is at \$1,355.

A strong break above it can take gold higher to \$1,365 and \$1,370 in the short term. Inability to break above \$1,370 can pull the prices lower again. In such a

scenario, gold can continue to remain in its \$1,300-\$1,370 sideways range for some more time. However, the bias continues to remain bullish within this range and gold is likely to breach \$1,370, going forward. Such a break will clear the way for the next targets of \$1,400 and \$1,430 over the medium term.

On the domestic front, the bullish outlook for MCX-Gold (₹30,907 per 10 gm) remains intact. The contract has risen sharply after testing its key support at ₹30,100 last week. Immediate resistance is around ₹30,950. A strong break above ₹30,950 will take the

contract further higher to ₹31,230 in the short term. On the other hand, if MCX-Gold reverses lower from ₹30,950, it can fall back to ₹30,100 levels again. But such a fall looks less probable at the moment.

Silver outlook

Global spot silver (\$16.56 per ounce) prices are not looking as strong as gold. The outlook for silver is mixed. It can broadly remain sideways between \$16 and \$17. A breakout on either side of \$16 or \$17 will only determine the next trend for silver.

However, the bias is slightly positive for domestic MCX-Silver (₹38,874 per kg) futures contract compared to the global spot prices.

MCX-Silver can test its resistance at ₹39,200 in the coming days. A strong break above it can trigger a fresh rally towards ₹40,000.

But a pull-back from ₹39,200 can drag the contract lower to ₹38,000 again. In such a scenario, the MCX-Silver contract can continue to remain sideways between ₹38,000 and ₹39,200 for more time.



MCX Gold

Supports
₹30,600, ₹30,100
Resistances
₹31,230, ₹31,600

MCX Silver

Supports
₹38,500 / ₹38,000
Resistances
₹39,200 / ₹40,000

JSW Steel to Pump in \$500 m in Texas Plant to Triple Capacity

Our Bureau

Mumbai: JSW Steel USA on Monday said it will invest \$500 million in its loss-making steel plate and pipe mills in Baytown, Texas, to build infrastructure for manufacturing raw material for the plant locally, as well as to modernise it. JSW aims to triple production at the unit to 1 million tonne, from the current 300,000 metric tonnes.

The announcement comes at a time when trade partners are panicking over US President Donald Trump's announcement of imposing tariffs on steel imports. JSW's US facility will not have to depend on imported steel slabs after an electric arc furnace and a slab caster are set up at the mills.

"We are keen to make a big impact on the steel industry. We want to bring steel manufacturing back into the US," said Parth Jindal, director, JSW Steel USA, in the presence of Texas Governor Greg Abbott.

Abbott is in India to sign a memorandum of understanding (MoU) to "develop and augment the steel industry in Texas." On the question of high US import tariffs, he assured that India's trade relations with the US as well as with Texas were very robust and "it would be erroneous to think that the US is closing its borders."

In Texas, JSW's strategy is to use cheap and easily available metal scrap and natural gas to make steel and backward integrate the facility.

JSW Steel to invest \$500 mn in Texas unit, to treble capacity

MUMBAI, Mar 26 (PTI)

THE JSW Group will invest upto USD 500 million more in its steel pipes and plates facility in Texas, helping it achieve the full 1-million tonne installed capacity of the plant it had bought in 2007 and stop sourcing raw steel from Latin America and India.

The JSW Group had bought the then bankrupt Baytown steel asset for USD 810 million in October 2007, and is operating at just about 30 per cent or 3 lakh tonnes now. Since the acquisition, JSW has invested around USD 220 million in working capital and incurred USD 170 million in losses, taking its total exposure to the facility to USD 1.2 billion, JSW Group Chairman, Sajjan Jindal said here on Monday.

"The Jindals' investment will go into backward integration and also to create the first melt and manufacture contiguous plates and pipes facility in Texas,"

Texas Governor, Gregory Abbott told reporters here while signing the investment pact. Junior Jindal, Parth, who is also a director at the Group and also



Texas Governor, Greg Abbott flanked by JSW Group Chairman, Sajjan Jindal and JSW Group Director, Parth Jindal, during an MoU signing ceremony between JSW Steel USA Inc and Office of Governor, Texas, USA in Mumbai on Monday. (PTI/Mitesh Bhuvad)

heads the US operations of JSW Steel, was quick to add the plant since then has almost turned around with cash profit of USD 180 million last year and expressed optimism that it would turnaround fully by 2020.

The plant would serve the oil and gas-rich Texas, which is the second largest American State and also the largest exporter from the world's largest economy, Abbott said. He said the invest-

ment over the next two years would create 500 new jobs. The plant already employs 350 people. The junior Jindal said currently the plant, which runs at 30 per cent of the installed 1-million tonne capacity, sourced steel from Brazil, Mexico and India, which would stop completely once the new facility was commissioned as it would be sourcing raw steel from within Texas/US itself.

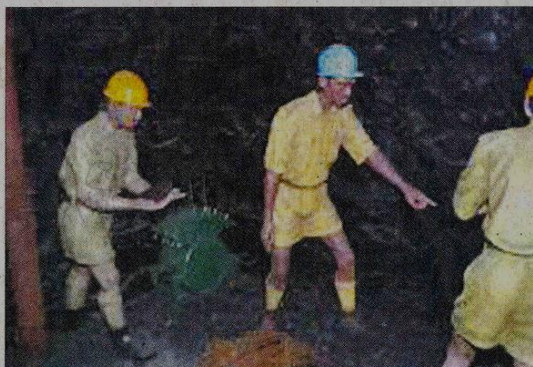
Coal unions up in arms against commercial mining by pvt cos

■Business Bureau

INDIAN National Mineworkers' Federation (INMF) affiliated to Indian National Trade Union Congress (INTUC) has not only condemned decision to allow commercial mining by private companies but also decided to launch relentless war against the decision. It will ultimately dilute the CIL and SCCL, besides returning to pre-nationalisation era of 1972-73 i.e. exploitation of labour, unsafe/slaughter mining and waste of precious reserve of coal property.

The four CTUs i.e. Bharatiya Mazdoor Sangh (BMS), Hind Mazdoor Sabha (HMS), All India Trade Union Congress (AITUC) and Centre of Indian Trade Unions (CITU) have already served notice for one-day strike on April 16, 2018.

Sequel to INMF (INTUC) work-



ing committee meeting on March 3, 2018 at Asansol, steering committee met INTUC President Dr G Sanjeeva Reddy at New Delhi on March 3, 2018.

He stressed for united fight and he also took up the matter with central leadership of 4 CTUs and

they all also felt necessity to involve INMF (INTUC) for the joint struggle.

AITUC President and JBCCI-X Member (now dissolved) Ramendra Kumar met INMF President Rajendra Prasad Singh at his residence at Dhori Colliery,

PO Bermo and requested INMF (INTUC) to join the united fight and attend joint convention of coal workers convened by four CTUs on April 4, 2018 at Dhanbad.

Accordingly, it has been decided that INMF (INTUC) will attend the joint convention convened by four CTUs at 'Community Hall' BCCL headquartered Koyla Bhawan, Dhanbad on April 4, 2018 at 11 am, and put forth its view as to how to make united fight success to compel the Government of India to withdraw its decision of allowing commercial mining by private companies.

The INMF (INTUC) will also put forth few other burning issues including rampant closure of large number of underground mines in CIL and its subsidiaries, issue of Clause 9.3.0, 9.4.0, 9.5.0 of NCWA, (employment of dependent of disabled/deceased

employees) to continue with double of normal wages for working on weekly day of rest of mine, rationalisation of CMPS-1998 to inflate its corpus and ensure minimum of 50 per cent of wages as pension of respective category/grade during five years tenure of wage revision, HPC/CIL enhanced wages/equal wages for similar nature of work to contract workers deployed for mining activities etc.

The members of steering committee are requested to attend the joint convention on April 4, 2018 at Dhanbad at 11 am accordingly. From nearby companies i.e. Central Coalfields Limited (CCL), Bharat Coking Coal Limited (BCCL), Eastern Coalfields Limited (ECL) 5 more activists also be invited. Sri Rajendra Prasad Singh together with other Central Leadership will also attend the meeting positively.

NAVBHARAT

DATE: 28/3/2018 P.N.3

बैतूल में मिले यूरेनियम के भंडार

उधर, बैतूल जिले के शाहपुर ब्लाक के बाद घोड़ाडोंगरी में भी जमीन के भीतर दुर्लभ खनिज यूरेनियम की मौजूदगी के प्रमाण मिल गए हैं. परमाणु खनिज अन्वेषण एवं अनुसंधान निदेशालय के माध्यम से पिछले एक महीने से हेलीकाप्टर की मदद से की जा रही यूरेनियम की खोज का काम पूरा हो गया है. घोड़ाडोंगरी ब्लाक में यूरेनियम की खोज का काम पूरा करने के बाद टीम छिंदवाड़ा जिले के लिए रवाना हो गई है. इस इलाके में ढाई हजार एकड़ के क्षेत्र में जमीन के भीतर यूरेनियम की मौजूदगी के संकेत मिले हैं. सर्वे की रिपोर्ट केन्द्र शासन को भेजने के बाद नए सिरे से जमीन के भीतर खनन कर यूरेनियम की मौजूदगी का पता लगाने का कार्य किया जाएगा.

Surge in Global Steel Demand to Push Up Prices at Home

Recovery in prices, however, is unlikely to result in any significant increase in realizations for producers

Vatsala.Gaur@timesgroup.com

Mumbai: Steel producers may look at increasing prices at home, as macro trends show signs of a global recovery and as they try to extract maximum benefit from pricing in the first quarter before the lax monsoon season sets in.

However, based on historical evidence, this is unlikely to result in any significant increase in the realisations for companies, steel industry experts said. Even with an average price increase of Rs 3,500 per tonne between January and March, average realisation for the last quarter of the current fiscal year is expected to move up only by Rs 1,500 per tonne. This is because of the variance in price hikes and realisations that exist because of the heterogeneous nature of the industry that offers multiple products with pricing trends differing from product to product. A price hike is also due for companies rewriting their earlier contracts that were based on a lower base existed before December 2017.

"We see a broad-based recovery taking place in key markets like the US, Europe, China and Japan that is leading to a growth in steel demand," Jayant Acharya, director of commercial and marketing at JSW Steel, told ET in an interview.

"We're also seeing a similar possibility of capacity expansion investment similar to what existed in 2001, driven by recovery."

Goutam Chakraborty, a metals analyst at Emkay Securities, also has a similar view. He expects the industry to see higher demand for the next one-and-a-half years.

In the domestic scenario, demand is being driven by automotive, construction and yel-

low goods production. JCB, a manufacturer of earthmoving equipment, has increased its production to 7,000 units per month from 4,000-5,000, said an industry executive, pointing to it as an indication of improvement in construction activities that is also pushing up the price of steel bars.

"There is still some steam left in the price hike," said a senior official at a steel company, speaking on the condition of anonymity.

In fact, companies have been increasing prices by Rs 1,000-1,500 per tonne since December. But with the lag effect of earlier contracts, new contracts, especially with automakers, stand to see an increase in price by almost Rs 6,000 per tonne, the official said.

However, there are global factors that could dampen prices. Globally, prices have come down over the last one month with a fall in the cost of raw materials like iron ore and coking coal. Iron ore prices have fallen to \$60 a tonne from around \$70, while coking coal has become cheaper at \$210 per tonne from \$235.

"There is a sentimental softening at the global level even though the Indian scenario looks good," Chakraborty said.

Another factor that could weigh on steel price is the US decision to impose tariffs on imported steel—exporters may look at fresh markets to dump their produce, hurting prices.

But industry players hope the US to exclude Japan, the European Union and South Korea and other allies from the tariff-based regime—that means steel products from those places will not come to markets like India. However, with the European Commission initiating a safeguard investigation on steel products including from India, market conditions may change.

MECL ने किया अंतरिम लाभांश का भुगतान

व्यापार प्रतिनिधि

नागपुर. मिनरल एक्सप्लोरेशन कॉर्पोरेशन लि. ने खान मंत्रालय को अंतरिम लाभांश का भुगतान किया. जब से एमईसीएल लाभांश का भुगतान करने वाली कम्पनी के रूप में रूपांतरित हुई है, तब से इसने प्रथम बार अंतरिम लाभांश 2017-18 का भुगतान किया है. वर्ष 2017-18 के लिए अंतरिम लाभांश के भुगतान का 19.72 करोड़ रु. का

एमईसीएल देश के विभिन्न भागों में भारत सरकार, राज्य सरकारों, सार्वजनिक उपक्रमों और अन्य एजेंसियों की ओर से ऊर्जा और गैर-ऊर्जा खनिजों के गवेषण कार्य में संलग्न हैं. वर्ष 2017-18 का वित्तीय निष्पादन कम्पनी के स्थापनाकाल से लेकर अब तक का सर्वोच्च निष्पादन रहने की आशा है. एमईसीएल नेशनल मिनरल एक्सप्लोरेशन ट्रस्ट (एनएमईटी)



चेक हाल ही में एमईसीएल के अध्यक्ष (प्रभारी) आर.एन. झा ने ग्रामीण विकास, पंचायती राज और खान मंत्री नरेंद्रसिंह तोमर को सौंपा. इस अवसर पर खान सचिव अरुण कुमार, अपर खान सचिव डा. के. राजेश्वर राव, संयुक्त सचिव बिपुल पाठक और एमईसीएल के महाप्रबंधक योगेश शर्मा उपस्थित थे.

निधिबद्ध परियोजनाओं के अंतर्गत गवेषण कार्य करने हेतु 'नोडल एजेंसी' भी हैं. हाल ही में ग्रीनफील्ड गवेषण कार्य में परीक्षण के लिए जरूरी नई हाइड्रोस्टेटिक ड्रिलिंग रिंगों और उन्नत यंत्रों के माध्यम से अपनी वेधन और विश्लेषण क्षमताओं को बढ़ाकर ग्रीनफील्ड गवेषण कार्य पूरा किया है.

Vedanta unit in Tuticorin to be shut for 'routine maintenance'

OUR BUREAU
Chennai, March 27

Vedanta's copper smelting unit in Tuticorin will be shut for 15 days as part of a routine maintenance, according to information provided by the company to the BSE.

A senior company official told *BusinessLine* the four-lakh-tonne a year smelting unit is being shut to replace the refractory brick lining in the smelter, an exercise that is carried out every four years. The refining and copper rod production will continue.

Meanwhile, the ₹2,500-crore expansion project at the unit to double the capacity is on schedule, the official said.

L&T has been awarded the EPC contract and is setting up the entire expanded facility, the official said. When completed in about a year's time the annual capacity of the plant will go to 8 lakh tonnes of copper cathode, which is refined copper of 99.95 per cent purity.

For now, from the refined copper the unit makes about 2.5 lakh tonnes of copper rods for the domestic market and about 1.5 lakh tonnes of plates

for domestic and export markets.

The raw material, copper concentrate is imported through the Tuticorin Port.

In addition, the by products are about 10 lakh tonnes of sulphuric acid and nearly half this is used to make about 2 lakh tonnes of phosphoric acid. These are used by domestic industries, including chemicals and fertiliser units. With the expansion, the output of these acids will also go up.

Protests in Tuticorin

On the protests in Tuticorin town against the expansion project, the company has launched an awareness campaign on the environment safety that is being addressed. All norms are being complied

with and the project has been taken up with proper statutory clearances.

Officials said the unit is a zero liquid discharge unit that completely recycles the water. Even for the expansion facility, a 12

mid desalination plant will be set up and in addition, primary treated sewage water from Tuticorin municipality will be bought and recycled at the company's sewage treatment plant for water. Emission is con-

tinuously monitored online, live by pollution control agencies to ensure that all norms are followed, the official said.

The expansion will generate about 5,000 direct jobs adding to the 4,500 already employed.

Essar Steel: NCLT refuses to defer re-bidding as banks let Numetal, ArcelorMittal in

PRESS TRUST OF INDIA
AHMEDABAD/MUMBAI, MAR 27

THE AHMEDABAD bench of the National Company Law Tribunal (NCLT) on Tuesday refused to defer the second round of bidding for the bankrupt Essar Steel that is closing on April 2, as requested by Numetal after the bankers allowed the petitioner along with the other bidder

ArcelorMittal to participate in the rebid with some riders.

The NCLT refused to defer the re-bidding date after the committee of creditors (CoC) of Essar Steel, that owes over Rs 45,000 crore to them, told the tribunal that both ArcelorMittal and Numetal can participate in the second round after taking corrective measures in their ownership structure.

Numetal had moved a petition seeking to defer second

round of bidding maintaining there was no need for the exercise if it is held eligible.

Hearing the petition on Tuesday, NCLT adjudicating authority Manorama Kumari said she will hear the petitions moved by Numetal and ArcelorMittal on April 4.

The two companies had moved the NCLT challenging their disqualification by the bankers' committee on March 23.

ArcelorMittal to resubmit bid for Essar

Numetal to also place revised bid for steelmaker, after excluding Rewant Ruia, by April 2 deadline

SPECIAL CORRESPONDENT
MUMBAI

ArcelorMittal and Russia's VTB Capital-led Numetal are both expected to submit revised bids to acquire debt-laden Essar Steel before the April 2 deadline for placing fresh bids.

The Committee of Creditors (CoC) had rejected both the bids after the resolution professional (RP) for Essar Steel found both the consortiums' bids to be ineligible as per section 29A of the Insolvency and Bankruptcy Code. While ArcelorMittal's relationship as a promoter of Uttam Galva – a firm that had defaulted on loans – was cited as reason to disqualify its bid, the presence of Essar Steel promoter Ravi Ruia's son Rewant Ruia in the Numetal consortium ended up



It's complicated: Uttam Galva minority shareholders have moved SAT opposing ArcelorMittal's reclassification. ■ REUTERS

apparently undermining its eligibility.

'Effort to delay'

"This is another obvious action to delay and complicate the process to find a new owner for Essar Steel India," ArcelorMittal said in a state-

ment. "Quite clearly ArcelorMittal is not a promoter of Uttam Galva. We never considered ourselves a promoter as we had no management involvement or board representation and furthermore sold our shareholding. It is only natural therefore,

that we should be declassified on the stock exchanges which has been done following the relevant processes," the company said.

"ArcelorMittal plans to submit a bid as part of the revised offer process although we continue to believe our original offer is eligible. Our track record and long experience in the steel industry makes us a highly credible bidder for Essar Steel India, able to add value to the growth and development of the Indian steel industry," the world's largest steelmaker, which is leading a consortium that includes Japan's Nippon Steel, added.

Numetal is also likely to submit a fresh bid, this time without Rewant Ruia as part of the consortium.

"We have already submit-

ted an application to the Ahmedabad bench of the NCLT regarding eligibility of our bids," a person close to the consortium, who did not wish to be named, said. "We will submit fresh bids but the outcome will be subject to the outcome of the NCLT application." The NCLT is set to hear the case on April 4.

Uttam Galva investors

In a separate development that could queer the pitch for ArcelorMittal, a group of minority shareholders of Uttam Galva filed an appeal at the Securities Appellate Tribunal challenging the stock exchanges' decision to reclassify ArcelorMittal as a public shareholder from its earlier status as a promoter.

(With Ashish Rukhaiyar in Mumbai)

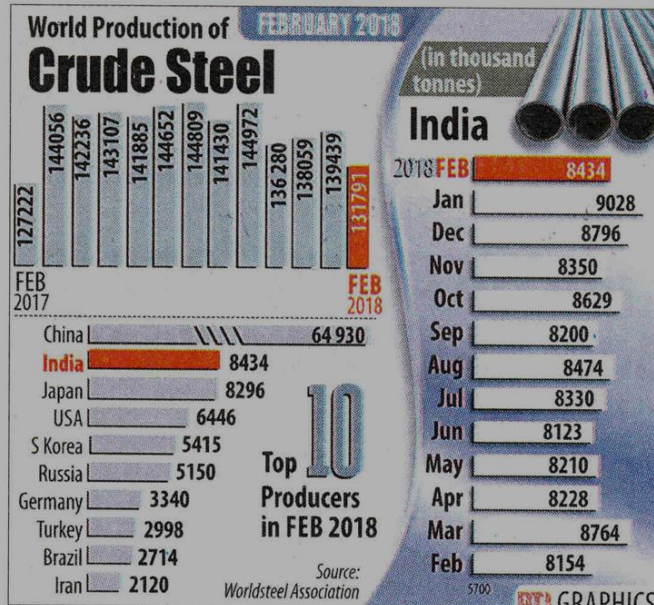
India pips Japan in crude steel production

NEW DELHI, Mar 28 (PTI)

INDIA outstripped Asian industrial giant Japan to become the second largest steel producer in February as its crude steel output grew by 3.43 per cent to 8.434 million tonnes (MT) in the month against 8.296 MT of the latter, according to global steel body Worldsteel data.

India had almost caught up the Asian giant in January by producing 9.02 MT crude steel compared and 9.03 MT by Japan.

However, Japan retreated to the third spot in February due to a 0.5 per cent fall in steel production compared to 8.340 MT in the year-ago month, Worldsteel data showed. On year-on-year basis, India registered a growth 3.43 per cent in February as compared to 8.154 MT in February 2017, World



Steel Association said in its latest report. World leader China saw a rise of 5.9 per cent in crude steel production in February this year at 64.930 MT. It had produced 61.328 MT during the same month last year.

The US produced 6.4 Mt of crude steel in February 2018, a 0.4% increase on February 2017.

Global crude steel production of the 64 countries reporting to the World Steel Association was 131.791 MT in February 2018, a growth of 3.5 per cent year-on-year.

"The crude steel capacity utilisation ratio of the 64 countries in February 2018 was 73.3 per cent. This is 1.8 percentage points higher than February 2017. Compared to January 2018, it is 0.5 percentage points higher," the report said.

NMDC declares first interim for 2017-18

VRISHI KUMAR

Hyderabad, March 28

The board of directors of iron ore mining major NMDC, which met at Delhi on Monday, has approved first interim dividend at 430 per cent for the year 2017-18. The first interim outgo would be ₹1,360 crore, of which ₹985 crore would be the Centre's share. NMDC being one of the top PSEs, has been giving rich dividends to government and its shareholders since 1991.

During the last five years NMDC has paid about ₹15,525

crore as dividend of which the Centre's share was about ₹12,418 crore.

In addition to dividend, NMDC has also gone for buy-back of shares in 2016-17 for ₹7,528 crore and an OFS during this fiscal which fetched ₹980 crore to the government.

N Baijendra Kumar, CMD, NMDC, while congratulating the board and staff said, NMDC, which is enroute to setting new records this year, is playing a pivotal role in the socio-economic growth of the country.

Base import price of gold raised

Mumbai, March 28



The Centre has raised the base import price of gold by \$6 to \$432 per 10 gm, and for silver by \$1 to \$536/kg, according to a notice from the Central Board of Excise and Customs. Base import

prices were last revised on March 15. Typically revised every fortnight, base import prices are used to calculate duty on gold and silver brought into the country by individuals who often carry purchase invoices. India levies 10 per cent import duty on both the precious metals. COGENCIS

Definition of 'illegal', recovery of fine: issues in Odisha mine crime

In August 2017, SC flagged a 'scandal of enormous proportions', and state govt has now moved to attach properties of miners who haven't paid compensation. SAMPAD PATNAIK recalls a 'frightening' story

THE ODISHA government announced this month that it would attach the properties of mine lessees who had not paid compensation for the illegal mining they had carried out in the state during 2000-10. This compensation was mandated by the Supreme Court, which ruled in August 2017 that "mineral extracted either without an EC [environmental clearance] or without an FC [forest clearance] or without both would attract the provisions of Section 21(5) of the MMDR [Mines and Minerals (Development and Regulation)] Act and 100% of the price of the illegally or unlawfully mined mineral must be compensated by the mining lease holder".

The court set the deadline for paying the compensation at December 31, 2017.

The order triggered concerns in several mineral-rich states, at least three of which — Karnataka, Andhra Pradesh, and Telangana — approached the Centre this January to complain about its potential "pandemic effects" on mining and related activities. In Odisha, miners initially tried to get the state government to allow staggered payment of the penalty, but backed off subsequently. The Centre is now reportedly considering tweaking the MMDR Act to limit the definition of 'illegal mining' to mining outside the lease area — under the current interpretation, which takes note of environmental violations within the lease area, state-run Maharatna Coal India Limited stares at hefty fines.

How did the case reach the Supreme Court, and what questions did it raise? What did the court say, and why?



'Lessees in the districts of Sundergarh, Keonjhar and Mayurbhanj (right) have rapaciously mined iron ore and manganese ore', SC said. Express Archive Photo

CONTD..ON PAGE 49

Shah Commission and PIL

Following a series of mining scandals (Karnataka, Aravallis, Madhya Pradesh, Goa, etc.), the Centre in November 2010 appointed a commission of inquiry on illegal mining of iron ore and manganese, headed by former Supreme Court Justice M B Shah. The Commission submitted the first two volumes of its report — on Odisha — in July and October, 2013. The Supreme Court took up the matter on a PIL filed by NGO Common Cause and, on April 21, 2014, a Bench of Justices A K Patnaik, S S Nijjar and F M Ibrahim Kalifulla directed the Central Empowered Committee (or CEC, which was first set up by the court in 2002) to make a list of mining lessees operating without, or without renewing, ECs and FCs.

The CEC found that between 2000-01 and 2010-11, some 2,131 lakh metric tonnes of iron ore and 24 lakh MT of manganese was mined either without ECs or beyond what was authorised by the terms of the ECs. "In terms of rupees", a Bench of Justices Madan B Lokur and Deepak Gupta noted in its August 2, 2017, order, "according to the CEC the total notional value of minerals produced without an environmental clearance or in excess of the environmental clearance, at the weighted average price of minerals as proposed by the Indian Bureau of Mines comes to about Rs 17,091.24 crore for iron ore and about Rs 484.92 crore for manganese ore, making a total of Rs 17,576.16 crore... not including mining without forest clearance".

An 'enormous scandal'

The Supreme Court's August 2 order delivered a powerful indictment: "The facts revealed... suggest a mining scandal of enormous proportions and one involving megabucks. Lessees in the districts of

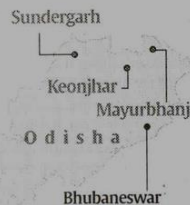
Keonjhar, Sundergarh and Mayurbhanj in Odisha have rapaciously mined iron ore and manganese ore, apparently destroyed the environment and forests and perhaps caused untold misery to the tribals in the area." It called the CEC's figures "frightening", and directed the Odisha government to recover, by December 31, 100% value of the illegally extracted minerals from 2000-01 — rejecting the CEC's recommendation that only 30% of the value be recovered from the errant miners. The lessees could restart mining only after they had complied with statutory requirements and paid up the compensation and other dues in full, the court ordered.

Definition of illegality

The court rejected as "narrow" the CEC's understanding of "illegal mining", which only included mining activities carried out in an area without a mining lease, and not the violation of mining rules within the lease area. The court clarified that the scope of illegal mining must extend to the area taken under lease, and include violations of mining scheme and mining plan, as well as the provisions of The Environment (Protection) Act, The Forest (Conservation) Act, The Water (Prevention and Control of Pollution) Act, and The Air (Prevention and Control of Pollution) Act. Within the lease area, mining in excess of 20% of permissible limits would warrant punitive action, the court said.

Fallout in Odisha

The recovery ordered by the court — Rs 17,576 crore, based on the CEC's rationalised calculation — was much less than the Shah Commission's estimate of about Rs 60,000



THE THEATRES AND THE DIMENSIONS OF THE SCAM

2,131 LAKH MT
iron ore, 24 lakh MT manganese
mined without authorisation
between 2000-01 and 2010-11,
according to the CEC

₹17,576.16 CR

was notional value of iron ore and manganese mined without environmental clearance, as per weighted average price of minerals proposed by Indian Bureau of Mines

₹8,223 CR

compensation had come in by the Supreme Court's December 31, 2017 deadline

₹8,297 CRORE

notice served by Odisha on Mahanadi Coalfields Ltd for violating The Environment (Protection) Act

crore. Less than half of that amount — Rs 8,223 crore — had come in by the court's December 31 deadline, a senior official in the Odisha Mining Department had revealed to *The Indian Express* in January. Only 72 of the 131 leaseholders had paid up. On March 8, Odisha Mines Minister Prafulla Mallick said that the government would now start attaching properties of the defaulters to recover remaining dues.

While the Supreme Court focussed on violations in the mining of iron ore and manganese, officials say the state government sees the principle of the judgment applying to all illegal mining in the state. The government had in November sent a showcause notice to Mahanadi Coalfields Ltd, an arm of Coal India Limited, for excess coal production estimated at Rs 20,169 crore, and followed it up with a demand notice for Rs 8,297 crore for violating The Environment (Protection) Act.

In the case of iron ore and manganese, the CEC found that the state government-run Odisha Mining Corporation Ltd "heads the pack", which also includes other private players. Miners initially argued how their mining could be termed illegal when they had paid royalty and taxes, and warned that shutting down operations after December 31 would hit lakhs of jobs. In February, some miners urged the government to bring an Ordinance to create a deferred penalty payment mechanism. After the March 8 announcement, however, the East Odisha Miners Association struck a more conciliatory note, saying defaulters could pay their dues to protect their leases.

Odisha Finance Department officials say the compensation amount will be used specifically by the Odisha Mineral Bearing Areas Development Corporation (OMBADC), a special purpose vehicle constituted in 2014 for the development of the local area and population.

SCCL plans to open 13 new mines

Recruitment of 8,434 teachers begins

SPECIAL CORRESPONDENT
HYDERABAD

Public sector miner Singareni Collieries Company Limited (SCCL) has decided to open 13 new mines – six underground and seven open cast – in the coming days to augment its production.

The company will convert underground mines into open cast in cases where amicable reserves for underground mining are exhausted while plans for expansion of existing open cast mines were being evolved to enhance capacity of the mining company in areas where it was feasible.

The company had requested the Union Coal Ministry to allocate coal blocks outside the State to increase its production capacity, Energy Minister G. Jagdeeshwar Reddy told the Legislative Assembly.

Replying to a query during the Question Hour on Wednesday, the Minister said the State Government had extended several bene-

fits to the employees and workers of the SCCL ever since the TRS took over the reins.

Recruitment of teachers

Deputy Chief Minister (Education) Kadiyam Srihari has asserted that the government sanctioned 8,434 teacher posts for the residential schools established for different sections across the State.

The Telangana State Public Service Commission had notified the vacancies and the recruitment test had been conducted. The process was expected to be completed by May. The Minister was replying to a query relating to the conditions of residential schools raised by TRS MLA G. Kishore Kumar and others.

The Government had allocated ₹2,823 crore in the next year's budget for both recurring and non-recurring expenditure towards meeting the requirements of students and teaching faculty.

Gold forges best run since 2011 as stars align for bulls

BLOOMBERG
March 29

Gold bulls are finding 2018 offers plenty of reasons to be cheerful.

Bullions wrapping up a third quarterly gain, a feat not seen since 2011, and exchange-traded fund holdings are near the highest in a half-decade. Haven demand may also get a boost with foreign-policy hawks in the ascendant in Washington.

Spot bullion was steady at \$1,324.23 an ounce, up 1.7 per cent this quarter, following a similar increase in the final three months of last year. The rise comes even as the Federal Reserve has been pulling the trigger consistently on US interest rates

and despite Wednesday falling by the most since July.

Gold's haven qualities have come back in focus this year as President Donald Trump's administration picks a series of trade fights with countries. At the same time, although geopolitical tensions with North Korea may be easing, Trump's pick

of John Bolton as his new national security adviser has spurred speculation of a potentially

harder line against Iran.

"The new appointees bring a significantly more hawkish stance on foreign affairs," Australia & New Zealand Banking Group Ltd. said in a note on Thursday, referring to Bolton as well as Trump's choice of CIA

Director Mike Pompeo to head the State Department. "While the obvious impact will be increasing safe-haven buying in gold, we see growing geopolitical risks raising concerns of supply-side issues in the oil market, too."

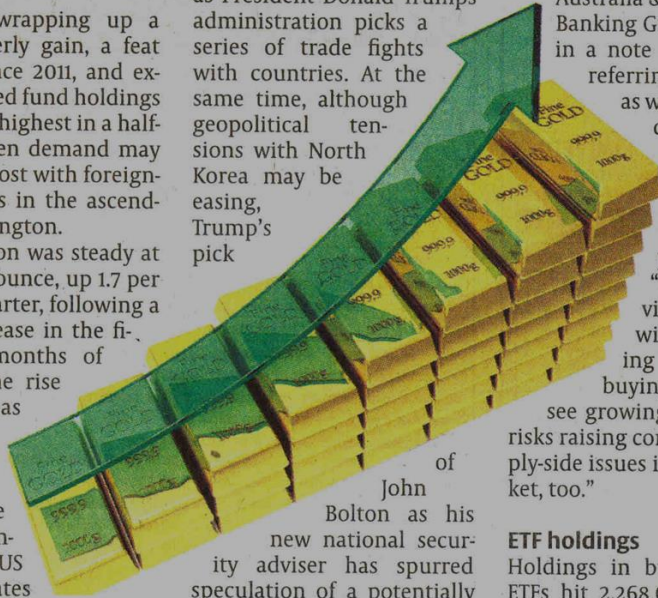
ETF holdings

Holdings in bullion-backed ETFs hit 2,268.6 tonnes last

week, the most since 2013, data compiled by Bloomberg show. The hoard has risen about 43 tonnes this year, the eighth quarterly rise in the past nine. The dollar has weakened and global equities are set for the first quarterly fall since early 2016.

Meanwhile, trading activity in the metal has also soared. Volume on the Comex exchange, the biggest futures market, hit a record 23 million contracts in the first quarter, according to data compiled by Bloomberg.

In other precious metals, silver traded steady at \$16.275 an ounce — down 4 per cent this quarter. Platinum is heading for a second quarterly gain. Palladium has dropped 8.6 per cent this year, set for the biggest quarterly loss since late 2015.



Tatas, Vedanta stay in ESL race

SAMBIT SAHA

Calcutta: The committee of creditors has found the resolution plans of Vedanta Ltd and Tata Steel for debt-laden Electrosteel Steels Ltd (ESL) to be eligible.

The lenders overlooked the objections of Abhishek Dalmia's Renaissance Steel, which had also submitted a resolution plan for ESL, and voted in favour of Vedanta and Tata.

Anil Agarwal's Vedanta emerged as the top bidder followed by Tata Steel. Sources said the findings of the creditors would be submitted before the Calcutta bench of the National Company Law Tribunal on Monday.

"The CoC took note of Renaissance's arguments and also sought independent legal opinion before coming to the decision," a source privy to the development said.

The next step to find a new owner for ESL would be the submission of the resolution plan of the highest bidder, Vedanta, to the NCLT. This could happen on April 2 or thereabout, the source added.

The State Bank of India has a 37.03 per cent stake of the Rs 13,999.71-crore verified claim made by the financial creditors of ESL. Earlier, in the case of Bhushan Steel, where too the

STORY SO FAR

- Committee of creditors finds resolution plans of Vedanta & Tata Steel eligible. Vedanta, the top bidder
- Panel overlooks objections of Renaissance Steel
- Findings of creditors to be submitted before Calcutta bench of NCLT on Monday

SBI has the largest pie, Tata Steel was declared eligible.

The Calcutta bench on March 20 had held the CoC responsible to decide on the eligibility of a resolution applicant, citing subsection 4 of section 30 of the Insolvency and Bankruptcy Code, 2016.

When called upon to adjudicate on the eligibility of Vedanta and Tata Steel, judicial member K.R. Jinan had said, "According to the amendment of section 30 of the code, the CoC is bound to consider the qualification of a resolution applicant."

The subsection 4 of section 30 reads: "Provided that the CoC shall not approve a resolution plan submitted before the commencement of the IBC (Amendment) Ordinance,

2017, where the resolution applicant is ineligible under section 29A and may, where no other resolution plan is available with it, require the resolution professional to invite a fresh resolution plan."

The proviso, the tribunal said in its order, "therefore empowers the CoC to consider independently in respect of question of eligibility requirement of all applicants under section 29A".

Jinan had ordered resolution professional Dhaivat Anjaria to respond to the charges of Renaissance and asked the Dalmia company to counter the reply and place all the exchanges before the CoC.

Legal sources, however, suggested the NCLT at some point would have to adjudicate on the eligibility matter, just as it is being asked to do so in the Essar Steel case.

Renaissance had alleged Vedanta and the Tatas were ineligible under clause (d) of section 29A which says a person shall not be eligible to submit a resolution plan if such a person, or any other person acting jointly or in concert with such a person, has been convicted for any offence punishable with imprisonment for two years or more.

Renaissance has said it will challenge the CoC's decision.

CIL Gears Up for Competition from Private Miners

Co to shift focus from raising output to coal supply, won't let stocks pile up

Sarita Singh
@timesgroup.com

New Delhi: State-run Coal India (CIL) will not let coal stocks pile up at its mines next year onwards as a strategy to compete with private players once the sector is opened up for commercial mining.

From next year, the company will shift its focus from raising coal production to coal supply and not let stocks pile up beyond the regulatory requirements, its acting chairman Gopal Singh said.

Once piled up, coal quality deteriorates each day finding lesser acceptability among buyers when competition is in place. "This hurts our bottom line too," Singh said. Coal India will end the current financial year with a stock pile of 54 million tonnes against the norm of 22 days. The company had to scale down its production in the first few months due to lack of demand from power companies, he said. "It is not production that matters, it is the supply that matters. Next year, our strategy will be giving adequate coal to consumers," he said, adding the company is expected to grow by 5-6% every year despite competition and huge wage cost.

"There is enough gap for everyone. Even now, we are importing 140 million tonnes of non-coking coal, leave aside coking coal imports. In a country that has 315 billion ton-

nes of reserves, there is no reason we should import or should have coal shortage. Commercial mining is a good initiative for larger good, because we are able to find out where we stand. This is an opportunity for Coal India to showcase its competence. Ultimately, it will be the margins that will decide the winner. Coal India will surely emerge as the winner," he said.

The government had last month finalised forward auctions as the methodology to select developers for commercial coal blocks and is likely to kick-start the auctions soon. Singh said the company has been able to cut its cost of production by 53 million tonnes in the third quarter of the current financial year, resulting into a



Co expects to grow 5-6% every year even after competition and huge wage costs

growth in profit before tax (PBT) of 10.9%. PBT for the first quarter was down year-on-year by 14.9% and by 25.5% in the second quarter. "We took some very loud measures since October,

including staggered system of rest for employees. Earlier, there was a fixed day of rest. Now, the establishment will run on all days resulting in huge benefits," he said.

Singh said hurdles in coal transportation created shortage in some power plants. "Power plants that are closer to mines have no coal shortage, but plants that are far off have problem, meaning there are evacuation issues," he said. Coal India will commit 525 million tonnes supply to power plants while the output target would be 650 MT.

JSW Steel acquires US mill Acero for \$81 million

OUR BUREAU

Mumbai, March 29

JSW Steel has acquired Acero Junction Inc, an Ohio-based steel mill for \$81 million (about ₹526 crore). With annual production capacity of 3 million tonnes (mt), Acero has an electric arc furnace, ladle metal-lurgy furnace and continuous slab-casting machine.

The acquisition comes close on the heels of JSW Steel announcing plans on Monday to invest \$500 million (₹3,250 crore) in its existing plant at Baytown in Texas.

The company said in a statement on Thursday that it has entered into a stock purchase agreement with JSM International, Acero Junction Holding and Acero Junction for acquisi-

tion of 100 per cent share of Acero Junction Holding, a Delaware Corporation for a cash consideration of up to \$80.85 million.

Expected to be completed in 60 days, the transaction is subject to fulfilment of condition precedents and other terms as per the stock purchase agreement, it added.

The acquisition of Acero provides an opportunity for JSW Steel to establish its presence in Ohio and gain deeper access to the North America market.

Acero Junction recorded a turnover of \$44.27 million (₹286 crore) between July, 2016 and December, 2017.

The planned investment of \$500 million is expected to

turn JSW Steel profitable in next two years. The company will invest \$150 million to modernise the existing 1 mt pipe and plate mill in the first phase which will be completed by March 2019.

In the second phase, it will set up a new melt and steel manufacturing plant at an investment of \$350 million to triple the production capacity to 3 mt per annum by 2020.

The company currently imports steel slabs from India, Mexico and Brazil to process it into plates and pipes. However, the proposed new steel plant will use steel scrap as feedstock in the electric arc furnace to produce steel slabs and cut down on imports, said Parth Jindal, Director, JSW Steel US.

US-China Trade Wars May Hit Diamond Sector

Sutanuka.Ghosal@timesgroup.com

Kolkata: Escalation in the US-China trade war is emerging as a major concern for India's diamond trade.

The US, a major buyer of gems and jewellery from India and China, levies a 6% duty on imports. While this has not been altered, the Trump administration's decision to increase the tax on commodities like steel and aluminium has made global markets nervous. If Donald Trump decides to increase the duty on items such as gems and jewellery to check shipments from China, it will hurt India as well.

Any such decision would be a double whammy for the sector, where the ₹13,600-crore Punjab National Bank scam involving diamond merchant Nirav Modi has already resulted in slowing down of bank finance. Gems and jewellery exporters do not expect any growth in FY19, as it will be hard to get bank finance.

"Though the US has not done anything with the gems and jewellery sector as of now, the escalation of trade war between the US and China has generated a bit of nervousness in all sectors including gems and jewellery," Praveen Shankar Pandya, a former chairman of the Gem & Jewelle-

ry Export Promotion Council (GJEPC), told ET. "Everybody is keeping a close watch on the global economic developments. The US being our major exporting nation, any policy change will affect our trade."

Diamond exporter Vipul Shah said: "Anything can happen anytime. It is a matter of concern to Indian exporters, including gems and jewellery exporters. After all, India is trade surplus with the US."

Pandya said what was more disturbing to the sector was bank finance. "If finance is curtailed, then the trade cannot grow. From April onwards it is expected that banks will tighten finance to the sector and will ask for more collaterals. That will have an impact on the sector which is a major foreign exchange earner for the country."

Pvt entry into coal mining an opportunity, says CIL

KOLKATA, Mar 30 (PTI)

COAL India Limited (CIL), the single largest producer in the world enjoying a monopolistic status, on Friday said the recent Government announcement of opening up of the coal mining sector to private players was an opportunity and not a threat.

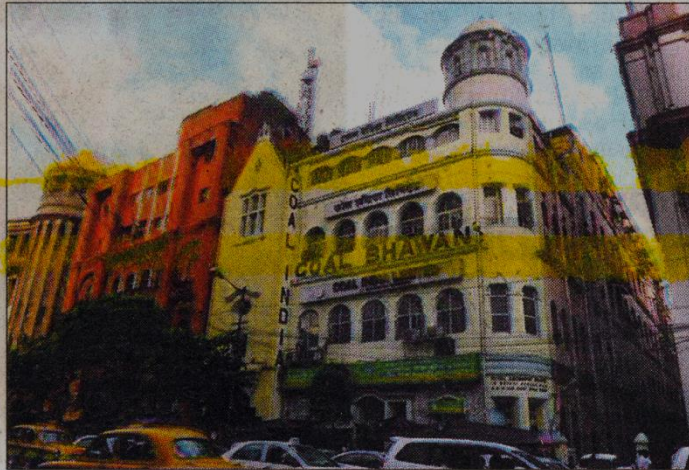
This was not the first time that the coal sector was being thrown open to the private sector, as 200 captive blocks were offered earlier to them but the exercise had been a failure, the PSU said.

"We see the opening up of the coal mining sector as a challenge and an opportunity for CIL which had been always sneered at for being a monopoly. It is not a threat for CIL", its CMD Gopal Singh said here on Friday.

He said the CIL had been selling the cheapest coal in the world if prices of ex-mine (for the PSU) and ex-port (for imports) were compared.

"The prices are 42 per cent to 64 per cent lower for various grades of coal for CIL," Singh said.

To retain its market leadership



status, the priority of the CIL would be to sell coal at a lower price than the private players which could be only attained by increasing productivity and efficiency which would lead to falling cost of production, he said.

Also there was ample scope for controlling expenditure, he said.

The various labour unions opposed the Government decision saying the move would gradually ruin Coal India as private players would not do

mining ethically.

In the first quarter of next fiscal, the CIL had estimated a despatch plan of 155.36 million tonnes in the first quarter, a growth of 22.13 per cent.

Coal production in 2017-18 would be 567.02 million tonnes, while offtake was 580.5 million tonnes, the excess met from inventory. Singh said that the CIL's effort would be not to maintain high inventory which had an implied cost.

Platinum mines in the world's top producer are shrinking

BLOOMBERG

March 26

Ramaphosa boosted the rand and revived investor sentiment on South Africa. But deep underground in the country's platinum mines, there is very little cause for optimism.

Producers in South Africa, which accounts for about 70 per cent of the world's mined platinum, are closing shafts and cutting thousands of jobs as a stronger rand combines with stagnating prices for the metal in squeezing profit margins.

The future looks equally bleak, as reduced demand for diesel engines and the rise of electric cars threatens to erode the need for the metal used to cut pollution.

"The industry is going to shrink in size until there is a new source of demand," said Natixis

SA senior commodities analyst Bernard Dahdah. "We are likely to see more operations close."

Further losses in the platinum sector, a top export earner, will add to pressure on President Cyril Ramaphosa as he seeks to kick start an economy that's currently projected to grow just 1.5 per cent this year and drive down a 27 per cent unemployment rate. The domestic platinum industry generated about \$8 billion in sales last year and employed more than 175,000 people, according to the Chamber of Mines, which represents most mining companies.

Across the industry, the cuts are piling up. Impala Platinum Holdings Ltd. shut a shaft at its Rustenburg operation in January, flagged three more to be closed once mined out and fired 1,400 workers. The miner has

closed 10 shafts since 2013. Rival Lonmin Plc burned through a third of its cash last quarter and could cut more than 12,000 jobs over three years, while top producer Anglo American Platinum Ltd. has a spending freeze in place on major new developments.

That is bad for platinum miners, which get paid in dollars, but pay most of their costs in rand. In rand terms, platinum is down more than 15 per cent since mid-November.

"Production losses in platinum will have a negative effect on South Africa's export earnings and the current account," said Bloomberg Economics Africa economist Mark Bohlund.

As platinum is South Africa's biggest export item, any losses in the sector will weigh on the trade balance, he said.

"The new president needs an urgent plan to create jobs for the thousands of workers affected," said Ross Harvey, an analyst at South African Institute of International Affairs.

Ultimately, he isn't responsible for the way markets behave, but he needs a good strategy to create new jobs in the platinum belt. While the rand has made things worse, the industry also faces more fundamental challenges. Prices are about 60 per cent below record highs set a decade ago, and have bobbed along in a narrow range for the last two years. Part of the problem is that there's more than a year's supply of metal stockpiled above ground, according to Metals Focus Ltd. And while the world produced 8 million ounces of the metal in 2017, it consumed only 7.7 million ounces.

The market balance may improve this year, as the South African cuts take effect. The World Platinum Investment Council, an industry lobby group funded by the miners, forecasts flat demand in 2018, after a 7 per cent decline last year, while mine supply is forecast to decline 4 per cent this year.

Lower prices could also have a silver lining, by making the metal more attractive for use in other applications, according to the WPIEC. There is some anecdotal evidence of US car-makers testing the metal in cars that run on gasoline.

In the longer term, demand for platinum is likely to dwindle as consumers shift to electric vehicles. That could lead to a further \$600 an ounce drop by 2040, according to ABN Amro Bank NV.

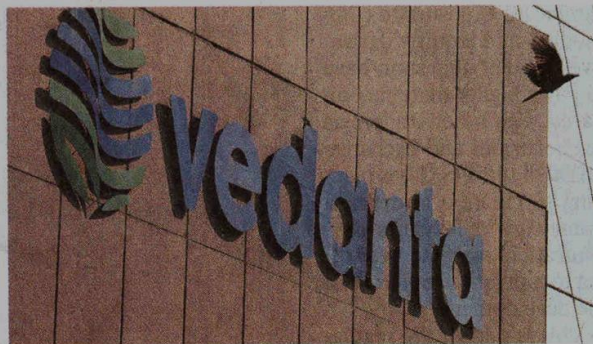
Vedanta may take up to \$600 mn hit from Goa iron ore unit closure

Supreme Court had in February quashed all iron ore mining permits in the State

REUTERS
LONDON

London-listed Vedanta Resources said it would likely record an impairment charge of up to \$600 million following the closure of its iron ore business in India's southwestern Goa state.

In February, India's Supreme Court quashed all iron ore mining permits and mining was ordered stopped from March 16 in Goa, one of the country's top producing states for the material used in steel. Billionaire Anil Agarwal's Vedanta Resources, the State's biggest ore miner, said there could be a likely impairment of \$500-600



No problem: Vedanta said its Goa ore business would not have 'any material impact' on the group's profitability. ■ REUTERS

million net of taxes, or \$700-\$800 million gross of taxes, on this account.

Court action against illegal mining shut the Goa in-

dustry for more than two years from 2012, prior to which Goa had exported about 50 million tonnes a year. The Supreme Court la-

ter limited production in the State to 20 million tonnes a year. The latest ban would affect not only Vedanta but also several small unlisted companies run by local families.

Production capacity

Vedanta Ltd. is expected to produce around 5.5 million tonnes of Goa ore in the fiscal year ending March 31. India's ore production was 192 million tonnes last fiscal year.

The parent company said its Goa ore business would not have "any material impact" on the profitability of the group.

Gold tumbles by Rs 650 on fall in demand

NEW DELHI, Mar 30 (PTI)

GOLD prices plunged by Rs 650 to Rs 31,300 per ten grams at the bullion market on Friday on considerable fall in demand from local jewellers and retailers at prevailing higher levels.

Silver followed suit and lost Rs 600 at Rs 39,150 per kg due to reduced offtake by industrial units and coin makers.

Marketmen said gold prices sank on lacklustre demand from local jewellers and retailers at domestic spot market.

In the national capital, gold of 99.9 per cent and 99.5 per cent purity plunged by Rs 650 each to

Rs 31,300 and Rs 31,150 per ten grams, respectively. Sovereign, however, remained unaltered at Rs 24,800 per piece of eight grams.

In line with gold prices, silver ready drifted lower by Rs 600 to Rs 39,150 per kg and weekly-based delivery by Rs 660 to Rs 38,320 per kg.

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



NuMetal to take control of Odisha strategic pipeline, repay all debt

SHAYAN GHOSH
MUMBAI, MARCH 30

UPPING THE ante in the fight for Essar Steel, Numetal is trying to get control of Odisha Slurry Pipeline Infrastructure (OSPIL) by repaying Odisha Slurry's dues to lenders. OSPIL is strategically important since its pipelines carry iron slurry to feed Essar Steel's plant and without access to this pipeline, running the plant could be difficult.

In February, lenders to OSPIL had moved the Delhi High Court seeking a stay on the sale of a 70 per cent stake in OSPIL to

OSPIL is important since its pipelines carry iron slurry to feed Essar Steel's plant

Numetal Mauritius. Numetal Mauritius had entered into an agreement to buy a 70 per cent stake in OSPIL from Srei Infrastructure for Rs 4,000 crore.

OSPIL is understood to have informed its lenders it proposes to repay their loans by April 30. If the lenders accept Numetal's offer, the Delhi High Court would need to be informed of the deci-

sion at the next hearing on April 5.

Numetal, a joint venture between Russia's VTB Bank and Rewant Ruia's trust, has made a bid for Essar Steel under the Insolvency and Bankruptcy Code (IBC), as has Lakshmi Mittal's ArcelorMittal.

Essar Steel owes lenders close to Rs 45,000 crore. Both NuMetal and ArcelorMittal were found to be ineligible to bid under Section 29A of the Insolvency and Bankruptcy Code. The Committee of Creditors (CoC) decided last week it would only consider applications from bidders who had submitted expressions of interest in the first round. **FE**